

Domestic Terrorism in Democratic States: Understanding and Addressing Minority Grievances

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Abstract

Scholars continue to disagree on the relationship between regime type and political violence, perhaps because the empirical evidence remains contradictory. To date, most studies generally explore the direct relationship between democracy and terrorism. Yet, we think the effect of regime type on terrorism is conditional on the presence of politically excluded groups whose grievances motivate them to challenge the state. We need to take into account both willingness/grievance and opportunity to understand political violence. Using a global data set of domestic terrorism between 1990 and 2012, we find that different regime-associated features of democracy relate differently to domestic terrorism. Higher levels of the rule of law tend to decrease terrorism, whereas electoral democracies tend to experience more domestic terrorism. However, domestic terrorism increases in every form of democracy in the presence of political exclusion. As such, an effective counter-terrorism policy must address underlying grievances as democratization by itself may actually drive domestic terrorism up.

Keywords

domestic terrorism, exclusion, economic discrimination, democracy, rule of law

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Extensive democratic peace literature shows the lower likelihood of two democracies to engage in dyadic conflict (Gleditsch and Hegre 1997; Maoz and Abdolali 1989; Maoz and Russett 1993; Rousseau et al. 1996; Russett and Oneal 2001; Russett 1993). Similarly, extant literature on civil conflict exhibits a conclusive trend that democracies are less likely to experience civil war than mixed regimes (Abouharb and Cingranelli 2007; Ellingsen and Gleditsch 1997; Hegre et al. 2001; Regan and Henderson 2002; Reynal-Querol 2002; Vreeland 2008), giving rise to the concept referred to as “civil peace”. However, studies on the relationship between regime type and terrorism conclude incompatibly that democracy both increases and decreases the probability of domestic terrorism. One theory (regime responsiveness) posits that terrorism arises where legal means of political expression are suppressed (Schmid 1992; Windsor 2003), while a second theory (regime permissiveness) speculates that democratic freedoms provide terrorists space in which to operate (Eubank and Weinberg 2001; Li 2005). Scholars in each theoretical camp generally explore only the direct relationship between democracy and terrorism (Choi 2010; Eubank and Weinberg 1994; Eyerman 1998; Li 2005; Ross 1993; Schmid 1992). Yet, it may be that the relationship between democracy and terrorism is conditional on some other factor. That is, democracy may have a much clearer association with terrorism only when this other condition is present. Indeed, evidence clearly shows group marginalization relates to terrorism. In fact, both political and economic discrimination appear to increase the number of terrorist attacks experienced in a country (Choi and Piazza 2016; Piazza 2011, 2012). Regime type might play a role in fostering terrorism only when significant grievances exist. This leads to our research question: how do democratic institutions affect the level of domestic terrorism in the presence of minority discrimination?

This article explores the prevalence of domestic terrorism in democratic states when significant discrimination is present. That is, we are not simply interested in whether political openness associates with domestic terrorist attacks, but rather we are concerned with the relationship between political openness and terrorism when discrimination is prevalent. Discrimination can serve as a major source of group grievance against a state while political openness offers the geographic and political space necessary for mobilization. That is, we only expect democracy to have a consistent effect on higher levels of domestic terrorism through its interaction with excluded groups. Generally, the highly institutionalized democracies of Europe and North America are less likely to be targets of domestic terrorism; however, such countries may experience domestic terrorism if significant group grievances exist in the form of state-sponsored discrimination. The United Kingdom, for example, has historically suffered from domestic terrorism by Irish nationalist groups despite its high level of political openness.

Domestic Terrorism in Democracies

Most terrorism occurs in democratic states and most terrorism is domestic as opposed to transnational (Eubank and Weinberg 2001; Sandler 2015)¹; however,

the scholarly debate on regime type and terrorism remains inconclusive. There are three theoretical approaches that relate domestic terrorism to democratic states. The first (regime responsiveness) argues that democratic institutions are negatively associated with domestic terrorism. This school argues that democratic institutions alleviate grievances by providing greater electoral access and through the use of peaceful conflict-resolution mechanisms; therefore, terrorism results when these legal means of political expression are suppressed (Schmid 1992; Windsor 2003). Choi (2010) finds that countries adhering to a high-quality rule of law suffer from less terrorism than others. The finding of a negative relationship between judicial independence and terrorism by Findley and Young (2011) further supports the regime responsive arguments. Similarly, studies by Krueger and Maleckova (2003) and Krueger and Laitin (2008) show that increased civil liberties reduce terrorism originating from a country. The second (regime permissiveness) argues that democratic institutions are positively associated with domestic terrorism. These scholars argue that political freedoms and constrained executives provide groups with an openness to operate, which lowers the costs of resorting to violence. Scholars have indeed found that democracies were the more common targets of terrorism (Eubank and Weinberg 2001; Eyerman 1998; Li 2005; Walter and Sandler 2006; Young and Dugan 2011). While regime responsive scholars explore the effects of specific components of democracy (e.g., rule of law, judicial independence, and civil rights) on terrorism, regime permissive scholars fail to explore how different levels of institutionalization in democracies affect terrorism differently.

Third, a growing number of scholars have started examining the effect of democracies with high levels of institutionalization on the incidences of terrorism. They argue that the relationship is curvilinear, that highly institutionalized democracies are less vulnerable to terrorism than mid-range “immature” democracies (Abadie 2006; Chenoweth 2013; Ghatak 2016). Weakly institutionalized democracies allow some constitutional guarantees of political and civil liberties but are concomitantly characterized by a deficient rule of law, no institutionalized minority protection, and widespread human rights violations. Such regimes might experience high levels of domestic terrorism (Ghatak 2016).² Feldmann and Perala (2004) present empirical evidence to argue that the presence of weakly institutionalized democracies is the main driver of terrorism in post-Cold War Latin America. Despite different theoretical expectations, these three approaches are similar in that they all explore only a direct relationship. This debate over regime type and domestic terrorism might be inconclusive due to the conditional nature of domestic terrorism. Here, we argue that higher levels of domestic terrorism are conditional on the presence of minority discrimination.

Discrimination and Domestic Terrorism

Social scientists often characterize society in terms of different groups competing for resources, position, and power. Blumer (1958) argues that dominant group members

develop the view that certain resources are the exclusive privilege of their groups. The dominant group might react to perceived challenges to those exclusive privileges by excluding minority/minorities from political power or other means of discrimination (Nagel 1995). Exclusion leads to grievances against the discriminatory state and grievances often result in political violence. Crenshaw (1981) argues that the existence of concrete grievances among an identifiable subgroup of a larger population is a major driver of terrorism. Piazza (2011) posits that minority discrimination or deprivation which usually involves some combination of employment discrimination, unequal access to government health, educational or social services, and lack of economic opportunities available to the rest of society helps to develop minority group grievances. Terrorism is often the result of such grievances.

