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Working Paper

Organizational Forms of Terrorism: Hierarchy, Network, or a Type sui generis?

MPIfG Discussion Paper, No. 04/4

Provided in Cooperation with:

Max Planck Institute for the Study of Societies (MPIfG), Cologne

Suggested Citation: Mayntz, Renate (2004) : Organizational Forms of Terrorism: Hierarchy, Network, or a Type sui generis?, MPIfG Discussion Paper, No. 04/4, Max Planck Institute for the Study of Societies, Cologne

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MPIfG Discussion Paper 04/4

Organizational Forms of Terrorism

Hierarchy, Network, or a Type sui generis?

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MPIfG Discussion Paper 04/4
Max-Planck-Institut für Gesellschaftsforschung Köln
Max Planck Institute for the Study of Societies Cologne
May 2004

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MPIfG Discussion Paper | ISSN 0944-2073

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Abstract

In this paper, the organizational forms of terrorism are analyzed on the basis of an extensive literature study. In the literature, the hierarchical form of the “old,” nationally bounded terrorism of organizations like ETA, IRA or Hamas is contrasted with the new “network of terror” represented by Al Qaida. In fact, however, both old and new terrorism are characterized by a mixture of hierarchical and network-like organizational features. Both old and new forms of terrorism display moreover a set of additional features that fit neither a hierarchical nor a network model, constituting a distinctive form of governance. Nevertheless, organized terrorism shares many structural features with other kinds of organizations, including economic organizations.

Zusammenfassung

Auf der Grundlage einer ausgedehnten Literaturrecherche werden die Organisationsformen des Terrorismus in Kategorien der Organisationssoziologie analysiert. Anders als in der Literatur behauptet, besteht kein scharfer organisatorischer Gegensatz zwischen dem auf ein nationales Territorium bezogenen „alten“ Terrorismus von Organisationen wie ETA, IRA oder Hamas und den neuen, vor allem mit dem Namen Al Qaida verbundenen „Netzwerken des Terrors“. Vielmehr weisen alle verdeckt operierenden Terrororganisationen eine Kombination von hierarchischen und netzwerktypischen Merkmalen auf. Darüber hinaus kennzeichnet den organisierten Terrorismus eine Reihe von Merkmalen, die weder ins hierarchische Muster passen noch allgemein netzwerktypisch sind. Dabei handelt es sich um einen besonderen Steuerungsmodus und einen besonderen Modus loser Koppelung, die beide auf einer starken ideologischen Identifikation der Mitglieder mit der Organisation und ihren Zielen beruhen. Keines dieser Merkmale terroristischer Organisation ist einzigartig und unvergleichlich; sie finden sich vielmehr alle auch in anderen Organisationen bzw. Interorganisationsnetzwerken.

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1 Introduction

Reacting to the event of “9/11,” one of my multiple selves, the organization sociologist, was struck by the fact that the type of organization which had perpetrated this terrorist attack had no place whatsoever in the field of organization studies. From the large diversity of organizations covered in the path-breaking early texts (Etzioni 1961; Blau/Scott 1962; Hall 1972), organization studies have come to concentrate increasingly on one specific type: economic organizations, or firms. Step by step, voluntary associations, hospitals, research institutes and even the agencies of public administration have disappeared from the field called organization studies and have become the focus of separate and independent research fields. Nevertheless, journals like “Organization Studies” still claim, by virtue of their title, to represent the field of organization studies at large. The process of differentiation and attendant specialization has undoubtedly made research more cumulative by narrowing the range of variables that must be taken into account in formulating theoretical generalizations. But there is also a price to be paid. As the segment of reality we try to generalize about becomes smaller, the scope for comparative analysis narrows, and hence the opportunity to observe the effect of variance in variables now held constant.

