percent of the killers had been to high school, compared with only 23 percent of the general population. A study of 285 Palestinian terrorists who carried out suicide bomb attacks for other groups between 1987 and 2002 found that they were nearly twice as likely to have finished high school and attended college as other Palestinians. Two of the bombers were the sons of millionaires.

On the other side of the conflict, a look at the membership of Israel's deadly Bloc of the Faithful, which killed 23 Palestinians during the early 1980s, turns up teachers, writers, entrepreneurs, a chemical engineer, and other high achievers.

Krueger and Malečková look more to politics than to economics to explain terrorism. People who have "enough education and income to concern themselves with more than minimum economic subsistence" are more likely to become engaged in politics, violent or not. And countries that allow fewer political outlets are more likely to produce terrorists. Comparing the home countries of international terrorists who struck between 1997 and 2002, the authors found that countries with basic civil liberties produced fewer terrorists. When political freedoms were taken into account, the poorest countries were no worse incubators of terrorism than the richest.

Economics, Labor & Business

Devilish Incentives

"Religion and Economic Growth Across Countries" by Robert J. Barro and Rachel M. McCleary, in *American Sociological Review* (Oct. 2003), 1307 New York Ave. N.W., Ste. 700, Washington, D.C. 20005–4701.

The "Protestant ethic" may have spurred the rise of capitalism, as sociologist Max Weber argued more than 70 years ago, but what about religion's role in keeping economies growing? Apparently, it's helpful to be a God-fearing country, but not so God-fearing that people attend religious services on a regular basis. Think Scandinavia.

Countries with large numbers of religious believers—no matter what their faith—tend to prosper more than others. But if those believers are regular participants in services, economic growth is retarded, according to Barro, an economist at Harvard University, and McCleary, director of Harvard's Religion, Political Economy, and Society Project. They analyzed data on 41 countries around the world from the 1980s and 1990s.

What's wrong with a country's citizens' regularly attending religious services? Not only does it take time and attention away from earthly concerns, the authors speculate, but when a lot of people attend, it may be a sign that organized religion in that country strongly influences "laws and regulations that affect economic incentives," such as those governing credit and insurance markets.

But just having a lot of citizens who profess a belief in God while still heading off to work on holy days doesn't light a country's economic fire. It's a belief in an afterlife that matters most. Barro and McCleary think that's what encourages the capitalist virtues, such as honesty, thrift, and a strong work ethic. But not just any afterlife, they note: "There is some indication that the fear of hell is more potent for economic growth than is the prospect of heaven."

Piracy's Second Act

"The New Piracy" by Charles Glass, in *The London Review of Books* (Dec. 18, 2003), 28 Little Russell St., London WC1A 2HN, England.

While everybody talks about digital piracy these days, piracy of the old-fashioned kind, which supposedly disappeared after the Napoleonic Wars, has been making a big comeback—and some fear that the worst is yet to come. There were 445 attacks on ships around the world last year, compared with 370 in 2002 and 106 in 1998. Twenty-one seafarers were killed and 71 others listed as missing. The estimated cost to international trade in lost cargo and ships and higher insurance premiums now runs about $16 billion annually, according to the Asia Foundation.

"Ninety-five percent of the world's cargo travels by sea," observes Glass, author of *Tribes with Flags* (1990). "Yet no one, apart from ship owners, their crews, and insurers, appears to notice that pirates are assaulting ships at a rate unprecedented since the glorious days when pirates were 'privateers' protected by their national governments."

Piracy today is most common in waters where it flourished in the past: in the Bay of Bengal, in the Java and the South China seas, off the Horn of Africa, and in the Caribbean. Instead of Spanish galleons and the like, today's pirates prey on oil tankers and other merchant ships, then sell the captured cargo on the black market. Beyond national territorial waters, there are no laws and no police. "Many countries lack the will or the resources to police even their own waters," says Glass.

Owners of small vessels often can't afford some obvious protective measures, such as satellite-tracking devices, closed-circuit cameras, and onboard security officers. "Owners and trade unions discourage the arming of merchant ships in the belief that firearms will put crews' lives at greater risk," Glass adds.

Lax security opens the door to terrorists as well as pirates. Singapore would be one tempting target. Each day, some 200 ships, carrying more than half the world's oil exports and a quarter of all its cargo, pass through the island state's port and refinery. Terrorists who seized an oil tanker and steered it at full speed into the port could cause tens of thousands of casualties and cripple the port's operation for years. And the economic impact would shake the globe.

Betting on Jobs

"Casino Gaming and Local Employment Trends" by Thomas A. Garrett, in *Review* (Jan.–Feb. 2004), Federal Reserve Bank of St. Louis, Public Affairs Dept., P.O. Box 442, St. Louis, Mo. 63166–0442.

The prospect of *jobs, jobs, jobs* is one of the chief enticements held out by proponents of corporate casino gaming when they seek permission to operate in a community. Yet it's by no means obvious that local workers are winners when the gambling establishment arrives.

"Most casino jobs require some skill, be it accounting, dealing cards, security, or other expertise," observes Garrett, a senior economist at the Federal Reserve Bank of St. Louis. In an urban area, enough such skilled labor may well be available locally, but in a rural area, it may have to be imported from outside the community. Further, the introduction of casino gaming might cause some local businesses to close, and the resulting number of lost jobs might offset some or all of the new casino jobs.

The jobs question is not just academic. Corporate casino gaming, which generated more than $27 billion in revenue in 2001, is now available in 10 states—and is likely to expand to others as state governments feel the pinch of budget deficits that are collectively approaching $70 billion this fiscal year.

Garrett explored what happened to employment between 1986 and 2002 in six counties that introduced casino gaming during the early-to-mid-1990s: four rural counties (two in Mississippi, one in Illinois, and one in Iowa) and two urban (St. Clair, Illinois, and St. Louis, Missouri). In three of the rural counties, employment went up. The number of people working in Tunica County, Mississippi, for example, increased by 3,144 between late 1992, when the first casino was introduced, and the end of 2001, even though the population increased by only 1,172. So the increased employment benefited the precasino residents more than the new ones. Casino gaming is now Tunica County's main industry, and it has apparently lifted other employment, especially in services, which went from 123 jobs in 1992 to 2,441 in 2001.

But the fourth rural area, Lee County, Iowa, had 1,846 fewer jobs at the end of 2001 than it had when a casino opened there in late 1994.