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Collective Memory: Anger vs. Complacency

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HLSIA Editorial

The recent commemorative events marking the fifth anniversary of 9/11 were watched by millions of Americans. Many felt a strong sense of empathy for the families and friends of the victims who died on that tragic day. Undoubtedly, the terrorist attacks five years ago made a deep impression on the American psyche. It also triggered what became known as the “War on Terror”.

The question many ask is whether we are winning this war and is there significance to the fact that there has not been a terrorist attack on American soil since 9/11. The official response is that we are “safer” but not safe and that the war’s outcome will be determined overseas. While critics agree that terrorism is an international threat; they doubt that military operations alone will achieve a decisive victory. Since 9/11, terrorist organizations have proliferated and morphed into a diffuse network with varying degrees of capability. Presumably, some terrorist groups still have the assets necessary to attack the American homeland. The reason they have not is open to conjecture. One plausible explanation is that by “taking the war to the enemy” we have forced them to concentrate their resources on staging attacks in Iraq and Afghanistan. Some suggest that domestic security put in place since 9/11 has been effective in foiling terrorist plots and preventing potential attacks. However, despite official warnings that another terrorist attack is probable; there appears to be a growing *complacency* lulling the American public into a false sense of security. This becomes evident when we look at the *behavior* of the private sector and by inference, American society as a whole. Over time, there appears to be a growing perception that risks associated with terrorism are diminishing and hence, precautionary action is not needed beyond what the public sector is providing.

Indicators of creeping complacency range from public opinion polls to private expenditure data on security-related activities and equipment¹. To the question “do you think a terrorist attack is likely in the next few months”, the percentage that answered

¹ Jon E Hilsenrath and Liam Plevin. “Economic Fears After 9/11 Proved Mostly Unfounded”. WSJ.



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affirmatively declined from 80% in 2001 to 60% by 2006, according to a New York Times/CBS News Poll. Moreover, a recent poll found only 22% were “very concerned” about an attack on their local community. According to a Brookings Institution security expert, the private sector has done relatively little to improve security except installing a few more security cameras and guards at the most vulnerable sites, such as skyscrapers and some chemical plants. Generally, no single firm feels sufficiently threatened by terrorism to incur the costs of improving security at their respective sites. To incur such costs would affect their “bottom line”. Moreover, if a single firm did make security improvements and tried to pass on the costs to their customers, it would hurt them vis-à-vis their competition. In other words, they would probably lose market share acting individually, unless the competition in the marketplace were required to make similar investments. This suggests that without sector wide security regulations, it is unlikely that private firms will incur the security related costs necessary to protect themselves and others. Interestingly, corporate profits grew from \$750 billion in 2001 to \$1.24 trillion in 2006 suggesting that the wherewithal to invest in better security was not an issue. Those sectors that did invest more in security were those that felt acutely exposed such as the airline industry and port authorities. Nevertheless, the security industry reports a slight decline in the growth of revenues from the five year period 1995-2000 to 2000-2005. Another indicator is the level of inventory held as a buffer for unexpected supply disruptions. In 2001, inventories on average held by the private sector were the equivalent of 43 days of normal sales. However, by 2006 this ratio had fallen to just 38 days worth of inventory. On the financial side, some firms did invest in terrorism insurance which could aid in the recovery process but would do nothing to prevent or limit damage from an actual terrorist attack. Interestingly, the median price of premiums for this kind of insurance dropped since 9/11 by 25% suggesting lower *perceived risk* on the part of insurers and their clients. We sometimes hear of a “terror premium” subsumed in the price of oil. Certainly higher oil prices place a significant financial burden on the American economy. However, this cost component reflects *speculation* regarding access to foreign oil supply; rather than a cost to prevent or hinder a terrorist attack on say, U.S. refineries. All in all, if we exclude military activity abroad but include public spending as part of domestic security outlays, the amount is equivalent to roughly three-quarters of one percent of current U.S. Gross Domestic Product (GDP).

What then explains the apparent inconsistency between patriotic expressions of concern regarding terrorism and the “business as usual” behavior of ordinary Americans? Is it realistic to suppose that the U.S. Department of Homeland Security with an annual budget of roughly \$30 billion dollars can adequately protect a population of 300 million



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from terrorist attacks? What does 9/11 say about the collective memory of the American people?

More precisely, what role does “memory” play in the process of setting expectations regarding the future? To what extent do these expectations influence observed behavior.

Suppose we define “memory” as *consciousness of the past* then, there are at least two key variables that have to be taken into account. The first is that memory tends to *fade* with time and secondly, memory tends to be *selective* depending on the relative importance or significance of an event². We define the past as a series of time periods (t) stretching over a recall period of varying length. Formally, this proposition states that collective Memory (M) is a function of Time (t) and Significance (s) over a number of recallable periods (n). As indicated above, we have to “model” the fading of memory over time. This could be done by assigning weights (w) to each time period (t) of descending magnitude going back in time. Like all weighting systems, we are subject to the constraint that all weights must sum to 1.0 which could be defined as the human capacity to remember without resort to stored knowledge in the form of libraries; data bases; cheat sheets etc. What we are interested in is the spontaneous response of citizen(s) randomly selected from the population. Thus we assign a progressively lower weight to each memory frame going back in time. This specification accounts for *memory fade* with time and is commonly used to predict future price expectations. However, we know that certain timeframes (t) are more important in some sense than others; even though they lie in the more distant past. We know that people are somewhat selective in what they remember depending on the intensity of the experience or formal schooling, as part of the socialization process we go through during our formative years. Therefore, we need to adjust our normalized weighting of the past to reflect relative importance of certain events occurring over time. We can do this by changing the weight, i.e. increasing relative magnitude for a given timeframe (t). However, this forces us to adjust some other weights downwards reflecting diminished relative importance given our recall constraint (1.0). Thus our Memory is the weighted summation of recallable time periods containing events of differing relative importance.

Next, we hypothesize that our expectations regarding the future are essentially an *extrapolation of the weighted past*. Accordingly, the relative weights for future time

² We add the caveat that different cultures appear to have different historical recall and perhaps differing notions of time which requires the model to be highly generalized.



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periods tend to be descending as we progress further into the future. In the absence of extraneous information that would alter future expectations, such as the uncovering of a terrorist plot, we would collectively view the future as a continuum, that is, expect future reality to be not too dissimilar from the present. We could visualize this as a horizontal line representing the time continuum along which we can move from left (past) to right (future). Then, we add a vertical line at the mid-point representing the present. The corresponding vertical axis measures the weights used to derive the distribution of recallable memory. Looking towards the future, we extrapolate from the past thereby creating expectations which condition behavior. This representation gives us the familiar bell-shaped curve which is centered on the present having more or less symmetrical “tails” extending into the past and future. If this portrayal is reasonably accurate; then we could explain why perceptions of risk can be modulated with time unless reinforced by another more recent event. This might explain the *optimism bias* Americans seem to have regarding investments in domestic security. Seen in this light, American expectations and related behavior are not necessarily irrational but it does put an enormous burden on the intelligence community and government officials to define the risks in a convincing way.

Finally, the imaginary graph described above could have superimposed on it another bellshaped curve for a different ethnic/cultural group. Rather than name the group, we prefer a geographical or regional term say, western Asians. (This avoids the European compass which uses terms like Near East, Middle East and Far East.) If these ancient cultures have longer memories perhaps reinforced with a strong oral tradition (requiring good memory), then the corresponding bell-shaped curve would be flatter than the American one, i.e. having longer “tails” stretching into the past and future. People in this region would have a different time horizon regarding the future. One in which five years would not be significant in the order of things to come.

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