
ABSTRACT

The phenomenon of terrorism has become burning issue and getting world's unwavering attention since 9/11. The objective of this study was to explore the social, political and economic institutions that are responsible for terrorism for the case of Pakistan. For this purpose, study made the use of time series data over the period of 1975-2012. The Johansen method of co-integration was applied to check the causality between the selected social, political and economic variables incorporated in terrorism function. Findings of the empirical analysis showed that social institutions and political institutions were not responsible for generating terrorism in the short-run but were responsible in long run while economic institutions were responsible for generating terrorism in the short run as well as in long run in Pakistan. These institutions were more significant drivers of terrorism in the long-run than in the short-run. The study further indicate that GDP per capita, political rights, military, and primary education pupils were statistically significant showing these factors responsible for terrorism in the short run while in the long run civil liberties, GDP per capita, population, secondary education pupils, political rights, military, regime durability, system, income inequality, unemployment, primary education pupils and telephone lines were statistically significant showing these factors responsible for terrorism in the long-run. Recommendations were made on the basis of the results of this study.