Several empirical studies show that marginalized ethnic, racial, and linguistic minority groups resort to political violence to remedy their exclusion and discrimination. Gurr and Moore (1997), for example, find that minority ethno-political groups are likely to rebel if they face high levels of discrimination in a state. Similarly, Wimmer, Cederman, and Min (2009) note that states excluding large portions of the population on the basis of their ethnic background are more likely to witness rebellion than others. Extant literature on terrorism, mostly country-specific studies, would show that marginalized ethnic, racial, and social minority groups are likely to support terrorist campaigns (Clark 1984; Cleary 2000; Murshed and Gates 2005). For example, Sri Lanka and its people have suffered from violence at the hands of one of the world's deadliest terrorist organizations: the Liberation Tigers of Tamil Eelam. Scholars have causally connected the marginalization of the Tamil minority (18.1 percent of the population) to their struggle for a separate homeland (Shastri 1990; De Votta 2000; Barua 2005). Similarly, two major terrorist campaigns in Western Europe—the Irish movement in Northern Ireland and the Euzkadi ta Askatasuna (Basque homeland and security) in Basque country Spain—pertained to discriminations against national minorities (Shabad and Ramo 1995; Townshend 1995). Besides numerous country-specific studies, a large-*N* study by Piazza (2011) finds that economic discrimination against national minorities is a robust predictor of domestic terrorism. Likewise, Choi and Piazza (2016) have found that exclusion of ethnic groups from political power is a major driver of domestic terrorism. Similar studies by Ghatak (2016) and Ghatak and Prins (2017) support these findings that exclusion indeed drives domestic terrorism.

Examining Discrimination against a Minority and Mobilization Opportunities

Grievances and opportunities drive terrorism (Ghatak 2016; Ghatak and Prins 2017; Ghatak and Gold 2015). Theoretical frameworks exploring terrorism should take two fundamental factors into account: the existence of concrete grievances among an identifiable subgroup of a larger population and the opportunity for a social or political movement to develop in order to redress these grievances (Crenshaw

1981; Tilly 1978). Grievances might lead minority groups to challenge the state that discriminates against them. However, minority groups' decision to resort to violent tactics in redressing their grievances might be dependent on their ability to mobilize. Political openness provides opportunities to organize and carry out acts of political violence against the state. Nondemocracies are often able to inhibit the formation and mobilization of terrorist organizations through the use of highly coercive state institutions like the party, military, or secret police (Lai 2007).

Why do aggrieved individuals and groups resort to domestic terrorism more in democracies than nondemocracies? First, terrorists target democracies because democratic leaders care more when civilians are killed than leaders in nondemocracies because of electoral incentives. Democracies have greater "audience costs" than other regimes (Conrad, Conrad, and Young 2014) and, therefore, are more likely to concede to terrorists' demands. Democracies have stronger audience costs because during foreign policy failures, which are public events, they are more likely to face domestic sanction (Fearon 1994). Since democracies are not as insulated from public pressure, it is easier for the public to affect policy change. Pape (2003) relies on this assumption of democratic "susceptibility" to manipulation to explain why terrorist groups resort to suicide bombing in liberal democracies. Interestingly, not all democracies are targeted; democracies such as Sweden, Denmark, and Costa Rica seldom experience terrorist attacks. Democracies do not engender terrorism unless people have grievances against the state. When large sections of minority communities are discriminated against as a result of state policy in a democracy, they might have incentives to attack the state. For example, the United Kingdom's policy of discrimination against the Catholic population in Northern Ireland has made the country vulnerable to terrorist attacks.

However, the "audience cost" argument of democratic vulnerability has not gone unchallenged. Some scholars (Abrahms 2007; Berrebi and Klor 2008; Davis and Silver 2004; Gadarian 2010) argue that terrorism pushes democratic publics to the right, supporting often hawkish and less conciliatory attitudes toward terrorists and the populations that support them. However, such belligerent attitudes toward terrorism might help radicalize the discriminated minorities and lead to further terrorist attacks in the form of "provocations" (Kydd and Walter 2006).

Second, democracies' commitment to human rights and civil rights, such as freedom of movement, association, and expression, provides opportunities for rebels to form, operate, recruit, and coordinate terrorist activities in liberal societies without the same fear of intrusion from their governments as in a nondemocracy. A democracy's own self-restraining laws and legislative practices lower the cost of operation for those using terrorism (see Crenshaw 1981; Eubank and Weinberg 1994; Schmid 1992). When minority populations are discriminated against in a democratic state, they have incentives to exploit their state's civil liberties to mobilize and carry out terrorist attacks. Domestic terrorists apprehended in democracies can expect more lenient treatment than those caught in authoritarian regimes, such as a fair trial and humane punishment. In addition, while many democratic states are

strong regimes with powerful intelligence capabilities, democracies have constrained executives that do not allow for draconian, unrestrained counterterrorism policies. Because democratic leaders are accountable to more societal interests, through larger winning coalitions and more veto players, efficient counterterrorism policies are harder to execute (Buono de Mesquita et al. 1999; Li 2005; Young and Dugan 2011; Young and Findley 2011).

Third, press freedom creates incentives for terrorists to target democratic states. Market-driven media companies enthusiastically report violent events, thus providing free publicity to terrorist groups and magnifying the fear terrorist groups intend to create (Gadarian 2010). Media and terrorists enjoy a symbiotic relationship; terrorists want publicity and the media compete for viewership (Hoffman 2006). Twenty-four-hour news channels broadcast terrorist violence for extended periods, which allows groups to bring publicity to their cause and spread fear. Media attention also gives groups the opportunity to signal governments, publics, and rival groups through strategies of provocation and outbidding. In contrast, nondemocracies can either ignore public opinion or co-opt their state's media to minimize the effect of terror attacks. Interestingly, Chenoweth (2013) argues that many countries with media freedom are not targets of terrorist violence, although terrorists undoubtedly thrive on available media coverage. This is because many democracies do not practice discriminatory policies against national minorities. However, democratic states with greater press freedoms are ideal targets of terrorism when an aggrieved minority exists.

