Journal of Conflict Resolution
Volume 53 Number 6
December 2009 878-904

10.1177/0022002709342978
http://jcr.sagepub.com

Democracy, Foreign Policy, and Terrorism

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This article takes a closer look at the relationship between democracy and transnational terrorism. It investigates what it is about democracies that make them particularly vulnerable to terrorism from abroad. The authors suggest that states that exhibit a certain type of foreign policy behavior, regardless of their regime type, are likely to attract transnational terrorism. States that are actively involved in international politics are likely to create resentment abroad and hence more likely to be the target of transnational terrorism than are states that pursue a more isolationist foreign policy. Democratic states are more likely to be targeted by transnational terrorist groups not because of their regime type per se but because of the type of foreign policy they tend to pursue. The empirical analysis provides support for the argument.

Keywords: *domestic terrorism; transnational terrorism; democracy; foreign policy*

I. Introduction

There has been a growing scholarly interest in the determinants of terrorism. Why are some states more vulnerable to terrorism than others? One factor that has received particular attention is the regime type of states that are targets of transnational terrorism. What is the relationship between democracy and terrorism? The literature presents two opposing views. Some researchers argue that democracies are less likely to experience transnational terrorist incidents (e.g., Eyerman 1998; Hamilton and Hamilton 1983; Ross 1993), while others contend that democracies provide a fertile ground for transnational terrorism and hence are more likely to be targeted (e.g., Eubank and Weinberg 2001; Li 2005; Pape 2003). Most empirical evidence provides support for the latter argument (Eubank and Weinberg 2001; Li 2005; Schmid 1992): democracies are more prone to transnational terrorism than are

Authors' Note: A previous version of this article was presented at the 2008 Annual Meeting of the American Political Science Association, August 28–31, 2008. We are grateful to Finley Biggerstaff, Chuck Gochman, Kate Floros, Ana Carolina Garriga, Ashley Leeds, and Quan Li for suggestions on the earlier version.

other regime types. However, there is no consensus as to how democratic regimes encourage transnational terrorism.

This article takes a closer look at the relationship between democracy and transnational terrorism. It investigates what it is about democracies that make them particularly vulnerable to terrorism from abroad. Several theoretical arguments have been put forward. It has been suggested that certain aspects of democratic regimes, such as high levels of executive constraints, free press, and political participation, facilitate transnational terrorism by providing a context in which terrorists can operate with relative ease.

If democracies are prone to transnational terrorism by design, as most existing theoretical arguments suggest, then democracies should be vulnerable to *domestic terrorism* as well. We assess whether this is the case and find that democracies do not experience more domestic terrorism than other regimes do. This lack of relationship between democracy and domestic terrorism creates an empirical puzzle: why are democracies vulnerable to transnational terrorism while they do not have particular problems with homegrown terrorism?

We tackle this puzzle by identifying a new theoretical mechanism through which states may attract transnational terrorism. This lies in the foreign policy behavior of states. We argue that states that exhibit a certain type of foreign policy behavior are more likely to attract transnational terrorism. States that are actively involved in international politics are likely to create resentment abroad and hence more likely to be the target of transnational terrorism. Democratic states are more likely to be targeted by transnational terrorists not because of their regime type per se but because of the type of foreign policy they tend to pursue. There is some evidence that suggests that democracies, compared to nondemocracies, tend to be more involved in international affairs (e.g., Kegley and Hermann 1997; Mansfield, Milner, and Rosendorff 2002; Regan 2000; Shanks, Johnson, and Kaplan 1996). This squares with theoretical arguments suggesting that democracies have incentives to promote democracy abroad and do so through a broad range of means (e.g., Gleditsch, Christiansen, and Hegre 2007; Mitchell, Kadera, and Crescenzi 2009). Since democracies are more involved in international affairs than other states are, they are likely to create resentment and discontent abroad. Therefore, what makes democracies particularly vulnerable to transnational terrorism are not the inherent features of democratic regimes, as the literature suggests, but particular behavior patterns most democracies display toward their external environment. Certain types of states' foreign policy behavior, not their regime type, attract transnational terrorism. Our empirical analysis provides support for this argument.

Understanding the factors that facilitate terrorism is important. Terrorism is a common form of political violence that has tremendous human and economic costs for the international community. However, compared to other forms of political violence, such as interstate wars or civil wars, our understanding of terrorism is rather limited. There is a lack of consensus in the literature on the determinants of

terrorism (e.g., Abadie 2004; Eyerman 1998; Hamilton and Hamilton 1983; Li 2005; Pape 2003; Piazza 2008a; Sánchez-Cuenca and de la Calle 2009; Testas 2004). Our limited systematic knowledge of terrorism hinders our ability to provide sound counterterrorism policy prescriptions to policy makers. In particular, having a clear understanding of the link between democracy and terrorism is crucial, as democracy promotion has become important for much of the international community. If democracy leads to a greater risk of terrorism, perhaps democracy promotion should be coupled with counterterrorism efforts.[1] It is possible, however, that the relationship is spurious, that having a democratic regime type sometimes *seems* to increase the likelihood of terrorism for a state but that other causal factors are more important.

This article proceeds in five sections. The next section reviews the state of the literature on the relationship between democracy and transnational terrorism, forms expectations about domestic terrorism and democracy, and empirically evaluates these expectations. Section three presents our argument about the mechanisms that make states particularly prone to transnational terrorism. The fourth section provides the empirical evaluation of our argument. Section five concludes the article with a brief discussion of the argument, key findings, policy recommendations, and possible avenues for further research.

II. Democracy and Terrorism: From Transnational to Domestic Terrorism

Most of the quantitative studies of terrorism have focused on transnational terrorism incidents, for reasons discussed below. However, we argue that if regime type matters for why a state is the site of a transnational terrorist attack, it should be at least equally important for incidents perpetrated by local actors. Thus, we first examine regime-based explanations for transnational terrorism, and then we consider their relevance to domestic terrorism.

Our definition of terrorism follows that of Enders and Sandler (2006), who describe terrorism "as the premeditated use or threat to use violence by individuals or sub-national groups in order to obtain a political or social objective through the intimidation of a large audience beyond that of their immediate victims" (p. 3). Terrorism is considered transnational "when an incident in one country involves perpetrators, victims, institutions, governments, or citizens of another country" (p. 7) and domestic "when an incident involves perpetrators, victims, and an audience of the country in which the incident occurs" (p. 6).

Many scholars, particularly within the past decade, have argued that democratic states are more likely to be targets of transnational terrorism. According to this camp, there are various aspects of the democratic regimes that facilitate terrorism. First, democracies, by providing freedom of organization, expression, and movement for

their citizens, enable terrorist groups to undertake their illegal activities with relative ease (Engene 2004; Hamilton and Hamilton 1983). The commitment to civil liberties in democratic societies can be used by terrorist groups to organize and carry out their attacks without being noticed (Eubank and Weinberg 1994, 2001). Repressive regimes reduce the ability of terrorist groups to organize and carry out their activities, whereas democracies provide a permissive environment.