Even the broadly comparative early texts, however, deal only with organizations pursuing legitimate goals, organizations belonging to the legal world. The neglect of clandestine illegal organizations might be explained by the fact that they are inaccessible to scientific study. True, the use of our standard data collection methods is severely restricted when we deal with drug cartels, the mafia, or terrorist organizations. Even when it is possible to interview, for instance, imprisoned members of a terrorist organization, as Iribarren (1998) did, the information obtained may be flawed. Nevertheless, the descriptive accounts of the basic organizational features of clandestine illegal organizations that can be culled from the work of journalists, court transcripts, interrogation protocols, and governmental agency reports show a surprising degree of correspondence. This suggests that a less pragmatic reason may also be at play in the neglect of the illegal world by organization studies, i.e. the economic perspective that has come to dominate large parts of it.¹ The emphasis on rational choice and rational behavior makes other properties such as legality appear to be of secondary importance for organizational research; after all, the behavior of mafia organizations and terrorists can also be interpreted in terms of rational choice. As a consequence, organizations that live and act in the underworld of illegality (as defined from the perspective of the prevailing order) will not attract special attention. At least in the eyes of organization

1 This is implied by Hirst (2003) who argues that economics, the “hegemonic discipline of the social sciences for the last fifty years” (49), by promoting the concept of the rational, interest-maximizing agent, has focused on “transparency” and “accountability.” “This obsession with transparency and accountability has proved effective in devaluing the relationships that matter and that make institutions work, and useless at catching the rogues and charlatans that plague modern management, both public and private” (50).

scholars subscribing to a comparative approach, this is a deficit that may justify a closer look at the organizational forms of terrorism – as a first step towards including the major forms of illegal organizations in the purview of organization studies.

2 The question and the data base

At the beginning of my inquiry I simply wanted to know what the distinctive features of terrorist organization are. This led to the question whether core categories of organization research can be applied to the organizational forms of terrorism in the twentieth and beginning twenty-first century. Are we dealing with an organizational phenomenon *sui generis*, or are there similarities to other kinds of organization? While a pointed comparison with specific other, legal or illegal, types of organizations is beyond the scope of the present article, I kept an eye on possible similarities especially to economic organizations. However, the foremost purpose of the following analysis is the identification of the organizational features of terrorism. This is a modest goal if judged by the dominant standard of “best research practice,” which requires the – preferably quantitative – test of a specific hypothesis, but it is a necessary first step if the range of comparative organization research is to be extended to terrorist organizations. In the end, the attempt to fit a new phenomenon into the analytical framework of organization research may also prove theoretically fruitful.

In the following analysis, no original data will be presented; it is based entirely on information contained in the available literature on terrorism.² This kind of data base permits the researcher to make qualitative rather than quantitative statements. The literature on which my interpretations are based consists of more than 60 relevant texts on terrorism that I read fully,³ plus the extended abstracts of 165 additional texts contained in a bibliography on international terrorism commissioned by the Max Planck Institute in Cologne and compiled at Humboldt University in Berlin under the direction of Herfried Münkler. In this bibliography, the extended abstracts of 199 books, book chapters, reports, journal articles, and electronic sources are presented, covering mainly publications that appeared since 1990. The focus of the literature search for the bibliography was on questions of organization in a very wide sense, rather than on social background factors, ideology, or psychological aspects of terrorism.

2 My first conclusions from the literature survey with respect to the organizational forms of terrorism have been discussed with a number of specialists, mainly but not exclusively within the framework of a workshop jointly chaired with Herfried Münkler in Berlin, December 11, 2003.

3 To avoid an excessively long list of references, I shall, however, cite only those texts that have proved most informative for the questions at hand.

As is obvious from these remarks, there exists a rich specialist literature on terrorism and on organizations engaging in terrorist acts, a good part of it stimulated by 9/11. Much of this literature is highly descriptive, focusing on particular organizations or groups, such as the German Red Army Fraction RAF (e.g. Straßner 2003), the Peruvian Sendero Luminoso (SL; e.g. McCormick 1990), the Sri Lankan Tamil Tigers (LTTE; e.g. Gunaratna 1998), the Basque ETA (e.g. Llera/Mata/Irvin 1993), the Northern Irish IRA (e.g. Horgan/Taylor 1997), the Palestinian PFLP, PLO, and Hamas (Schröm 2002; Frisch 1991; Mishal/Sela 2000), the Lebanese Hizbollah (Ranstorp 1994; Wege 1994), and, last but not least, Al Qaida (see especially DSSI 2001; Gunaratna 2002; Rothenberg 2002). A second group of publications deals with the “new terrorism” more generally (e.g. Laqueur 1999; Simon/Benjamin 2000; Münkler 2003). A third, more analytical part of the literature is framed in the context of peace and conflict studies as a specific field of political science, and considers terrorism as a new form of warfare (e.g. Münkler 2001; Kaldor 2002). There is also a specialist literature on organized crime – the illegal traffic in arms, drugs, women, and immigrants. By and large, these literatures constitute separate fields, insulated and walled-off against each other, as indicated by a lack of cross-references and the scarcity of comparative analyses (for a notable exception see Raab/Milward 2003). None of this literature is systematically using an organization science perspective.⁴ This justifies the attempt to re-analyze the literature on terrorism for its possible contribution to organization theory, even if no new factual knowledge can be presented.