Lastly, the institutional design of the state such as separation of powers, electoral rules, and party systems might help explain rebel incentives to resort to terrorist violence in some democracies. Deadlock, often resulting from a separation of power, leads to policy inaction, which leads to a government's failure to devise solutions to address needed policy changes for aggrieved groups and to solutions to ongoing political conflicts. This in turn may undermine confidence in government. "Deadlock reduces government responsiveness to public concerns and creates frustration and vulnerability among minority groups" (Chenoweth 2013, p. 364). In fact, Young and Dugan (2011) find that the presence of multiple veto players in a democracy increases the incidence of domestic terrorism. Electoral systems such as single-member constituencies (majoritarianism) may fail to provide representation to small ethnic or linguistic groups, encouraging them to express their grievance through violent methods (see Aksoy, Carter, and Wright 2012; Brooks 2009). This is why the regime responsiveness school argues greater electoral participation (proportional representation) negatively associates with terrorism. However, a system of proportional representation might encourage terrorism when a high level of ethnic fractionalization dominates the political environment (see Foster, Braithwaite, and Sobek 2013) and where political competition is intense (Chenoweth 2010). Similarly, a fragmented party system might delay consensus building by the political elite on a possible response to political violence. All these factors provide opportunities to aggrieved populations to mobilize and carry out terrorist attacks in a democracy when peaceful methods are unavailable or ineffective.

Table 1. Annual Average Domestic Terrorist Incidents by Regime Type.

Regime	Discrimination	No Discrimination
Democracy	8.18	0.96
Nondemocracy	4.8	6.23

Note: Regime classification: Cheibub, Gandhi, and Vreeland (2010); Discrimination: MAR (2009).

Table 2. Annual Average Domestic Terrorist Incidents by Regime Type.

Regime	Discrimination	No Discrimination
Democracy	8.31	2.41
Anocracy	5.69	6.71
Autocracy	1.49	0.86

Note: Polity IV Regime Classification; Discrimination: MAR (2009).

Tables 1 and 2³ explore the annual average terrorist attacks by regime type in the presence of discrimination and in the absence of it. Both tables show that democracies experience the highest annual average attacks when discrimination is present. Table 1 shows that a democracy⁴ suffers about eight incidents of domestic terrorism per year when discriminatory state policy is present. On the contrary, a nondemocracy suffers about five annual incidents in the presence of such policies. However, when discrimination is absent, democracies are least vulnerable to domestic terrorism, experiencing an annual average of about one incident. Table 2 presents annual average attacks of domestic terrorism across three regime types⁵ in the presence of discrimination and in the absence of it. When discrimination is practiced as a state policy, a democracy is most vulnerable to domestic terrorism, experiencing an average of eight annual incidents. Autocracies are the least likely targets of domestic terrorism in the presence of discriminatory state policy. However, both democracies and autocracies suffer lower number of terrorist attacks per year in the absence of discrimination than in its presence.

Interestingly, many scholars (regime responsiveness school) argue that terrorism arises where legal means of political expression are suppressed (Li 2005; Schmid 1992; Windsor 2003). These scholars argue that greater democratic representation (proportional representation instead of majoritarianism) and higher civil liberties are associated with lower levels of terrorism. Moreover, several conflict-reducing mechanisms dissuade people from resorting to extra-constitutional methods of political protest like terrorism, which makes resorting to violence a less attractive option in a democracy (Schmid 1992). Choi (2010) presents a causal explanation in which a high-quality rule of law is thought to dampen ordinary citizens' opportunity and willingness to engage in political violence, protecting democracies from becoming victims of terrorism. Similar studies (Krueger and Laitin 2008; Krueger and

Malečková 2003) show that civil liberties reduce terrorism. In addition, Findley and Young (2011) find that the presence of an independent judiciary reduces the likelihood of domestic and transnational terrorism. The logic is that independent judiciaries make government commitments more credible, thereby reducing the incentive for the use of terrorism.

Ordinary citizens have incentives to use political violence against other citizens, political figures, institutions, or the government under three conditions: (1) when they hold grievances; (2) when they find no peaceful means of resolving these grievances, exacerbating feelings of hopelessness, and desperation; and (3) when they view terrorist action as a legitimate and viable last resort to vent their anger and frustration (Choi 2010). The lynchpin of this line of reasoning is that as long as ordinary citizens have access to a peaceful mechanism for conflict resolution, they are less likely to contemplate terrorist violence as a practical option to settle disputes. However, this line of argument is problematic for several reasons. First, higher levels of terrorism in a democracy are conditional on the presence of an aggrieved minority population. When a minority population is discriminated against in a democracy, the democratic institutions and laws are often viewed as illegitimate by the aggrieved section. Here, democratic institutions do not reduce grievances but provide an even greater openness for groups to mobilize. They are likely to use the country's adherence to the rule of law⁶ to their advantage (e.g., to evade detention) in order to carry out terrorist violence. Crenshaw (1981) argues that democratic principles are viewed as a system's weaknesses in that terrorist activities become easier to carry out. Even highly institutionalized democracies may pursue policies of exclusion and as a result are likely to experience homegrown terrorism (e.g., the United Kingdom, Israel, and Spain).

Second, terrorism is mostly carried out by small rebel groups whose demands⁷ are often extreme, and such extreme goals cannot be achieved through either participatory or legal constitutional means. For example, the Sikh terrorists in the Indian state of Punjab in the 1980s demanded an independent homeland for the Sikhs. Even if we assume that the entire Sikh population of India supported the idea of an independent Sikh homeland, two percent of India's population would never secure enough representation in the Indian parliament in order to amend the Indian Constitution to secure independence. Similarly, left-wing terrorists in Europe in 1970s such as Red Army Faction in West Germany wanted communist rule in Germany and other European countries. Independent judiciaries are unable by themselves to cause regimes to transition. Based on the above discussion, we argue that higher levels of domestic terrorism in democratic states is conditional on the presence of minority discrimination.

Table 3 presents annual average terrorist incidents across regimes in the presence and absence of discrimination. We create four regime-type categories here using the Polity IV data set (Marshall and Jaggers 2010), disaggregating democracy (+6 through +10 in combined democracy–autocracy score) into institutionalized democracy (+10) and less institutionalized democracy. Institutionalized democracies

Table 3. Annual Average Domestic Terrorist Incidents by Regime Type.