Second, institutional constraints imposed on democratic governments are usually higher than the ones on other types of regimes. Although these constraints are intended to protect the citizens of democracies from the undue exercise of power by their leaders, they also limit the actions and ability of democratic governments to fight terrorism (Schmid 1992; Li 2005; Wilkinson 1986, 2006). Terrorist groups perceive democracies as soft targets that can be pressured to give into their demands due to the sensitivity of democracies to costs. Pape (2003, 2005) shows that terrorist groups tend to target democracies more frequently because they know that liberal democracies usually accede to their demands.

Freedom of press is another factor that is argued to encourage transnational terrorism in democracies. A free press serves the interests of terrorist groups whose main goal is to advertise their cause to a wide audience and gain publicity and recognition (Crenshaw 1981). Unlike in repressive regimes, terrorist incidents are more likely to be reported in detail by the free press in democratic societies. Therefore, press freedom in democracies gives a valuable opportunity to publicity-hungry terrorists to create widespread fear (Li 2005; Nacos 1994).

Freedom of press brings up the issue of potential underreporting of terrorist incidents in countries where the press is not free. Given the restrictions on the media and heavy censorship by the government, terrorist incidents are less likely to be reported in nondemocratic countries (e.g., Drakos and Gofas 2006; Li and Schaub 2004; Li 2005; Sandler 1995). Therefore, a positive correlation between the level of democracy and the number of terrorist incidents may be due to pure underreporting in nondemocracies rather than due to factors idiosyncratic to democracies.[2]

On the other hand, some scholars argue that democracy, or at least certain aspects of it, is likely to reduce the likelihood of terrorism in a state. In democratic societies, different groups can express their interests and preferences through peaceful participation in political life (Eubank and Weinberg 1994, 2001; Li 2005; Rummel 1995). There is less incentive to resort to violent means to express discontent and grievances (Ross 1993). In addition, fair and frequent elections make the politicians in democracies more sensitive to the needs of the society and hence reduce overall grievances in the society. The representation and accountability found in democracies should address the concerns of potentially aggrieved groups when they might otherwise be likely to resort to violence to express their frustration (Gurr 1970). As a result of the reduced grievances, the citizens of democracies are also less likely to lend their support to recruitment efforts by transnational terrorist groups.

Although the existing empirical evidence mostly suggests a positive link between democracy and transnational terrorism, there are reasons to question these findings. We investigate this question from a new direction, starting with an examination of the relationship between democracy and another form of terrorism: domestic terrorism. The question we pose is whether democracy also predicts domestic terrorism. Are democracies more or less prone to domestic terrorism?

The extant literature does not provide a clear answer to this question. One of the reasons is the bias toward the study of transnational terrorism in the systematic large-sample-size studies of terrorism. As Sánchez-Cuenca and de la Calle (2009) observe, there is a sharp divide in the literature between domestic and international terrorism. Compared to the number of large-sample-size studies on transnational terrorism, the number of systematic studies of domestic terrorism is quite low. Therefore, we have accumulated a more systematic understanding of transnational terrorism than of domestic terrorism (Sánchez-Cuenca and de la Calle 2009). This bias may be due to various factors. There are data limitations on domestic terrorism. Some data sets do not distinguish between domestic and transnational terrorism incidents.[3] In addition, some scholars argue that the divide between domestic and transnational terrorism is difficult to discern (Hoffman 1997; Carter, Deutch, and Zekilow 1998; Crenshaw 2000).[4]

Explaining domestic terrorism is not the goal of this article. We evaluate the effect of regime type on domestic terrorism to gain insights that we can use to better understand transnational terrorism. Our ultimate objective is to explain why certain states experience transnational terrorism more frequently than others do. To this end, we apply to domestic terrorism arguments that have been developed by transnational terrorism scholars.

We start with the positive relationship between democracy and terrorism. We expect institutional constraints and the freedom of press in democratic societies to encourage domestic terrorism, for the same reasons that these democracy-related elements have been shown to encourage transnational terrorism. There is no reason to assume that domestic terrorists are not as strategic in their decision to attack their governments as are their foreign counterparts. Democracies are likely to be perceived as soft targets by domestic terrorist groups because democratic leaders should be equally, if not more, constrained in their ability to crack down on terrorism without infringing on the civil liberties of their citizens. In the same vein, domestic terrorist groups should strive to gain publicity and attention for their cause and can benefit from the free press in democracies as much as transnational terrorist groups do.

Hypothesis 1a: Democracies are more likely to experience domestic terrorist incidents than are other types of regimes.

Civil liberties and nonviolent means of expression in democratic societies are considered the main factors as to why democracies should be less likely than other

types of regimes to experience transnational terrorism. To what extent do these features of democracies discourage domestic terrorism? One might argue that these aspects of democracy are indeed more applicable to domestic terrorism than to transnational terrorism. The citizens of a society should be less inclined to use violence against their own governments if they enjoy civil liberties and have access to nonviolent forms of political participation to pursue their interests. This implies a competing hypothesis:

Hypothesis 1b: Democracies are less likely to experience domestic terrorist incidents than are other types of regimes.

We evaluate the validity of these two opposing hypotheses empirically with a zero-inflated negative binomial regression.[5] The unit of analysis is the country-year. The sample for the analysis is all countries for which data are available, from 1998 to 2004, inclusive. The temporal domain of the sample is limited by data on the dependent variable, *domestic terrorism.*[6] We define domestic terrorism as a terrorism incident involving perpetrators, victims, and an audience of the country in which the incident occurs (Enders and Sandler 2006, 6). The dependent variable is a count variable measuring the number of domestic terrorism incidents in a country, according to data from the RAND–Memorial Institute for the Prevention of Terrorism (MIPT) data project.[7] We built our data set using the MIPT measure of domestic terrorism because it is perhaps the only publicly available data project that differentiates between domestic and international terrorism, and the MIPT data overall have been described as among the best in the field (Hoffman and Hoffman 1995; Piazza 2008b). Our sample includes 10,900 incidents of domestic terrorism.[8] The average country-year in the sample experiences approximately 8 domestic terrorism incidents, but the counts vary substantially. Many country-years experience hundreds of incidents, with the maximum value for the variable at 604. Table 1 and Table 2 present the descriptive statistics.

The main theoretical variable of interest is the regime type of the target state. We operationalize *democracy* as a dichotomous variable coded 1 if the state has a score of 6 or higher in the Polity IV combined 21-point scale.[9] Our sample contains 93 democracies and 66 nondemocracies by this criterion; approximately 58 percent of the countries are democracies. A dichotomous measure is used because the hypothesized relationships do not refer to partial democracies, which would be states with lower values on Polity's regime-type scale. In addition, the specific cutoff of 6 is consistent with that of many other studies in the international relations literature (e.g., Allee and Huth 2006; Fortna 2003; Lai and Reiter 2000; Li 2005; Piazza 2008a).

As robustness checks, we use three alternative measures of democracy: political participation, press freedom, and freedom house. The literature suggests that an increase in political participation should decrease the expected number of terrorism

Table 1
Ten Country-Years with the Highest Number of Domestic Terrorism Incidents, 1998–2004

Country	Year	Domestic Terrorism Incidents
1. Iraq	2004	604
2. Pakistan	2002	542
3. Colombia	2002	423
4. Israel	2002	390
5. Israel	2004	365
6. Israel	2001	316
7. Pakistan	2003	299
8. Turkey	1999	292
9. Spain	2001	232
10. Spain	2000	208

Note: Iraq 2004 is not included in statistical models because of missing data on key independent variables.
Source: RAND–Memorial Institute for the Prevention of Terrorism data.