3 From terrorist organizations to “networks of terror”

There is an extensive discussion in the literature of how to define “terrorism,” both to distinguish it from other forms of militant action and from other kinds of clandestine organization (see for instance Münkler 1992: 142–175; Elwert/Feuchtwang/Neubert 1999). By and large there is agreement that a terrorist act, group, or organization is characterized, first and foremost, by the choice of a particular strategy, i.e. to inflict visibly massive harm on non-combatants in order to destabilize the enemy system or regime. The strategy of terrorism sets it off from other forms of militant action such as partisan and guerilla warfare that target the persons and infrastructure of a political regime or occupying power. The second defining feature is the proclaimed goal of terrorism: Terrorists oppose, and want to change radically, the socio-political status quo, whether on the national, the regional, or the “global” level. This sets terrorism off from the different forms of organized crime (and the war economy of warlords) that seek profit.

4 An exception is Della Porta (1995: 135) who at least raises the question of what the evidence on the German and Italian terrorist organizations she studied might signify in terms of the sociology of organizations, but she then concentrates on motivational, not structural aspects.

Terrorism, as roughly defined by its goal and its strategy, can be conducted in different forms. Friedhelm Neidhardt (1982) has distinguished between individual terrorists, small interpersonal networks, highly integrated groups, and terrorist organizations. To account fully for the different organizational forms of terrorism, this classification must be extended along the lines of familiar typologies of basic forms of social coordination, or governance in the widest sense of the term. Formulated first with respect to the choice between market and hierarchy (Williamson 1975), the typology of governance forms has subsequently been extended to include networks (Powell 1990; Thompson et al. 1991), clans (Ouchi 1980), and associations (Streeck/Schmitter 1985). In the study of public policy development as well as in studies of economic organizations, particular attention has been paid to the shift from hierarchical organizations (i.e. state bureaucracies, firms) to network forms of organization (e.g. Marin/Mayntz 1991; Axelson/Easton 1992; Hollingsworth/Schmitter/Streeck 1994). Inter-organizational networks have thus become an important sub-field of organization studies.

Hierarchy, organization, and network are crucial categories in the literature on terrorism, but they do not form a single analytical dimension. In a political science perspective, the core feature of networks is their non-hierarchical nature, i.e. networks are being opposed to hierarchies. From a sociological point of view, the difference between formal organization and network is crucial. According to classical organization theory, formal organizations possess a role structure distinct from their actual membership, are clearly bounded, and internally differentiated both in a horizontal (functional) and a vertical direction (differential distribution of rights and duties). This minimal definition also covers democratic organizations such as political parties, labor unions, and voluntary associations. But even in organizations where decisions are generated bottom-up, their execution requires a minimum of hierarchy where size makes it impossible to distribute tasks consensually. Hence, large formal organizations usually display at least some hierarchical features. Networks, in contrast, are leaderless by definition, though this does not preclude joint action. Power may be distributed unequally among network components ("nodes"), but there are no formal, institutionalized lines of command. Though "embedded" and hence not independent, network components enjoy autonomy in the sense that they do not take orders.⁵

Whatever their form, most terrorist groups appear to be rather small. The German Red Army Fraction and the Italian *Brigate Rosse* were small, highly integrated and geographically concentrated groups (Neidhardt 1982; Straßner 2003; Della Porta 1995). Geographically concentrated small networks seem characteristic also of US right-wing militias (e.g. Abanes 1996). There is also a host of small and more or less locally circumscribed, radical Islamic groups. Dekmejian (1995) has counted 176 Is-

5 For a more extended discussion of the concepts of organization and network see for instance Nohria/Eccles (1992).

lamic fundamentalist groups in the Near East alone; only for some of the larger ones, notably Hamas, Hizbollah, Egyptian Jihad, and PLO, do we have information about their internal structure – information of the kind we also have for ETA, IRA, SL, and LTTE. These relatively large and well-structured, Islamic as well as non-Islamic groups are organizations in the sociological sense of the word. They have generally grown out of regional or national protest movements in a process of competition between smaller groups with similar goals.⁶ These organizations have (sometimes even card-carrying) “members,” are acknowledged as corporate actors, and have an internal structure that can be described by means of a traditional organization chart.