Regime	Discrimination	No Discrimination
Institutionalized democracy (+10)	11.46	0.19
Less institutionalized democracy (+6 to +9)	7.4	4.92
Anocracy	5.69	6.71
Autocracy	1.49	0.86

Note: Polity IV Regime Classification; Discrimination: MAR (2009).

experience more terrorism than three other types when discrimination against minority populations exists, experiencing about eleven incidents of domestic terrorism on average per year. However, the risk of terrorism is the lowest in such democracies when discrimination is absent (see Table 3). The above discussion leads us to the following hypothesis.

Hypothesis 1: Democracies are more likely to experience higher levels of domestic terrorism in the presence of minority discrimination than in the absence of such discriminatory state policies. In other words, democratic institutions will increase levels of domestic terrorism in the presence of minority discrimination.

Data and Research Design

We use a Generalized Estimating Equations (GEE) estimator with a negative binomial specification and an Autoregressive (AR [1]) error structure in order to test our sole hypothesis. We build a country-year database of 172 countries from 1990 to 2012 deriving from the Enders, Sandler, and Gaibullov (2011) and Gaibullov, Sandler, and Santifort (2012) data on domestic terrorism.⁸ Enders, Sandler, and Gaibullov (2011) and Gaibullov, Sandler, and Santifort (2012) constructed their data set on domestic terrorism by separating domestic from international terrorist events published in the widely used Global Terrorism Database (GTD).⁹ The dependent variable for our empirical models is a country-year count of domestic terrorist incidents derived from the above-mentioned data set developed by Enders, Sandler, and Gaibullov (2011) and Gaibullov, Sandler, and Santifort (2012). The number of incidents per year, which measures the existence of terrorism in a particular country, has been used widely by scholars in studies of terrorism (Krieger and Meierrieks 2010; Lai 2007; Li and Schaub 2004; Piazza 2011).

Two distinct measures of minority discrimination, one of our primary theoretical variables, are used in our empirical models. First, we use the percentage of the discriminated population taken from Ethnic Power Relations (EPR) data set (Wimmer, Cederman, and Min 2009). The EPR data set identifies all politically relevant

ethnic categories around the world and measures access to executive-level state power for members of these ethnic categories in all years from 1946 to 2010 (extended to 2014 in an updated version). Discrimination is defined as the exclusion from political power; politically excluded people are likely to be deprived of several public good provisions like education, employment, and other benefits. Second, we measure minority discrimination using the Economic Discrimination Index (ECDIS) from the Minorities at Risk data set. ECDIS is coded as a five-point ordinal measure ranging from zero for no discrimination/no minority at risk group to four for extreme minority discrimination with the connivance of the state (Minorities at Risk Project, 2009). The variables have been used in earlier studies of terrorism (see Choi and Piazza 2016; Ghatak 2016; Ghatak and Gold 2015; Ghatak and Prins 2017; Piazza 2011).

We use four distinct measures to get at democracy. First, we use the Polity IV dataset (Marshall and Jaggers 2010) to operationalize democracy and other regime types. The Polity IV conceptual scheme examines concomitant qualities of democratic and autocratic authority in governing institutions, rather than discreet and mutually exclusive forms of governance. This perspective envisions a spectrum of governing authority that spans from fully institutionalized autocracies through mixed, or incoherent, authority regimes to fully institutionalized democracies. The “polity score” captures this regime authority spectrum on a twenty-one-point scale ranging from -10 (hereditary monarchy) to $+10$ (consolidated democracy) and consists of six component measures that record key qualities of executive recruitment, constraints on executive authority, and political competition. It also records changes in the institutionalized qualities of governing authority. Using the combined twenty-one-point democracy–autocracy scale, states are coded as one of the three regime types: autocratic (less than or equal to -6), anocratic (-5 to 5), and democratic (six to ten). This breakdown is common in research using these data (Mansfield and Snyder 2002). The empirical models include two of the categorical variables—democracy and anocracy. Autocracy is the excluded baseline category.¹⁰

Our second measure of democracy is taken from the Democracy–Dictatorship data set (Cheibub, Gandhi, and Vreeland 2010). The data set, covering 199 countries from 1946 to December 2008 (or date of state death/change), introduces a minimalist dichotomous measure of political regime. Democracies are defined as regimes in which governmental offices are filled as a consequence of contested elections. This definition has two main parts: “offices” and “contestation.” For a regime to be democratic, both the chief executive office and the legislative body must be filled by elections. The “contestation” part includes a number of features such as the presence of more than one party, irreversibility of electoral outcome, and an alternation of power. These two variables are highly correlated (0.81), although there are substantial differences in their classification criteria.

Our third measure of democracy is the rule of law. The rule of law variable measures the coexistence of (1) the strength and impartiality of the legal system and (2) the degree of popular observance of law as a legitimate and fair way to settle

claims. The variable comes from the International Country Risk Guide (ICRG) compiled by the Political Risk Services group. The ICRG combines both categories, each on a scale of zero to three, for a composite seven-point score of the strength of a country's rule of law where zero equals an absence in the rule of law and six denotes a high quality in the rule of law. Choi (2010) uses this variable in a study on the effect of rule of law on terrorism. We obtain this variable from the Political Constraint Index (POLCON) data set (Henisz 2000, 2002). POLCON refers to this variable as "law and order," but in keeping with Choi (2010), we call it rule of law.

Our fourth measure of democracy is civil liberties. Choi (2016) argues that democracy is closely related to civil liberties such as the opportunity of citizens to participate in the political process, the right to a free press and to information, and the freedom of association, assembly, expression, and movement. Civil liberties increase the transparency of political processes and improve the public's ability to monitor and criticize a government's policy commitments. We use the Freedom House (2012) measure of democracy, which ranges from one to seven; one standing for the highest level of civil liberties in a country year and seven for the lowest. We reorder the index in that one stands for the lowest level of civil liberties and seven stands for the highest. This measure takes into account the democratic qualities such as the freedom of expression and belief, associational and organizational rights, the rule of law, and personal autonomy (Freedom House 2012). Based largely on the Universal Declaration of Human Rights, the Freedom House (2012) data are based on the *de facto* state of civil liberties as experienced by individuals in a state.

Several controls that frequently appear in empirical studies of terrorism (Li 2005; Piazza 2011; Wade and Reiter 2007) are included in all our models. The population of a country is often used in empirical studies of terrorism with the expectation that countries with greater populations experience more terrorist attacks than less populated ones. More populous states provide terrorist organizations with a broader recruitment pool and increase the monitoring costs for a government (Lai 2007). The population of a country changes slowly over the years, but it varies a great deal across the 172 countries in the models. The data on this variable come from the Penn World database (Heston, Summers, and Aten 2012). The natural log of total population is used in the models. We also include a measure of economic development. Although extant empirical evidence does not conclusively demonstrate a relationship between poverty and terrorism, many studies consider economic grievance an important factor driving individuals to political violence. Therefore, the natural log of gross domestic product (GDP) per capita held at current international dollars (2005) is used as a control variable in the empirical models. The data on this variable come from the Penn World database (Heston, Summers, and Aten 2012).