Table 2
Global Domestic Terrorism Incidents per Year (with Transnational Terrorism Count for Comparison)

Year	Domestic Terrorism Incidents	Transnational Terrorism Incidents
1998	1,060	161
1999	1,046	125
2000	1,045	105
2001	1,527	200
2002	2,350	298
2003	1,621	282
2004	2,251	395
Total	10,900	1,566

Source: RAND–Memorial Institute for the Prevention of Terrorism data.

incidents (Eubank and Weinberg 1994, 2001; Li 2005; Ross 1993; Rummel 1995). *Political participation* measures the turnout rate of parliamentary or presidential elections, and following Li, it is only measured in actual democracies (6 or greater in Polity). This is to avoid counting turnout rates in states where elections might not actually matter, such as Saddam Hussein's Iraq. Also following Li, it is centered around zero to avoid correlation with other regime variables, but this does not affect results in our models.[10] Turnout rate comes from Vanhanen's (2000) Polyarchy data.

Another aspect of democratic regime type that we evaluate is *press freedom*. Most of the literature suggests that press freedom should be positively related to terrorist

incidents, as it allows terrorists to exploit media coverage (Li 2005, Nacos 1994). Our measure of press freedom comes from Freedom House. Freedom House codes states' restrictions on press freedom numerically, between 0 and 100, where 0 means no restrictions and 100 means state-controlled media. For example, the United States scores in the low teens during the sample (M = 14.29), while Cuba scores in the mid-1990s (M = 94.86).[11]

Finally, we use the index from Freedom House to assess the effect of democracy on domestic terrorism (Freedom House 2009). The *freedom house* variable codes each country as being free, partly free, or not free based on the combined average score of each country's political rights and civil liberties.

In addition to regime type of the target state, measured by four different indicators, our domestic terrorism models include a number of control variables. *Civil war* is a dummy variable measuring whether there is an intrastate conflict occurring in the country that year with at least 25 battle deaths, according to the Peace Research Institute Oslo data (Gleditsch et al. 2002). We expect the presence of a civil war to increase the number of domestic terrorism incidents, as terrorism can be a tactic used in civil war. Another option would be to exclude all observations where the country was experiencing a civil war that year.[12] However, this would cause valuable information to be lost.

Income is the target state's real gross domestic product (GDP) per capita, in thousands of 2,000 dollars. These data come from Version 5.0 of Gleditsch's (2002) expanded data. We are agnostic about the direction of the impact that a change in income should have on domestic terrorism incidents. Some studies show that wealth is negatively associated with terrorism (e.g., Li 2005; Testas 2004), but other studies indicate no relationship (Abadie 2004). Krueger and Maleckova (2003) find that terrorists supporting Palestinian causes tended to be relatively affluent and educated. Similarly, Piazza (2008b) shows that higher GDP increases the likelihood of suicide terrorism. Poverty could represent a grievance, and citizens might blame the government for not doing more to mitigate the situation. However, financial issues might not matter as much for terrorists motivated by ideology or religion.

Logpop is the natural logarithm of the target's population, also from Gleditsch (2002). We expect greater population to be associated with more incidents, as a greater population is more likely to have a greater number of political factions. In addition, this should make it easier for groups to organize. Eyerman (1998) argues that states with larger populations should have a more difficult time preventing and battling terrorism. *Fractionalization* represents ethnic diversity in a country.[13] We expect increased diversity to lead to increased incidents. This could be because of intergroup strife or between a single group and the government.

Durable measures regime stability of the target state. More specifically, it is the number of years since a substantial change in regime type, as indicated by a 3-point change in Polity score. We expect more durable regimes to experience

fewer incidents, as their longevity suggests a degree of success in governing. *Capability* measures the strength of the government, both economically and militarily, as a percentage of the capability in the international system. Capability data are from the Correlates of War (COW) project. COW has data for this variable only until 2001, so we input each state's 2001 value for the following three years. We expect increases in capability to lead to decreases in incidents, as more capable government should be better equipped to prevent terrorism (Sandler 1997; Li and Schaub 2004).

Political discrimination and *economic discrimination* come from the Minorities at Risk (MAR) project and measure the extent of the respective types of discrimination in a country. Both variables range from 0 to 4, where 0 is no discrimination, and 4 indicates that government policies "substantially restrict" a minority group's opportunities in the target state. MAR has data for these variables only until 2000, so we input each country's 2000 value for the following four years as well.[14] We expect increases in either type of discrimination to be associated with increases in domestic terrorism incidents, as these variables reflect practices that likely generate the grievances that often motivate political violence (Gurr 1970).

We also include regional controls because cultural or other factors unmeasured by the other variables might contribute to domestic terrorism. Europe is the reference category. Other studies have found some regions to be more or less prone to terrorism (e.g., Li and Schaub 2004; Li 2005). Results have varied across these studies, and we have no theoretical expectation regarding how region might affect terrorism likelihood. Therefore, we are agnostic regarding the relationship between region and domestic terrorism.

Note that most of the controls capture the government's ability to prevent or fight terrorism, but fractionalization, political discrimination, and economic discrimination measure what could be described as grievances. These controls are especially important in a study of domestic terrorism, as it seems likely that specific grievances should drive citizens to attack their own government and fellow citizens.

Table 3 presents four models of domestic terrorism.[15] Our main measure of regime type, *democracy*, fails to achieve statistical significance at the conventional levels. Similarly, the results indicate that none of the other measures of democracy (i.e., *participation, press freedom, freedom house*) is a statistically significant predictor of domestic terrorism.

This nonfinding stands in stark contrast to most of the empirical evidence suggesting a strong positive link between democracy and transnational terrorism. Why are democracies more vulnerable to transnational terrorism while they do not show the same vulnerability to domestic terrorist incidents? We address this empirical puzzle in the next section.

With respect to control variables, we find that current civil war and high population are positive and statistically significant predictors of the number of domestic

Table 3
Zero-Inflated Negative Binomial Regression of Domestic Terrorism Incidents, 1998–2004

	Model 1 Incidence rate ratio (robust standard error)	Model 2 Incidence rate ratio (robust standard error)	Model 3 Incidence rate ratio (robust standard error)	Model 4 Incidence rate ratio (robust standard error)
Democracy (Polity IV)[a]	0.800 (0.353)			
Democratic participation[a]		1.004 (0.021)		
Press freedom[a]			1.003 (0.017)	
Freedom house[a]				0.611 (0.185)
Civil war	5.613 (1.818)***	5.129 (1.726)***	3.838 (1.564)***	4.675 (1.661)***
Income	1.140 (0.032)***	1.139 (0.046)***	1.078 (0.060)	1.153 (0.044)***
Logpop	2.681 (0.429)***	3.383 (0.580)***	2.706 (0.433)***	2.556 (0.410)***
Fractionalization	1.002 (0.745)	0.591 (0.516)	3.172 (2.937)	2.384 (2.116)
Durable	0.989 (0.005)**	0.994 (0.006)	1.000 (0.010)	0.993 (0.008)
Capability	0.062 (0.046)***	0.019 (0.016)***	0.040 (0.030)***	0.039 (0.026)***
Political discrimination	1.786 (0.319)***	1.274 (0.285)	1.456 (0.332)*	1.474 (0.352)
Economic discrimination	1.833 (0.364)***	1.198 (0.308)	1.391 (0.308)	1.351 (0.316)
Americas	0.662 (0.284)	0.770 (0.336)	0.416 (0.207)*	0.676 (0.288)
Africa	0.055 (0.030)***	0.084 (0.042)***	0.024 (0.014)***	0.035 (0.019)***
Mideast	1.930 (0.691)*	1.349 (0.493)	2.000 (0.964)	1.794 (0.724)
Asia	0.852 (0.321)	1.105 (0.464)	0.4177 (0.215)*	0.566 (0.233)
$\chi^2(n)$	256.60	214.86	154.56	203.36
Probability > χ^2	.000	.000	.000	.000
N	777	678	689	804

a. These variables represent hypothesized relationships.
*$p < .10$. **$p < .05$. ***$p < .01$, two-tailed.