In the literature, the “old” or traditional terrorism that seeks regime change in a national context is contrasted with the “new” terrorism. This “new” terrorism is characterized, in addition to its religious rather than secular basis, by its international scope and its network structure (e.g. Laqueur 1999; Simon/Benjamin 2000; Hirschmann 2000; Gunaratna 2002; Schneckener 2002). The frequently used epithet “networks of terror” best expresses the claim with respect to organizational form. These are no longer Neidhardt’s small clandestine networks: many of their “nodes” are groups rather than individuals, their scope is international, and they involve hundreds, if not thousands of individuals. Terrorist acts are no longer committed by a given nationally operating organization in its own territory, but result from the cooperation of many distinct groups spread over a wide territory, and can occur anywhere in the world.

The new international terrorism comes in different forms that are not normally distinguished. There are, for one thing, several possibilities for a national terrorist organization to expand its activities beyond the national borders. This is what Ulrich Schneckener (2002: 15–18) calls international terrorism proper, distinguishing it from transnational terrorism. The first form of internationalization of a national organization is to attack targets from/in other countries in order to promote the organization’s goal; to help in the preparations, foreign bases may be set up, as the Palestinian PFLP has done. A second, less militant form of international expansion consists in building up international support networks that collect funds and provide the national organization with other resources (such as a legitimating narrative); the Sri Lankan LTTE has been most successful in this effort. A third type of internationalization involves the active promotion of terrorist groups in another country; thus the successful Islamic fundamentalists of Iran were instrumental in the transformation of the Lebanese Hizbollah from a loosely structured group to an effective organization.

6 An interesting question, not to be pursued here, is under what conditions a protest movement develops into a clandestine militant organization rather than a legitimate political party, an issue discussed for instance by Kitschelt (2003). The transition from protest movement to terror organization can be gradual, contested, and remain incomplete. In addition, there are cases of dual organization as political party and clandestine militant organization, the best-known examples being ETA and Herri Batasuna, and IRA and Sinn Féin.

Distinct from this are the three main forms of transnational terrorism that no longer aim to change the political status quo in a given country. There are, first, cases of ad hoc international cooperation among several distinct terrorist groups who pursue different, if compatible goals. Such ad hoc cooperation has been described by Oliver Schröm (2002) in his study of the terrorist Carlos. Secondly, independent terrorist groups from different countries may form a stable network in the cooperative pursuit of a common goal. Theoretically at least, there is finally the possibility of a truly transnational terrorist organization.

In the literature, discussions of Al Qaida and the new “networks of terror” tend to merge into each other. Descriptions of Al Qaida are characteristically vague with respect to the organization-or-network question, which is hardly raised in a systematic manner. Sometimes Al Qaida is called an organization, sometimes it appears to be part of a much larger network. This vagueness may not simply be the consequence of our lack of information; though analytically the difference between “one organization” and “a network” seems clear, in reality the boundary between a decentralized organization and a well-connected network may appear fluid – as for instance in the case of international non-governmental organizations. Available accounts indicate that Al Qaida started out as an organization, managing the recruitment and training of Arab “fighters” that flocked to the camps in Pakistan to prepare for battle against the Soviet invaders in Afghanistan. Meanwhile it may have become a network of nearly global expansion, possibly with the transformed earlier Al Qaida as the focal organization (or “hub”).

Given the available information, this factual question cannot be resolved. But the organization-versus-network dichotomy itself is not the most fruitful approach for an analysis of the organizational forms of terrorism. A more fine-grained study of the different forms in which organized terrorism occurs will instead use an analytical framework of structural properties, with one focal dimension ranging from the end-point of an exclusively (ideal-typical) “hierarchical” to the other extreme of a purely “networked” structure. While using a different terminology, this analytical dimension has already been central to the discussion of organizational structure that unfolded in the 1960s. The discussion started with a critique of the bureaucratic (or command and control) model of firm structure and set out to identify alternatives such as the “organic” model (Burns/Stalker 1961). With the growing incidence of multinational corporations and the increasing popularity of network terminology, this discussion is now often framed in terms of hierarchical versus network forms of organization.⁷ Multinational corporations in particular are described as displaying strong elements of an internal network structure (see Bartlett/Goshal 1989).