Elsewhere, Eyerman (1998) and Li (2005) find the age of the current political regime to be a negative predictor of terrorism. The intuitive logic is that frequent regime changes might prevent the government from pursuing a long-term counter-terrorism policy and provide terrorist groups opportunities to organize. Therefore, regime duration, which is calculated as the number of years the current regime has

been in power, is included as a control variable in our models. GDP per capita and regime duration are lagged by one year.¹¹ Next, we control for interstate conflict in each of our empirical models. Interstate wars also likely limit the resources available to governments to fight internal political violence like domestic terrorism. Interstate conflict can potentially create a situation where a government's engagement with a state's rival makes it vulnerable to higher levels of terrorist violence. A minimum threshold of 1,000 battle-related deaths defines interstate conflicts. We also control for civil war¹² in each of our empirical models. Governments confronting armed insurgencies are also not likely to have the resources available to effectively control their territory, allowing groups to organize without fear of government reprisals (Lai 2007). Both of these variables come from the Uppsala/Peace Research Institute Oslo (PRIO) Armed Conflict Data Set version 4 (Themnér and Wallensteen 2013).¹³ The summary statistics for all the variables are provided in Appendix Table A1.

Results and Analysis

Our analyses cover 172 countries from 1990 to 2012. Owing to missing data for some cases, the sample size varies approximately between 2,700 and 3,204 observations, depending on the model. Because the dependent variable is an event count, ordinary least squares (OLS) estimates can be inefficient, inconsistent, and biased (Long 1997). Our decision to use negative binomial estimators—rather than OLS or Poisson models—is recommended by some unique features of the dependent variable. First, it is a count measurement that cannot include negative values. Second, the data are unevenly distributed across cases and years, resulting in a wide difference between the mean and standard deviation. The Poisson regression model is often used with event counts, in which the mean of the Poisson distribution is conditional on the independent variables. But the Poisson regression model assumes that the conditional mean of the dependent variable equals the conditional variance. The violation of this assumption in our models tends to produce biased standard errors and possibly spurious statistical significance (Li and Schaub 2004).¹⁴ To address cross-sectional and temporal nonindependence, we control for the panel structure of the data and add an AR(1) error term¹⁵ to our models. Further, the data on political exclusion, population, and GDP per capita are all logged. We also control for the US military occupations of Iraq and Afghanistan to be sure that our results are not driven by the spikes in domestic terrorism observed at these times (which they are not). Other options would be using fixed effect or random effect models and including lagged dependent variable in the models. We ran such models, and the results remain unchanged, although fixed effect models result in dropping several observations.

Models 1, 3, 5, and 7 in Table 4 present our findings for the direct effects of democracy and discrimination (using EPR) on domestic terrorism. We include these models to compare our analyses more straightforwardly to extant research that examines the direct effects of democracy and discrimination on domestic terrorism. The models in Table 4 use four separate measures of democracy to confirm the

Table 4. Democracy, Political Exclusion, and Domestic Terrorism (1990–2012).

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Polity IV	Polity IV	Cheibub et al.	Cheibub et al.	Rule of Law	Rule of Law	Civil Liberty	Civil Liberty
Democracy	0.976*** (.092)	0.259** (.130)	0.614*** (.077)	-0.039 (.124)	-0.396*** (.026)	-0.689*** (.041)	-0.934*** (.072)	-1.663*** (.101)
Ln political exclusion	0.270*** (.024)	0.092*** (.031)	0.275*** (.024)	0.132*** (.031)	0.230*** (.024)	-0.197*** (.054)	0.194*** (.023)	-0.080** (.033)
Democracy × Ln political exclusion		0.322*** (.045)		0.314*** (.047)		0.136*** (.015)		0.421*** (.040)
Anocracy	0.319*** (.092)	0.239*** (.090)						
Ln population	0.776*** (.025)	0.783*** (.025)	0.651*** (.027)	0.667*** (.027)	0.748*** (.026)	0.785*** (.025)	0.726*** (.025)	0.748*** (.025)
Ln GDP pc _{t-1}	0.112*** (.032)	0.096*** (.031)	0.109*** (.033)	0.097*** (.032)	0.396*** (.032)	0.461*** (.031)	0.353*** (.032)	0.354*** (.032)
Regime durability _{t-1}	-0.008*** (.001)	-0.008*** (.001)	-0.007*** (.001)	-0.007*** (.001)	-0.003** (.001)	-0.003** (.001)	-0.004*** (.001)	-0.004*** (.001)
Civil war	1.237*** (.107)	1.282*** (.108)	1.136*** (.105)	1.158*** (.106)	1.040*** (.113)	1.120*** (.114)	0.886*** (.101)	0.988*** (.102)
Interstate war	-0.098 (.309)	-0.093 (.309)	-0.382 (.269)	-0.403 (.273)	-0.442 (.283)	-0.568* (.294)	-0.301 (.263)	-0.494* (.272)
Intervention Iraq/Afghanistan	0.000 (-)	0.000 (-)	3.229*** (.395)	2.887*** (.394)	3.273*** (.478)	2.753*** (.466)	3.033*** (.334)	2.597*** (.332)
Constant	-7.915*** (.363)	-7.404*** (.358)	-6.319*** (.373)	-6.039*** (.367)	-7.930*** (.368)	-7.923*** (.367)	-7.797*** (.343)	-7.526*** (.338)
Observations	3,117	3,117	2,700	2,700	2,841	2,841	3,204	3,204
Number of groups	142	142	148	148	129	129	145	145
Wald χ^2	1,444.117	1,472.764	1,065.734	1,121.161	1,489.077	1,735.543	1,561.111	1,615.863
Wald χ^2 , p value	.000	.000	.000	.000	.000	.000	.000	.000

Note: Standard errors are in parentheses. GDP pc = gross domestic product per capita.

*p < .10.