terrorism. As the military capabilities of a state increase, the rate at which it experiences domestic terrorism decreases. These findings are in line with our initial expectations. Income per capita seems to increase the incidence rate of domestic terrorism in three out of four models. Political discrimination is shown to lead to more domestic terrorism in models 1 and 3 and almost reaches conventional levels of statistical significance in model 4. Durability of regime and economic discrimination are significant only in one of the models. We also find cross-regional differences in domestic terrorism. African states tend to experience fewer domestic terrorism incidents than the European ones do.

In sum, the models suggest that having a democratic regime does not necessarily increase or decrease domestic terrorism. Given the limited temporal domain of the

data on domestic terrorism, these results are preliminary and should be interpreted as such. However, they point to a possibility that regime type may not be as central in explaining terrorism as it has been previously suggested. We explore this possibility and reexamine the democracy–terrorism nexus from a different perspective.

III. Foreign Policy Behavior and Transnational Terrorism

We argue that the positive empirical association found elsewhere between democracy and transnational terrorism is not entirely a result of the inherent features of a democratic regime that its citizens enjoy, such as civil liberties. Instead, transnational terrorism is better explained by the patterns of behavior democratic states tend to exhibit toward other actors in the international system. States that adopt more active foreign policies are likely to foment some sort of resentment among foreign groups, knowingly or unknowingly, and hence may be the target of terrorism by these aggrieved groups.[16]

The logic of our argument is simple: the more contact actors have with one another, the higher the likelihood that there will be issues of contention between them.[17] Actors that do not have any sort of interactions are unlikely to have conflict of interest. States that are highly involved in international affairs form or increase their already existing interests in other states. Regular interactions and contact between states sometimes lead to misunderstanding and create discontent.[18] Certain types of interactions can lead to more discontent than other types do.

Terrorism is one of the forms of violent manifestation of political contention. Transnational terrorism, in particular, implies one of two situations: (1) groups outside the boundaries of a target state hold some sort of resentment against it or (2) groups inside a country harbor resentment toward foreign actors in the country.[19] Unless the target state has touched upon the lives of these foreign groups, or foreign actors have affected groups within the country in which they operate, it is unlikely that a terrorist group will take an interest in targeting the state. The idea is not that the target state is necessarily responsible for terrorist attacks on its citizens but rather that the foreign policies a state pursues are likely to create feelings, positive or negative, among the people who are affected by such interactions. Similar interactions occur between foreign actors in countries that might be attacked by local terrorists. Terrorism is unique when compared with civil war or interstate war, for example, in that relatively few people need to feel aggrieved for the violence to occur. Therefore, we expect states with active foreign policy portfolios to be more prone to transnational terrorism than states that are not as involved in international affairs.

Although not directly tested, there is some empirical evidence that suggests that democratic states exhibit more active foreign policies. Democracies are argued to have an interest in spreading democracy, whether partially and relatively benignly, or

in a more full-throated manner. Mitchell, Kadera, and Crescenzi (2009), drawing on Bull (1977), argue that "democratic community norms" dictate that democracies have incentives to encourage other states to play by their rules. Similarly, Gleditsch, Christiansen, and Hegre (2007) suggest that because of the dyadic democratic peace, among other reasons, democracies benefit from "a greater community of democracies," bolstered by economic interdependence and international law. The increase in the amount of foreign aid allocated for democracy promotion purposes by the countries of the Organization for Economic Cooperation and Development, particularly by the United States, since the 1990s is a testament to the democracies' desire to spread democracy (Carothers 1999). Additional evidence of democracies' active foreign policy agenda is the tendency of democracies, more than nondemocracies, to intervene in other states' civil wars (Regan 2000).[20]

That states with such active foreign policies tend to have democratic regimes does not necessarily imply that democracies are prone to transnational terrorism by design. That is, inherent characteristics of democratic regimes, such as wide political participation, civil liberties, and free press, are not necessarily what make terrorists attack democracies. Rather, the deliberate choice of certain foreign policy behavior by certain democratic regimes increases their vulnerability to transnational terrorism. Pape's (2003, 2005) pathbreaking work on suicide terrorism echoes this sentiment. Pape (2005) argues that suicide terrorism is "mainly a response to foreign occupation" (p. 23). Democracies are more vulnerable to terrorist incidents because terrorist groups seek to terminate the occupation of their homelands by democracies through inflicting pain on the societies of the "occupiers."[21] One of the implications of Pape's argument is that certain foreign policy behaviors of democracies, such as the United States' stationing of troops in Saudi Arabia, lead to more terrorists attacks on democracies.[22]

Our argument does not necessarily imply an interactive relationship between regime type and foreign policy behavior. We do not argue that states with more active foreign policies should experience more transnational terrorism, conditional upon those states also being democracies. Our argument applies to any state, regardless of regime type: a more active foreign policy should lead to more transnational terrorism. Because many democracies also have active foreign policies, this would explain why democracy has been shown to encourage transnational terrorism. When both attributes are present in a state, we expect foreign policy behavior to overshadow the explanatory power of democracy. A more active foreign policy, however, should lead to more transnational terrorism for a state, regardless of that state's regime type.

We use three variables to capture the foreign policy activities of a state that are likely to create high levels of resentment abroad: involvement in foreign policy crisis with other states, alliance ties with the United States, and the frequency of intervention in civil wars. Each of these indicators measures different aspects of a state's foreign policy that can foment some sort of resentment among foreign actors.

One obvious foreign policy indicator that is likely to create resentment abroad is involvement in foreign policy crisis with other states. The more frequently a state engages in conflict with other states, the more likely that it will create resentment and hostility abroad. Although this resentment may be most pronounced among the people who are directly affected by such hostile actions, it is likely that such hostile actions result in a broader resentment and negativity toward the participants of such crises. This may be because there is rarely consensus regarding which state is the aggressor and which state is to blame if the crisis drags on. Aside from anger about actual violence, states in interstate disputes can provoke contempt because of the indirect consequences of their actions. Some interstate crises become militarized. Armed conflict reduces trade flows (Anderton and Carter 2001; Simmons 2005) and often has negative consequences for stock markets (Schneider and Troeger 2006). These consequences can economically jolt states near and far, potentially inspiring anger toward warring states.[23]

A second indicator of active foreign policy is whether a state has alliance ties with the United States.[24] The United States is probably the most visible foreign policy actor in the world. The frequency with which the United States intervenes in other states, its dominance in intergovernmental organizations, and its general economic and geopolitical prowess make it a high-profile actor. The type of foreign policy the United States seeks inevitably creates some resentment among many people around the globe. The 2003 U.S.-led invasion of Iraq is probably the clearest recent example of unpopular U.S. foreign policy. Global public opinion analysts report that America's image has "plummeted" in the years since the invasion.[25] The war in Iraq, however, is only one example of U.S. foreign policy that inspired a substantial negative reaction in at least some circles. Other instances include U.S. involvement in coca eradication in Latin America, CIA-backed coups in the same region, real or perceived trade protectionism, support for Israel, and so forth.