7 This shift in analytical perspective is of interest in and of itself, reflecting – as has also happened in the theory of political governance (Mayntz 1998) – interconnected changes in reality and scientific perspective that cannot be elaborated upon here.

4 Terrorist organizations as hybrids

In the literature, the network character of the new international terrorism is generally contrasted with the hierarchical structure of the better-known national terrorist organizations (Hoffmann 1999; Hirschmann 2000; Arquilla/Ronfeldt 2001; Gunaratna 2002). But closer analysis reveals quickly that the difference between “old” and “new” terrorism in terms of organization is a gradual one only. All terrorist organizations, including Al Qaida where it is not explicitly treated as a mere assembly of separate terrorist groups, display features typical of centralized hierarchical organization as well as features of decentralized (“networked”) and possibly even democratic organization.⁸ The hybrid character of terrorist organization is sometimes explicitly acknowledged. Horgan and Taylor for instance describe the IRA as a hybrid of “organization” and “network,” “a cellular-based, hierarchically-organized authoritarian structure” (Horgan/Taylor 1997: 3). This combination of cell-structure and central steering holds for practically all terrorist organizations whose internal structure is described in the literature. True, Islamist organizations are sometimes described instead in terms of a ring structure, “building from an internal core outward” (DSSI 2001: 8), and their members may call them a movement or mission (e.g. Hizbollah; see Kramer 1990: 132). But where structural descriptions are given, it is clear that in Islamist organizations, too, both hierarchical and network elements can be found. What does differ between individual organizations is the relative weight of properties belonging to one or the other of the two ideal types.

The following structural features, characteristic of hierarchical organization, can be found without exception in all terrorist organizations covered in this article:

1. They have a clearly defined leadership – e.g. the *cupola* (SL), *army executive* (IRA), *majlis shura* (Islamic Jihad), *council* or again *majlis shura* (Al Qaida).
2. They are differentiated both vertically and functionally. All terrorist organizations covered (again including Al Qaida) have specialized units directly below the top leadership level. In some cases the main distinction is between a military and a support branch, in other cases various units distinguished by functions such as finances, procurement, propaganda etc. are related to the operative units in a matrix-like fashion. All terrorist organizations have furthermore a clearly circumscribed third level of operative units, the famous cells.⁹

8 Elements of democratic procedure have, for instance, been described for ETA; see Iribarren (1998).

9 In some Islamist organizations the existence of a separate hierarchy of clerics introduces a further internal differentiation. Clerics often played an important role in the early phases of organizational development, they are present among the leaders or form a separate unit (*fatwa* committee), and they have (e.g. in Hizbollah) their own followers down to the level of local cells. This makes for a kind of double hierarchy familiar from the party/state apparatus division in state socialist countries.

3. Vertical communication dominates.

At the same time all terrorist organizations covered here display the following features, generally held to be characteristic of a decentralized, network form of organization:

1. There is no detailed central steering of operations; the operative units, or cells, enjoy a considerable degree of autonomy in planning their day-to-day actions and in the execution of acts of terrorism, sabotage etc.
2. The organization reacts quickly and flexibly to situational exigencies (threats as well as opportunities) by changing plans and the function of individual members.
3. The organization has a relatively open and fluid boundary. New cells are continuously created, and dissolve. At all levels except the top leadership, there are members with different grades of identification with the organization: (a) activists (core members, professional terrorists who, in the extreme case, have no exit option), (b) persons identifying themselves as members, but leading at the same time a normal life in the legal world, and (c) persons rendering ad hoc services, often without knowing to whom and to what purpose.