**p < .05.

***p < .01.

robustness of our posited relationships. We find that all four measures of democracy are statistically related to domestic terrorism, confirming earlier research by Lai (2007) and Choi (2010). Democratic states as operationalized by Polity IV and the Democracy–Dictator data set tend to experience more domestic terrorism (models 1 and 3 in Table 4). Lai (2007) emphasizes the less repressive nature of democracy rather than autocracy to result in greater mobilization opportunities of terrorist organization and higher levels of terrorism. We find rule of law to reduce domestic terrorism (see model 5 in Table 4). This supports Choi’s (2010) finding that aggrieved sections are less likely to resort to violent means when peaceful resolution of disputes is possible under a legal system. Additionally, civil liberty is negatively related to domestic terrorism (model 7 in Table 4); higher levels of civil liberty result in a reduction of domestic terrorism. This supports the earlier studies by Krueger and Maleckova (2003) and Krueger and Laitin (2008) who find that increased civil liberties reduce terrorism originating from a country. We also find that the percentage of a discriminated population is positively related to domestic terrorism at statistically significant levels, supporting work by Choi and Piazza (2016).

Table 5 presents our findings for the direct effects of democracy and discrimination (using minority economic discrimination [MAR]) on domestic terrorism (see models 1, 3, 5, and 7). The table once again includes four separate empirical models presenting evidence on the direct relationship between minority discrimination and domestic terrorism. The results presented in Table 5 exactly reflect those in Table 4 as far the relationship between democracy and domestic terrorism is concerned. Democracy as operationalized Polity IV and the Democracy–Dictator data set are both positively related to domestic terrorism, whereas rule of law and civil liberties have negative correlations with domestic terrorism at statistically significant levels. We again observe that minority discrimination is positively related to domestic terrorism at statistically significant levels in all four of the empirical models. Domestic terrorism increases as levels of MAR goes up. This supports earlier findings by Piazza (2011, 2012) that minority economic discrimination is a major driver of domestic terrorism.

A number of control variables included in the models presented in Tables 4 and 5 are statistically significant and in the expected directions. Two control variables—population and development—correlate with the incidence of domestic terrorism. In models 1 through 8 (Tables 4 and 5), the natural log of population has a strong, positive, and statistically significant relationship to domestic terrorism. More populous states make it easier for groups to operate by increasing the potential pool of recruits and increasing the costs to the government for monitoring all of its citizens. Lai’s (2007) findings on the production of transnational terrorism are supported in our study on homegrown terrorism. Logged GDP per capita is also related the incidence of domestic terrorism. Economic prosperity increases the expected annual number of attacks in a country. This finding supports earlier empirical studies that find terrorism occurring in a country to be positively associated with the country’s wealth or economic development (Berrebi 2007; Burgoon 2006; Lai 2007; Piazza

Table 5. Democracy, Minority Economic Discrimination, and Domestic Terrorism (1990–2012).

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Polity IV	Polity IV	Cheibub et al.	Cheibub et al.	Rule of Law	Rule of Law	Civil Liberty	Civil Liberty
Democracy	0.541*** (.097)	-0.159 (.136)	0.239*** (.078)	-0.661*** (.124)	-0.327*** (.029)	-0.398*** (.042)	-0.515*** (.080)	-0.743*** (.108)
Minority economic discrimination	0.441*** (.025)	0.274*** (.032)	0.471*** (.025)	0.247*** (.032)	0.482*** (.028)	0.377*** (.058)	0.477*** (.025)	0.378*** (.037)
Democracy × minority economic discrimination	0.375*** (.046)	0.375*** (.046)		0.463*** (.047)		0.031*** (.015)		0.148*** (.043)
Anocracy	-0.043 (.096)	-0.014 (.094)						
Ln population	0.653*** (.026)	0.645*** (.026)	0.675*** (.026)	0.664*** (.026)	0.632*** (.029)	0.634*** (.029)	0.667*** (.026)	0.663*** (.026)
Ln GDP pc _{t-1}	-0.010 (.035)	-0.021 (.035)	0.035 (.034)	0.056* (.033)	0.305*** (.037)	0.318*** (.037)	0.208*** (.037)	0.204*** (.037)
Regime durability _{t-1}	-0.005*** (.001)	-0.006*** (.001)	-0.006*** (.001)	-0.007*** (.001)	-0.002 (.001)	-0.002 (.001)	-0.005*** (.001)	-0.006*** (.001)
Civil war	1.074*** (.112)	1.099*** (.112)	1.033*** (.107)	1.064*** (.107)	1.069*** (.121)	1.049*** (.121)	0.962*** (.109)	0.973*** (.110)
Interstate war	-0.159 (.300)	-0.172 (.309)	-0.547** (.271)	-0.517* (.279)	-0.545* (.294)	-0.577** (.294)	-0.447* (.269)	-0.528* (.272)
Intervention Iraq/Afghanistan	0.000 (—)	0.000 (—)	3.116*** (.420)	2.780*** (.415)	3.097*** (.628)	2.990*** (.630)	2.897*** (.419)	2.812*** (.418)
Constant	-5.771*** (.373)	-5.351*** (.370)	-6.173*** (.362)	-5.848*** (.360)	-6.892*** (.412)	-6.772*** (.421)	-7.005*** (.369)	-6.781*** (.373)
Observations	2,799	2,799	3,018	3,018	2,443	2,443	2,964	2,964
Number of groups	163	163	174	174	141	141	170	170
Wald χ^2	1,432.398	1,551.333	1,608.602	1,700.170	1,421.610	1,412.049	1,651.920	1,618.908
Wald χ^2 , p value	.000	.000	.000	.000	.000	.000	.000	.000

Note: Standard errors are in parentheses. GDP pc = gross domestic product per capita.

*p < .10.

**p < .05.

***p < .01.

2012). Since terrorism is often the handiwork of an ideologically driven middle-class intelligentsia (Pomper 1995), an exceptionally poor country may not have the educated middle class whose dissatisfaction would lead to homegrown terrorism. Civil war has strong positive relationship with domestic terrorism; a state engaged in civil war has an increased risk of domestic terrorism. Finally, we find strong evidence that the US interventions in Iraq and Afghanistan are responsible for a spike in domestic terrorist incidents. Not only did the interventions increase the number of domestic attacks, but also the effect of this control variable is substantively large.