However, no matter how resentful a terrorist group may be against the United States, a direct attack on the United States is relatively risky and costly. First, the United States is separated from the majority of countries by oceans. Distance makes it harder to organize and carry out a terrorist act for terrorist groups functioning from abroad. Second, the United States is a harder target than most countries because of its strong economy and emphasis on security spending. It has the largest economy of any state and spends the most on defense. Therefore, terrorist groups may find it easier to target U.S. interests abroad rather than committing terrorist acts on U.S. soil. One way to achieve this goal is to target states that have close ties to the United States but do not have the same level of capabilities to counteract terrorism as the United States. We expect states that have close ties to the United States to be particularly vulnerable to transnational terrorism due to their strong association with the country that has the most active or involved foreign policy in the world. The recent attack on the U.S. consulate in Turkey on July 9, 2008, or the March 11, 2004, Madrid train bombing are demonstrative examples of our argument that states in which the United States has strong interests may be subject to transnational terrorism.[26]

A third indicator of a state's active foreign policy is the frequency with which a state intervenes in civil wars.[27] Interventions in civil wars are costly and risky endeavors, and unless state leaders have strong interest in the war region and hold the belief that success is within their reach, they are unlikely to intervene in civil wars (Regan 1996, 2000). The decision to intervene in civil wars reflects a high degree of commitment and involvement in other states' affairs. By their nature, most interventions are controversial. They tend to antagonize the domestic group against which the intervention takes place, unless the intervention is perceived to be neutral by the disputants.[28] By attempting to change the balance of power on the battleground, interventions usually make the target of intervention better off at the expense of the other party. For example, Syria's intervention in the 1988–1990 Lebanese civil war helped Lebanon bring the conflict to a close (Regan 1996). The disadvantaged group and its external sponsors, if there are any, are likely to hold resentment against the intervener state and may want to take revenge by carrying out a terrorist act against it.

In sum, we argue that the level of involvement of states in international affairs, not their regime type, is likely to increase their propensity to experience transnational terrorism. Once we take into account whether a state exhibits a foreign policy that may foment resentment among foreign actors, its regime type is unlikely to be the predictor of transnational terrorism.

Hypothesis 2: States with active foreign policies are more prone to transnational terrorism incidents than states that are not as involved in international affairs.

Hypothesis 3: Controlling for their involvement in international affairs, the positive effect of democracies on transnational terrorism diminishes.

IV. Research Design, Empirical Analysis, and Findings

To evaluate Hypothesis 2 and Hypothesis 3, we use a zero-inflated negative binomial regression on all countries for which data are available between 1968 and 2001.[29] Most analyses include 163 countries. The sample has a longer temporal domain than the domestic terrorism models, due to more extensive availability of transnational terrorism data.

The dependent variable is *transnational terrorism*, a count variable measuring the number of transnational terrorist incidents in a country. This variable, like the domestic terrorism measure, comes from the RAND-MIPT data, and there are 8,493 incidents in the sample.[30] The average country experiences 34 incidents total between 1968 and 2001, but as with domestic terrorism, counts vary considerably. Twenty-one countries experienced more than 100 incidents during the period. The unit of analysis of this study is country-year, and there is great variance across

Table 4
Country-Years with the Highest Number of Transnational Terrorism Incidents, 1968–2001

Country	Year	Transnational Terrorism Incidents
1. Israel	2001	97
2. Lebanon	1985	80
3. Germany	1995	72
4. Lebanon	1986	61
5. France	1982	55
6. West Germany	1982	52
7. Israel	1985	51
8. Argentina	1974	48
9. United States	1975	47
10. Peru	1991	44

Source: RAND–Memorial Institute for the Prevention of Terrorism data.

country-years. There are, on average, two incidents per country-year, but that number reaches as high as 97 incidents in Israel in 2001. Table 4 shows the country-years with the most transnational terrorism incidents.

To test Hypothesis 2, we use three measures of states' foreign policy activeness. *International crisis* measures whether or not the state has been involved in a foreign policy crisis during the previous three years.[31] The measure comes from the International Crisis Behavior Project Version 9.0 (Brecher and Wilkenfeld 2000). A foreign policy crisis is a "breakpoint along the peace–war continuum of a state's relations with any other international actor(s)" (Brecher 1977, 43). Brecher cites four conditions that are necessary and sufficient for a state to have experienced a crisis: (1) a change in its external or internal environment, which generates (2) a threat to basic values, with a simultaneous or subsequent (3) high probability of involvement in military hostilities, and the awareness of (4) a finite time for its response to the external value threat.

This variable is used to capture contentious relations between the target state and others. Examples of countries experiencing crises include the "Football War" between El Salvador and Honduras in 1969, and the 1992 crisis between Myanmar and Thailand over Myanmar's "hot pursuit" raids of rebels into neighboring Thailand.[32] Approximately 58 percent of the countries in our sample are coded as having an international crisis at some point during the time frame of the study. Countries that have experienced international crises most frequently include Angola, Egypt, France, Iraq, Israel, Syria, the United States, and Vietnam.

U.S. alliance is a dummy variable measuring whether the state is in an alliance with the United States that year. Alliance membership data come from the Alliance Treaty Obligations and Provisions (ATOP) dataset, and offensive, defensive, and

neutral alliances are counted (Leeds et al. 2002). However, the vast majority of alliances with the United States in the sample are defensive alliances. States that have had an alliance (of any type) with the United States are a minority of countries. Approximately 25 percent of the countries in the sample have had an alliance with the United States at some point during the sample. Countries aligned with the United States are generally in Western Europe or Latin America, but other countries include Australia, Pakistan, the Philippines, and Turkey.

Intervention is a variable measuring the number of times that a state intervened in other states' civil wars in a given year. This variable comes from Regan's (2000) data on civil war intervention.[33] The variable ranges from 0 to 4, with only one observation of 4—the United States in 1982, which means that the United States intervened in four civil wars in that year. About 20 percent of the countries in the sample intervened in a civil war during the sample. Countries that intervened repeatedly in civil wars, in addition to the United States, include France, Libya, South Africa, the USSR, and the United Kingdom.