The contemporaneous existence of such features is sometimes considered contradictory (e.g. by Rothenberg 2002) and a source of tension. However, different forms of governance normally coexist, at the societal and the organizational level. The different features of a hybrid organization can counteract each other, and in this way contain the negative effects following from each pure type, such as the rigidity of hierarchy and the centrifugal force of network structure. In the case of terrorist organizations, the addition of network elements to a basically hierarchical structure is held to be necessary to maintain operational effectiveness in the face of constant threats of discovery and repression.¹⁰ This reference to the functionality of the hybrid character of terrorist organization is not unlike the argument advanced by Burns and Stalker (1961) in favor of “organic” forms of firm organization in a dynamic, uncertain environment.

However, a combination of the two sets of features just listed does not suffice to describe what is specific to the organization of terrorism. A careful reading of the literature allows us to identify a number of additional characteristics of terrorist organization that do not belong to the pure hierarchical model and are not basic network properties. These features, highlighted especially in analyses of the “new terrorism” (e.g. Arquilla/Ronfeldt 2001; Schneckener 2002), but equally present in case studies of the “old terrorism,” seem to constitute the *differentia specifica* of terrorist organization.

10 The causal connection between repression and the emergence of a hybrid organizational form is manifest in the case of the IRA, which shifted in the face of mounting repression from a quasi-military organization to the hybrid type outlined above (Horgan/Taylor 1997).

5 Distinctive features of terrorist organization

The first distinctive feature of terrorist organization is a specific mode of central control. Notwithstanding the large scope for autonomous action that lower level units possess, their activities are effectively steered by the central leadership, not through specific orders, but by generally formulated goals and strategies. Where detailed orders are nevertheless given, these are typically ad hoc and directed at specific persons (rather than incumbents of roles).

The second distinctive feature of terrorist organization is the latency of both vertical and horizontal relations. Latent relations are a special form of loose coupling.¹¹ Typically, organizational units, and especially the operative cells, are relatively isolated from each other. There is very little face-to-face communication between levels, and between units at the same level, and especially for the lowest level units, the structure of the organization is deliberately kept intransparent. But a latent relation is not a weak relation: while not manifested in regular interaction, it can be activated at any time in case of a specific need for action (*“bei Bedarf,”* Bendel/Hildebrandt 2002: 19).

Latent relations as well as effective control through generally formulated goals and strategies are made possible by a third feature typical of terrorist organization, the strong identification of individuals with the organization and its goals. This identification is based on ideological indoctrination and practical learning; a deeply felt religious belief may be particularly effective here. The unquestioning consensus based on shared beliefs is reinforced by close personal relationships grounded in ethnic or family ties or in a common experience, for instance in training camps. The resulting identification with the organization and its goals assures the willing *and* independent enactment of general directives formulated by a (normally remote) leadership, and generates the kind of “blind” trust necessary if persons are asked to act upon signals coming – possibly in coded form – from persons with whom they do not regularly interact.

Neither the distinctive mode of control nor coupling through latent relations belong to the defining characteristics of one of the major forms of non-market governance, i.e. hierarchy, network, and community. *Effective* central control via *generally* formulated goals and strategies is not typical of the ideal-type hierarchy, nor of an ideal-type network. In networks action is held to be coordinated through negotiation, while in hierarchies coordination is achieved by command and/or an elaborate system of formal rules (Scharpf 1997: chaps. 6 and 8). Negotiation as well as commanding also involve manifest interaction. Communities, finally, lack central control by definition, and interactions tend to be manifest.

11 Loose coupling is generally defined as a combination of closeness (coupling) and separateness (looseness), which appears contradictory but is better described as dialectic, as pointed out by Orton and Weick (1990) in their review of the loose coupling literature.

Whether deliberately chosen or not, the cluster of the three distinctive features of organized terrorism seem a functional response to the exigencies of survival confronting it. They are the prerequisite of organizational integrity and effectiveness in the face of a high degree of decentralization. The special mode of loose coupling protects the organization from being discovered and from the disruptive effects of the loss of a single unit or leader. The special mode of central control protects it from endogenous disintegration and from ineffectiveness in spite of the considerable autonomy of its parts. These distinctive features are also present in national terrorist organizations such as Sendero Luminoso (SL), but their functional importance increases as we move from the national to the international level, and from the pole of a more or less decentralized, yet integrated organization towards a network of independent groups and individuals.

6 Conclusion: Extending organization theory to organized terrorism

The preceding analysis could be useful to research on terrorism by overcoming the false dichotomy between the “old” hierarchical and the “new” network-like organizational form, furnishing scholars with a more differentiated set of analytical categories. Of greater interest in the present context, however, is its relevance for organization theory proper.