We now move to a discussion of our empirical results relating directly to our primary theoretical argument that democracy and discrimination interact to produce domestic terrorism (Hypothesis 1). We find strong evidence that grievance and opportunity jointly produce domestic terrorism. The coefficient for the interaction between democracy as operationalized in the Polity IV dataset and political discrimination is positive and significant, indicating that domestic terrorism increases in democracies with significant minority political discrimination (see model 2 in Table 4). Similarly, the interaction between democracy as operationalized by Cheibub, Gandhi, and Vreeland (2010) and political exclusion has a positive and statistically significant coefficient. The risk of domestic terrorism is higher in democratic states when segments of the minority population suffer from political exclusion by state power. The positive and significant coefficients for the rule of law and percentage of discriminated population interaction, as well as the civil liberty and political discrimination interaction, confirm a similar relationship (see models 6 and 8 in Table 4). Rule of law provides certain legal rights, such as due process and the right to defense, and makes it hard for the state to capture and detain prospective terrorists. On one hand, these legal provisions reduce the possibility of people resorting to political violence because disputes can be resolved through legal processes. On the other hand, if a section of population has long-standing grievances against the state, they are likely to use legal protections to evade arrest by security agencies. Domestic terrorism will increase with a higher quality of rule of law in a state in the presence of a politically excluded people. Similarly, aggrieved people might take advantage of civil liberties to mobilize and carry out terrorist attacks, resulting in higher levels of domestic terrorism in countries with greater civil liberties in the presence of political exclusion.

Yet since interactions are difficult to interpret by examining the coefficient values, particularly in maximum-likelihood estimation models, we present visual depictions of the interactive relationships. Figure 1 shows the interaction for the effect of democratic institutions on domestic terrorism when there is no exclusion and high (the maximum) political exclusion in terms of the predicted rate of incidents. As shown in Figure 1a and b, democracies as operationalized by Polity IV and Cheibub, Gandhi, and Vreeland (2010) will experience more domestic terrorism than nondemocracies when the level of political exclusion is high. However, democracies and nondemocracies are equally vulnerable to domestic terrorism in the absence of political exclusion. Figure 1c shows that low rule of law¹⁶ countries are more vulnerable to domestic terrorism when there is no political exclusion and when

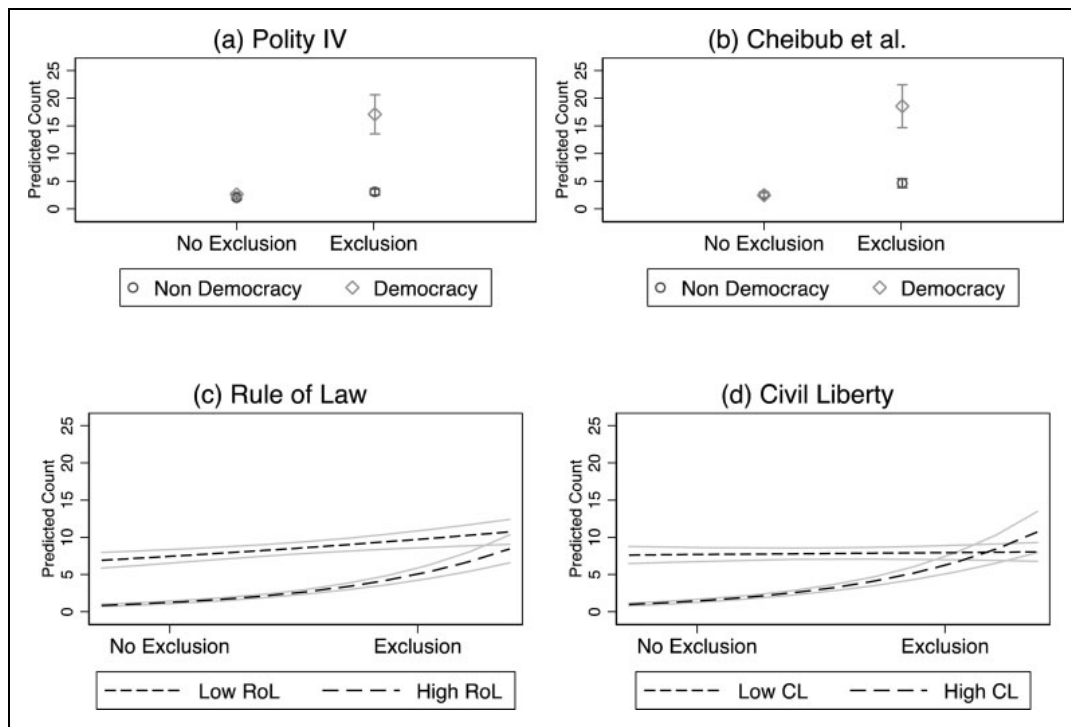


Figure 1. Democracy and exclusion.

there is political exclusion. Although domestic terrorism increases as both low and high rule of law states move from no exclusion to when it is present, high rule of law states become as vulnerable to domestic terrorism as low rule of law states when the value of political exclusion is very high. This supports the theoretical expectation that the pacific effect of rule of law disappears when the number of politically excluded population is large. Similarly, the graph (see Figure 1d) depicting the interaction between political exclusion and civil liberty shows that countries with high levels of civil liberties result in lower incidences of domestic terrorism than countries with low levels of civil liberties when political exclusion is low. However, when political exclusion is high, countries with both high and low levels of civil liberties are equally vulnerable to high levels of domestic terrorism.

Similarly, findings in Table 5 support our conditional hypothesis (Hypothesis 1). Table 5 presents four models (models 2, 4, 6, and 8) showing interactions between a measure of MAR as grievance and four separate measures of democratic institutions as opportunity. All of the coefficients of the interaction terms are significant in the expected direction.¹⁷ An increase in discrimination against one or more national minorities drives domestic terrorism incidents higher in democracies than in other regimes. The positive and significant coefficients for rule of law and minority economic discrimination interaction, and civil liberty and economic discrimination interaction, respectively, confirm a similar relationship. A visual description of the interactions between democratic institutions and minority economic discrimination