We first test the effect of democracy on transnational terrorism without any foreign policy variables. We use three alternative measures of democracy: *democracy (Polity IV), freedom house*, and *executive constraints*.[34] We test executive constraints as an additional measure of democracy, as Li (2005) finds strong evidence that the mechanism that increases transnational terrorism in democracies is the executive constraints.[35]

Most of the control variables in the transnational terrorism models are the same controls used in the domestic terrorism models: *civil war, income, logpop, durable, capability*, and *region controls*. We expect that each of these variables will have the same relationship with transnational terrorism that it does with domestic terrorism.[36]

Table 5 presents three models of transnational terrorism.[37] The empirical finding is consistent with the extant literature: democracies are more vulnerable to transnational terrorism incidents than are nondemocracies. Model 1 shows that, compared to nondemocracies, democracies have a 68 percent higher incidence rate of transnational terrorism, holding all other variables constant. Similarly, according to model 2, "free" countries are 49 percent more vulnerable to terrorist incidents than "party free" countries. Model 3 provides support for Li (2005)'s results: executive constraints increase the incidence of transnational terrorism. These findings stand in stark contrast to the lack of relationship between democracy and domestic terrorism shown in Table 3.

We argue that the foreign policy behavior of a state plays an important role in the frequency with which a state experiences transnational terrorist attacks. Model 1 in Table 6 evaluates this claim. All three measures of active foreign policy are positive and significant predictors of the number of transnational terrorism incidents a state experiences, consistent with Hypothesis 2. Holding all other variables constant, countries that experience at least one foreign policy crisis in the previous three years have 30 percent higher incident rate. Having a military alliance with the United States increases a country's transnational terrorism incidence rate by 179 percent. An

Table 5
Zero-Inflated Negative Binomial Regression of Transnational Terrorism Incidents, 1968–2001

	Model 1 Incidence rate ratio (robust standard error)	Model 2 Incidence rate ratio (robust standard error)	Model 3 Incidence rate ratio (robust standard error)
Democracy (Polity IV)[a]	1.680 (0.271)***		
Freedom house[a]		1.486 (0.178)***	
Executive constraints[a]			1.064 (0.034)*
Civil war	2.913 (0.672)***	2.993 (0.653)***	3.02 (0.753)***
Income	0.988 (0.014)	0.978 (0.016)	0.992 (0.014)
Logpop	1.392 (0.129)***	1.376 (0.147)***	1.448 (0.134)***
Durable	0.991 (0.003)**	0.992 (0.004)**	0.992 (0.003)**
Capability	3.595 (1.853)**	3.243 (2.125)*	3.108 (1.842)*
Americas	0.713 (0.231)	0.661 (0.222)	0.678 (0.231)
Africa	0.194 (0.077)***	0.200 (0.071)***	0.162 (0.068)***
Mideast	0.854 (0.289)	0.879 (0.322)	0.784 (0.269)
Asia	0.199 (0.068)***	0.205 (0.069)***	0.178 (0.064)***
$\chi^2(n)$	147.53	133.25	124.82
Probability > χ^2	.000	.000	.000
N	5,209	4,674	5,150

a. Variables represent hypothesized relationships.
*$p < .10$. **$p < .05$. ***$p < .01$, two-tailed.

additional intervention in a civil war increases the transnational terrorism incidence rate by 35 percent. These findings suggest that our argument about the importance of a state's foreign policy behavior in its propensity to experience transnational terrorism has some empirical basis.

Models 2 through 4 in Table 6 evaluate the effect of alternative measures of democracy on transnational terrorism, controlling for the foreign policy activeness of states.[38] We see that *democracy* and *executive constraints* lose their statistical significance and that *freedom house* loses its substantial magnitude once we control for foreign policy activeness of states.[39] These results provide strong preliminary support for Hypothesis 3.[40] While *democracy* loses its importance in these models, all of the measures of foreign policy activeness of a state, except *international crisis* in model 3, continue to be significant predictors of the number of transnational incidents.

Our results suggest that how a state interacts with other states may be a stronger predictor than regime type of its propensity to experience transnational terrorism. This finding also explains why democracies are not particularly vulnerable to domestic terrorism. It is not so much the regime type of a state but how it behaves, in terms of the level of grievances in a society or toward external actors, in terms of fomenting resentment, that explains why a state becomes vulnerable to terrorism from inside and outside.

Table 6
Zero-Inflated Negative Binomial Regression of Transnational Terrorism with Foreign Policy Behavior, 1968–2001

	Model 1 Incidence rate ratio (robust standard error)	Model 2 Incidence rate ratio (robust standard error)	Model 3 Incidence rate ratio (robust standard error)	Model 4 Incidence rate ratio (robust standard error)
Democracy (Polity IV)[a]		1.222		
		(.220)		
Freedom house[a]			1.387	
			(.199)**	
Executive constraints[a]				1.011
				(.036)
International crisis[a]	1.300	1.349	1.193	1.383
	(.168)**	(.176)**	(.149)	(.187)**
U.S. alliance[a]	2.789	2.528	2.615	2.579
	(.710)***	(.672)***	(.742)***	(.695)***
Intervention[a]	1.351	1.337	1.372	1.374
	(.107)***	(.110)***	(.096)***	(.110)***
Civil war	3.171	3.363	3.343	3.464
	(.629)**	(.791)***	(.716)***	(.831)***
Income	.978	.979	.969	.983
	(.015)	(.014)	(.016)*	(.014)
Logpop	1.206	1.207	1.123	1.243
	(.130)*	(.133)*	(.143)	(.140)*
Durable	.997	.996	.996	1.00
	(.004)	(.004)	(.004)	(.004)
Capability	4.652	4.859	5.321	4.097
	(3.077)**	(2.910)***	(3.800)**	(2.641)**
Americas	.411	.430	.456	.413
	(.134)***	(.143)**	(.161)**	(.139)***
Africa	.196	.205	.264	.184
	(.076)***	(.083)***	(.112)***	(.077)***
Mideast	.812	.785	.993	.746
	(.286)	(.265)	(.407)	(.247)
Asia	.174	.182	.215	.175
	(.051)***	(.055)***	(.077)***	(.052)***
$\chi^2(n)$	182.68	187.80	199.19	168.24
Probability > χ^2	.000	.000	.000	.000
N	4,815	4,757	4,213	4,698

a. Variables represent hypothesized relationships.
*p < .10. **p < .05. ***p < .01, two-tailed.

With respect to controls, we find that current civil war and high population size usually increase the number of transnational terrorism incidents. Contrary to our expectations, the capability of a state seems to increase its vulnerability to transnational terrorism. The fact that powerful states tend to engage in more active foreign

policies might explain this finding. While income has an inconsistent effect on transnational terrorism, regime durability is insignificant throughout the models. Similar to domestic terrorism, there are cross-regional differences in transnational terrorism. African, American, and Asian states experience fewer transnational terrorism incidents compared to European states. This seems to support our argument, as European states tend to have more active foreign policies, but of course, many other factors come into play as well.

Anecdotally, we also find cases that illustrate the relationships suggested by these empirical results. Pakistan and Egypt, for example, experience higher-than-average transnational terrorism rates. Democracy does not explain this, as both states are nondemocracies throughout most of the sample. However, Pakistan is militarily aligned with the United States, and both states are active in their regions and the international community—making the states targets to any group that might feel slighted by either state's actions. We can also easily point to democracies in the sample that experienced little or no transnational terrorism. They have relatively low-key foreign policies. Some examples of these states include Bangladesh, Finland, Ireland, and Namibia. These examples further suggest that foreign policy rather than democracy better explains transnational terrorism.