To start with the question posed in the beginning: Can organized terrorism be described in terms familiar from the analysis of other organizations, such as corporations, or is it a unique type of organization, incomparable with other organizations and therefore rightfully omitted from comparative organization theory? The preceding analysis has clearly shown that major analytical dimensions of organization studies can in fact be applied to organized terrorism. The categories “hierarchy” and “network” that play such a crucial role in the literature on terrorism are core categories of organization theory. Nor is the coexistence of hierarchical and network properties in one organization a unique feature of terrorism; it can be found, for instance, in many economic organizations, especially multinational corporations. Not even the distinctive features of terrorist organization “beyond hierarchy and network” are unique. Latent relations are a frequent characteristic of clandestine organizations, a category that includes secret societies and all forms of organized crime.¹² Even less unique to organized terrorism is ideologically based organizational identification. This type of

12 Latency supplemented by deliberate intransparency is a response to a particular external threat: not competition, but discovery, not only hostility, but active persecution – a conjunction that could carry considerations of the nexus between organization structure and the nature of the environment beyond the familiarly discussed effects of “uncertainty” and “diversity” (e.g. of market segments).

identification can also be found in religious sects and combat teams, and under certain conditions in political parties and even in firms. Normally, member orientation in economic organizations is predominantly utilitarian. An interest-based fusion of personal and organizational goals is possible, but – especially in large firms and under favourable labor market conditions – difficult to achieve, and always precarious. Here the internalized normative commitment to a “firm ideology” can step in. Though strong member identification is often merely sought in order to secure willing compliance with rules and orders, it can also serve to motivate action in the pursuit of an internalized organizational goal, even in non-terrorist organizations.

The most distinctive feature of terrorist organization is central control that works effectively on the basis of very general directives. This mode of control is the only feasible one when clandestinity requires that relations remain latent, but it can be effective only under special conditions. Either the shared ideology upon which this mode of control rests must itself contain instructions for specific action, or the organizational goal must be defined in such a way that it can be operationalized in many different ways that count equally as “goal fulfilment.” The second of these alternative conditions is met by a terrorist organization that fights, like Al Qaida, a vaguely defined enemy by inflicting massive damage on civilians. This “goal” can be served by a large variety of possible attacks against different kinds of targets at different locations, conducted with variable means, and at variable points in time.¹³ In contrast, even the most decentralized kind of multinational corporation does not operate without hard and fast performance criteria to measure sub-unit success. However, if the managers of a multinational corporation’s subsidiaries have internalized a common, nationally bounded corporate culture, this may “instruct” them to pursue spontaneously similar managerial strategies without specific directives (Harzing 1999).

Ideologically based identification, latent relations, and effective control through generally formulated organizational goals constitute a particular mode of governance, found especially in the “new” transnational terrorism, but present as well in national terrorist organizations. This raises the question of whether this as yet nameless mode of governance could count as a new type to be added to the familiar typology. It is possible, of course, that the familiar typology is not exhaustive; it hardly covers, for instance, systems of distributed control like those found in the human brain, and built into computers. But the governance mode characteristic especially of the “new” transnational terrorism does not constitute another pure type of action coordination, being *composed* of elements of hierarchy (i.e. there is central control), network (semi-autonomous parts), and community (identification). These elements, however, are not simply added without affecting each other; they are welded, as it were, into a distinct type of hybrid. This suggests a different avenue in the development of govern-

13 Münkler (2003) has described the strategy of Al Qaida in similar terms, underlining the “fit” between Al Qaida’s network structure and the relatively free choice network “nodes” have in the selection of targets.

ance theory: not by adding further “pure” types, but by identifying types of hybrids. Ideal-typical governance forms are generally considered to occur rarely in social reality, and if they do, prove to be unstable. Real markets cannot persist without rules backed by sanctions, and pure hierarchies would topple under the impact of external changes to which they cannot adapt. In the current debate about institutional complementarity in different forms of capitalist societies, the positive effects of a combination of different structuring principles that can enhance each other or make up for each other’s inherent weaknesses has been argued at length (Hollingsworth/Schmitter/Streeck 1994; Amable 2000). Along a similar line, Josh Whitford (2003) suggests that the most stable kind of relationship between producers and their supplier firms lies “in between” the extreme poles of competition and collaboration. This, then, would be a new task for a theory of organizational governance: to identify stable hybrid forms and their distinctive preconditions and effects.