V. Conclusion

We started with the argument that if democracies are prone to transnational terrorism by design, then democracies should be vulnerable to domestic terrorism as well. Our empirical assessment of domestic terrorism indicates that democracy is not a statistically significant predictor of domestic terrorism. This lack of relationship is the motivation behind this article. Why are democracies vulnerable to transnational terrorism while they do not have particular problems with homegrown terrorism?

We argue that the positive empirical association between democracy and transnational terrorism is better explained by the foreign policy behavior of states. States that adopt more active foreign policies—as democracies often do—are likely to foment some sort of resentment among foreign groups and, hence, may be the target of terrorism by these aggrieved groups. Our empirical analysis suggests that this is indeed the case. Once we control for the foreign policy behavior of states, regime type becomes a less important predictor of transnational terrorism than previously suggested.

Our findings suggest that democracies are not necessarily more vulnerable to terrorism by their nature. What is important is how states behave toward other actors in the international system. Involvement in international crises, alliance ties with the United States, and intervention in civil wars particularly increase a state's vulnerability to transnational terrorism. This does not necessarily imply that states should refrain from establishing or maintaining alliance ties with the United States or intervening in civil wars. What our findings suggest is that states

should be wary of the consequences of their actions with other states and assess how their actions can cause frustration and discontent in other parts of the world.

The results set the groundwork for several avenues of research. Future research might benefit from further examining the relationship between foreign policy and transnational terrorism. We find several foreign policy attributes that seem to encourage transnational terrorism. Are there other aspects of foreign policy that encourage terrorists to cross an international border to attack? Furthermore, do some relatively benign foreign policies, such as development aid and democracy promotion, counteract the apparently harmful impact of policies such as intervention in civil war? These questions can be addressed in a number of ways, and such research can provide us with a better understanding of transnational terrorism.

Another avenue for future research is to disaggregate transnational terrorism incidents by terrorist group type and investigate whether certain transnational terrorist groups target democracies more frequently than other groups do. Do left-wing terrorist groups target democracies as often as separatist or reactionary groups do? Once we disaggregate transnational terrorism incidents by group type, we may be better able to discern a more nuanced relationship between democracy, foreign policy, and transnational terrorism.

Notes

1. Whitaker (2008) analyzes the potentially conflicting goals of democracy promotion and counterterrorism, exploring U.S. efforts in Kenya.

2. We believe that underreporting may not be a big problem for our study for three reasons. First, the problem with media bias is that it may lead one to conclude a positive correlation between the level of democracy and the number of terrorist incidents (Li 2005). In our domestic terrorism models, we find no statistical relationship between democracy and the number of terrorist incidents. Similarly, we argue that it is the foreign policy behavior of states, not the factors idiosyncratic to democracies, that explains the positive relationship between democracies and the number of transnational terrorist events. Second, we include regional dummies in our models, and we think that they can act as rough proxies for press freedom. We expect "Europe" to have the highest level of press freedom. Third, as Li convincingly argues, although the lack of press freedom in autocracies may lead to underreporting of terrorist incident in such regimes, there are strategic reasons as to why terrorists may be attacking democracies. Publicity is an important factor for terrorist groups (e.g., Nacos 1994), and they are more likely to receive recognition, publicity, and media coverage in countries where the press is relatively free. Therefore, there may be a real positive effect of the media bias on the number of terrorist incidents besides pure underreporting in nondemocratic countries.

3. The U.S. Department of State's data report the aggregate number of terrorist incidents in a country.

4. There is also a common perception that transnational terrorism is somewhat more relevant or more costly than homegrown terrorism. However, the data show that domestic terrorism is indeed more common and costly than transnational terrorism. When we compare the number of domestic terrorism incidents to the number of transnational ones, we see that the latter accounts only for 5 to 10 percent of total terrorist incidents (Hoffman and Hoffman 1995; LaFree and Dugan 2004; Piazza 2008b). For example, according to the RAND–Memorial Institute for the Prevention of Terrorism (MIPT) Knowledge Base,

between 1998 and 2006, there were 22,080 domestic terrorism incidents, killing 32,151 people. In the same period, there were 2,120 transnational terrorism incidents, killing 6,690 people.

5. The negative binomial takes into consideration the nonnormal distribution and overdispersion of the dependent variable. Count data are distributed in a Poisson manner, violating the ordinary least squares assumption of normality, which can lead to estimates that are inefficient, inconsistent, and biased. Overdispersed Poisson data such as these should be estimated with a negative binomial (Long 1997, 217-38). A zero-inflated negative binomial in particular takes into consideration a high percentage of zero observations. Vuong test statistics on models suggest that the zero-inflated negative binomial is preferable to a regular negative binomial (Vuong 1989). Results do not vary a great deal whether we use a zero-inflated or regular negative binomial.

6. This relatively short time span is due to data limitations. The only systematic data on domestic terrorism extend back no further than 1998. We are aware of the limitations of a relatively small sample and hope to expand the temporal domain as soon as more data become available. Piazza (2008b) uses a similar sample in his study and acknowledges the relative dearth of domestic terrorism data. While this makes our and similar studies somewhat cursory, they provide good initial cuts into the study of domestic terrorism and, as a result, terrorism in general.

7. The data were coded from the Terrorism Knowledge Base (TKB) tool on the MIPT Web site. TKB ceased operations on March 31, 2008, and its data were transferred to the Global Terrorism Database, managed by the National Consortium for the Study of Terrorism and Responses to Terrorism at the University of Maryland.

8. The number in each model is often less because of missing data on independent variables.

9. Polity IV assigns democracy/autocracy scores to countries ranging from 0 to 10, where a score of 10 indicates fully democratic/autocratic (Marshall and Jaggers 2004). The Polity index is widely used in the study of political violence, but a potentially serious issue is noted by Vreeland (2008). Any ongoing political violence may be reflected in the aggregate coding of regime characteristics, which in turn may bias the effect of regime type on violence (p. 403). Vreeland notes that the Freedom House index may be vulnerable to similar problems. To ensure that this is not affecting our results, we use multiple other measures of regime type and control for the presence of civil war. In addition, Vreeland argues that the use of the aggregate index often works fine in linear hypotheses (p. 403). Our hypothesis regarding regime type and terrorism is linear and hence is less likely to be prone to the sort of problems noted by Vreeland.

10. Due to the nonannual nature of the data, reported only when elections are held, we interpolate the values to have a value for each year. In addition, Vanhanen (2000) only has data until 2000, so we impute the 2000 values for states through 2004. The extremely limited nature of the dependent variable, with data beginning only in 1998, makes this step necessary. We realize this allows for no within-state variance in the variable starting in 2000, but it does still allow for between-state variance. In addition, there is only within-state variance approximately every four years anyway, due to the election-based nature of the data. Therefore, the results pertaining to this variable should be treated with caution.

11. We also test an alternative measure of press freedom, from Van Belle (1997). This is actually time-invariant, as the most recent year in Van Belle's data is 1995, and we code each state's 1995 score for all years in our sample. Results do not change whether we use press freedom measures from Freedom House or from Van Belle.

12. Sambanis (2008) excludes civil war years from his study but only because he was directly comparing the determinants of civil war with the determinants of terrorism.

13. This commonly used measure is not without problems. It is time-invariant and based on old data. However, we use an updated version filled in with data from the *CIA Factbook* and other sources by Fearon and Laitin (2003). The variable specifically measures the probability that two randomly drawn persons in a country are from different ethnolinguistic groups.

14. The discrimination variables do not vary a great deal over time, so they are already largely a measure of between-country differences.

15. The results should be interpreted with a degree of caution, given the data limitations, particularly temporal, described above.

16. Note that this study analyzes why some countries are targeted for terrorism. The common term for these countries is *target countries.* We do not examine which countries are *origin countries,* or the countries where the terrorists come from, because there is insufficient information on the terrorists' nationalities in our data set. See Krueger (2007) for a discussion of target countries versus origin countries, and a comparison of their respective attributes.

17. This is somewhat similar to the literature on the effect of contiguity on the occurrence of interstate conflict. The empirical evidence shows that contiguous states are more likely than noncontiguous states to engage in militarized conflict because neighbor states are more likely to have issues of contention due to the constant interaction and because it is less costly to fight a neighbor than a distant state. Starr and Most (1976) describe this as "interaction opportunities," and numerous other studies have argued or found that such relationships between contiguity and interstate war exist. See, for example, Bremer (1992), Gochman (1991), and Kocs (1995).

18. Our argument, of course, deals with discontent between states and substate groups (terrorists). This can stem either from a state interacting with another state or from a state interacting directly with a substate group. Transnational terrorists might be proxies for their own governments, but this is not necessary for our argument.

19. Recall the definition of transnational terrorism discussed previously. Terrorism is transnational when it occurs in one country and involves perpetrators, victims, institutions, governments, or citizens of another country. Thus, if perpetrators are from another country, that fits scenario 1 described above. If an incident's victims are from another country, that incident fits into scenario 2 above. Foreign institutions, governments, and citizens could fit in either scenario.

20. An analysis of Regan's (2000) data on interventions in civil wars shows that since World War II the majority of the external interventions in other states' civil wars have been conducted by democracies. Between 1945 and 1999, democracies intervened 91 times, while nondemocracies intervened 87 times. This is not a trivial difference once we consider the fact that democracies were a minority among states until the 1990s.

21. Piazza (2008b) also finds a positive relationship between occupation and suicide terrorism.

22. Pape (2003, 2005) also argues that the tendency of democracies to give in to the demands of the terrorists groups, that is, withdraw from the occupied lands, encourages further terrorist incidents.

23. The evidence suggests that although democracies are unlikely to fight with other democracies, they are not particularly pacific when it comes to nondemocracies (e.g., Maoz and Russett 1993; Bennett and Stam 2004). Gleditsch, Christiansen, and Hegre (2007) argue that democracies have an incentive to spread democracy, by force if necessary. Regardless of whom they fight and what their motives may be, democracies ultimately engage in a great deal of violent disputes, and this might be part of the explanation of the relationship that has been found elsewhere between democratic regime and international terrorism.

24. Some readers might wonder if transnational terrorism in a state might encourage it to join an alliance with the United States for protection. If the terrorism continued, an empirical test might falsely suggest that the alliance played a causal role. We examined our data closely to ensure this is not the case with our sample.

25. According to the Pew Global Attitudes Project (2007), positive opinions of the United States between 2002 and 2007 declined in 26 of 33 countries for which data were available. The decline was consistent across most regions of the world.

26. The empirical evidence suggests that the United States tends to form alliances with democratic states more frequently than with nondemocratic states (Leeds et al. 2002). The strong association between democracy and U.S. alliance ties encourages one to disentangle their individual effects to uncover the real effect of the regime type of transnational terrorism.

27. Intervention sometimes involves occupation, which has been shown to have a positive relationship with a specific type of terrorism, suicide bombing (Pape 2003; Piazza 2008b). While occupation is an

important subject, we choose to focus on intervention in general because of its salience to international relations literature (e.g., Balch-Lindsay and Enterline 2000; Elbadawi and Sambanis 2001; Kegley and Hermann 1997; Regan 1996, 2000) and because of the frequency with which it occurs.

28. Interventions need not be successful to inspire terrorism against the intervener. India's failed peacekeeping effort in Sri Lanka in the 1980s, and the subsequent attacks by Sri Lankan separatists on Indian leaders, serves as an example.

29. Results of the Vuong tests suggest that the zero-inflated negative binomial is the preferable estimator when transnational terrorism is the dependent variable, as it is for domestic terrorism.

30. Note that this number is lower than the number of incidents during a nine-year sample of domestic terrorism data; transnational terrorism is less common.

31. Using other year values, from one to five years, did not affect our results.

32. A few of the crises involve, at some point, transnational terrorism. For example, when Israel attacked Lebanon in 1978, it was because PLO members had been conducting guerrilla raids, and sometimes terrorism, from bases in Lebanon. To avoid reverse causality, our measure of international crisis is lagged. In addition, these situations are coded as crises not only because of the terrorism but also because of the international response. To further ensure that endogeneity is not a problem, we run our models with a lagged dependent variable, and the results are generally unchanged. We also run our models after removing crises involving terrorism from the data set, and our results remain generally the same.

33. Regan's data end in 1999, but we extend the data set to 2001 using secondary sources such as the *New York Times* archives.

34. We also test the effect of political participation and press freedom on transnational terrorism and find that political participation is a significant predictor of transnational terrorism. For space considerations, we do not report these results in the tables.

35. Following Li (2005), we use the executive constraints variable from the Polity IV data set. It is coded on 0 to 7 scale, where 0 represents no constraints and 7 represents subordination. Vreeland (2008) notes that executive constraints is not vulnerable to the measurement problems discussed in note 9 (p. 404).

36. Note that measures of potential domestic grievances (fractionalization, political discrimination, and economic discrimination) have been excluded, as we do not expect such domestic grievances to contribute to the likelihood of transnational terrorism.

37. Since Israel has a disproportionately high number of transnational terrorism incidents in most years (i.e., it is an outlier), we drop Israel from our models. The main results do not change with the exclusion of Israel.

38. We also ran two additional models where we included participation and Van Belle's (1997) press freedom measure as alternatives measures of democracy. Both variables are described above. When foreign policy variables are included in the model, we find that participation loses its significance while press freedom loses substantial magnitude and is significant only at 90 percent. Meanwhile, the coefficients for the foreign policy variables largely remain unchanged whether or not participation or press freedom is in the model.

39. Some readers might be concerned about the effects of colinearity between democracy and some of the aforementioned foreign policy variables. We have argued that democracy may be related to many aspects of active foreign policy, so we expect some colinearity. Many scholars are concerned by high degrees of colinearity, such as at 0.6 or higher, and fortunately none of our pairs of variables meet this criterion. The primary negative consequence of multicolinearity is inflated standard errors on the offending independent variables, causing them to lose significance (Kmenta 1986), so if our study had such a problem, it would pose a higher hurdle for our foreign policy variables to clear. Perhaps the foreign policy variables are absorbing some of the covariance between democracy and international terrorism, but our theory suggests that this should occur. In addition, excluding important independent variables, such as democracy or the foreign policy variables, constitutes omitted variable bias, a serious threat to validity that we prefer to avoid (Arcenaux and Huber 2007).

40. We also include each of the foreign policy variables one at a time and find that each is a statistically significant predictor of transnational terrorism on its own.

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