Not surprisingly given the prevalence of network forms in organized terrorism, the main contribution of the preceding analysis could be to the theory of interorganizational networks, where it can help to develop a framework for comparative analysis. In this framework, one dimension would refer to the distinction between network and organization. In the literature on terrorism, we have found a certain ambiguity in the use of the term network that is used to refer both to interorganizational networks and to the structure of an organization. To distinguish between an *organization* with an internal network structure and an interorganizational *network* may appear to be easier in the case of legally constituted economic organizations than it is in the field of terrorism. In spite of the network characteristics they display internally, multinational corporations are clearly considered to be organizations (e.g. Bartlett/Goshal 1989; Goshal/Westney 1993), while cartels and alliances are clearly interorganizational networks. But in the economy, too, intermediate forms between organization and network exist, for instance among the different kinds of holdings, with financial holdings tending more toward a network structure and managerial holdings more toward the bounded organization. Production chains can also be organized in different ways, from arms-length market relations over network forms to quasi-hierarchies (Gereffi 1994; Henderson et al. 2002; Humphrey/Schmitz 2002). To identify different intermediate forms between bounded organizations and interorganizational networks may thus be worthy of special attention, both in the analysis of terrorism and with regard to economic organizations (e.g. DiMaggio 2001).

There are also important differences in the internal distribution of functions in interorganizational networks. Production networks that link different firms into a value production chain (type 1) must be distinguished from hub-and-spoke networks that arise from outsourcing (type 2). By outsourcing, large firms can establish a network in which they play the role of the central node (or “hub”). In this process, the creation of a network and the transformation of what is becoming the focal organization go hand in hand. National terrorist organizations, too, have built such networks around themselves, a particularly impressive case being the international support network of LTTE.

Networks created by “outsourcing” in the widest sense of the word are also increasingly observed outside the economy, even including the military (Cooley 2003; Eppler 2002). This kind of network differs from what is usually taken to be the internal structure of today’s transnational terrorism, where Al Qaida as the focal organization supplies general guidance to a network of autonomous terrorist groups residing in different parts of the world (type 3). In the case of LTTE and of an industrial network produced by outsourcing, the peripheral organizations fulfil only support functions for the focal organizations. In contrast, the distributed local nodes of a transnational terrorist network are engaged in basically the same kind of activity, which is the core (or defining) activity of the network as a whole. The closest resemblance to this kind of network structure is probably found not in the economy, but among international non-governmental organizations. As for Al Qaida, for all we know it may in the meantime have evolved into a kind of franchise system (Bradach 1998), independent terrorist groups associating themselves of their own accord with Al Qaida, using it as a brand name and copying its terrorist strategy. Franchise systems represent a fourth network type, a type that is again found frequently in the economy (see Knoke 2001 for a general discussion of business networks).

While we can find structural counterparts at least for some types of terrorist networks in the economy, policy networks appear to belong to a different category altogether. Policy networks produce collectively binding decisions that are reached in negotiations involving exchange, arguing, and threatening. Policy networks are negotiating systems that coordinate preferences, while both terrorist networks and industrial networks are production systems that coordinate concrete actions. Within terrorist networks, coordination is typically *not* by negotiation. While the coordination of firms in a production chain, or in an industrial alliance for purposes of R&D, does involve a certain amount of negotiation, cartels seem to be the only type of corporate network that can be called a negotiating system rather than a production system. A comprehensive framework for the comparative study of interorganizational networks would have to cover, and be able to distinguish systematically between, these different types of networks to which technical infrastructure networks might have to be added. This framework would have to distinguish between different patterns in the internal distribution of functions, as well as between different modes of network coordination, two dimensions that are all too easily lumped together where networks are generally perceived as negotiating systems. To date, the literature dealing with different types of networks is highly segmented along disciplinary lines, ignoring important dimensions of variance. Here, then, is another challenge for future comparative work.

In sum, reflections on the organizational forms of terrorisms can not only direct the attention of organization scientists to a sector gravely neglected so far, but raise questions that would, if pursued, stimulate organization theory to become – again – more inclusive, and more comparative.

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