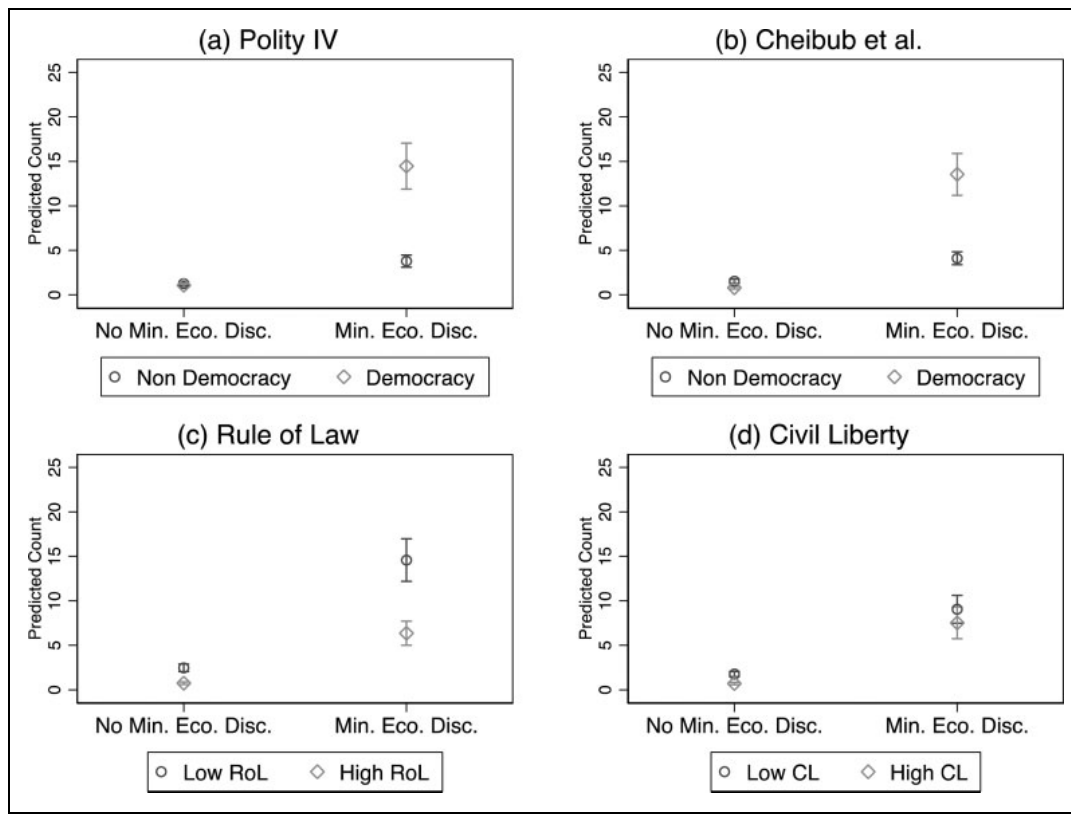


Figure 2. Democracy and minority economic discrimination.

in terms of the predicted rate of domestic terrorist incidents is presented in Figure 2, showing the effect of democratic institutions on domestic terrorism for no economic discrimination and high (the maximum) minority economic discrimination. Same as the interaction with political exclusion, democracies as operationalized by Polity IV and Cheibub, Gandhi, and Vreeland (2010) will experience more domestic terrorism than nondemocracies when the level of economic discrimination is high. However, democracies and nondemocracies are equally vulnerable to domestic terrorism in the absence of political exclusion. Figure 2c shows that high rule of law countries are more vulnerable to domestic terrorism in the presence of economic discrimination than in its absence. However, low rule of law countries experience more domestic terrorism in both cases. Although this pattern is not consistent with other interactive graphs, it still supports the theoretical expectation that minority economic discrimination has a positive marginal effect on domestic terrorism in the presence of the rule of law; while low rule of law countries are more vulnerable, the presence of discrimination exposes even a high rule of law country to elevated levels of domestic terrorism. Lastly, countries with both high and low levels of civil liberties are equally vulnerable to domestic terrorism in the presence and in the absence of minority economic discrimination.¹⁸

Conclusion and Implications

What is the relationship between democratic institutions and higher levels of domestic terrorism? Liberal institutions are assumed to associate with a higher likelihood of peace or peaceful interaction. Scholars agree that two democratic states are less likely to be involved in interstate conflict (Russett and Oneal 2001; Russett 1993). Similarly, there is wide agreement that democracies face less civil strife and internal conflict (Hegre et al. 2001). However, despite what seems like an overwhelming agreement on regime type, interstate conflict, and civil conflict, the debate on regime type and terrorism, specifically domestic terrorism, remains inconclusive. Studies on regime type and domestic terrorism argue the relationship is positive, negative, or curvilinear. We argue that these disparate findings are due to only estimating a direct relationship. To be sure, our direct results substantiate this confusion. We use four measures of democracy, Polity IV (binary), Democracy–Dictator data set (binary), rule of law (ordinal), and civil liberties (ordinal). In our models estimating a direct relationship, the Polity IV and democracy measure from the Democracy–Dictator data set are positive and highly significant (supporting the regime permissiveness school), while the rule of law and civil liberties measures are negative and highly significant (supporting the regime responsiveness school). However, in every direct model, each measure of minority discrimination is positive and highly significant. Li (2005) argues that different institutional features are associated with different relationships to terrorism. We argue, instead, that the relationship between regime type and domestic terrorism is not direct but conditional on minority discrimination. Specifically, democracy increases domestic terrorism in the presence of minority discrimination. We argue that two factors, grievances and opportunities, help explain terrorism. Minority discrimination provides grievances and democratic institutions through political openness provide mobilization opportunities for individuals and groups to challenge the state. Looking again at our results, the interactive effect of democracy and minority discrimination is positive and highly significant across all models; and overall, our substantive effects show that, given the presence of minority discrimination, democratic states are more likely to experience higher levels of domestic terrorism than their nondemocratic counterparts.

However, we recognize that some of our findings are contrary to the theoretical expectations. Figure 1c shows that higher levels of rule of law lead to terrorism when political exclusion is high. At the same time, the figure also shows that the level of terrorism is high in low rule of law countries even in the absence of political exclusion. Likewise, Figure 2c shows a similar trend. Figure 1d also shows that the level of terrorism is high in countries with a low level of civil liberty even in the absence of political exclusion or discriminatory state policies. Although it is not exactly clear why a low rule of law country or a country with low levels of civil liberties will experience high levels of domestic terrorism in the absence of discrimination, a few observations might help to explain this finding. We argue that the discrimination of minority groups is one of the major reasons for domestic terrorism.

But, domestic terrorism is a problem even in relatively homogeneous countries with no group discrimination. Other possible drivers of terrorism might include economic inequality, racial enmity, a perceived threat from new immigrants, and fear of losing privileged positions in society. Therefore, even countries without minority discrimination might suffer from domestic terrorism.

We have argued that a high level in the rule of law and civil liberty would provide mobilization opportunities to discriminated people to challenge the state. However, it is not uncommon for anocracies with a low level in the rule of law or civil liberty to experience terrorism. We often find rebel groups using terrorism as a strategy during civil wars¹⁹ in anocratic states. There are several reasons why rebels use terrorism in civil war. Rebels often use a strategy of “intimidation” and kill civilians to scare them to submission (Kydd and Walter 2006). Kalyvas (2004) argues that indiscriminate violence against civilians or noncombatants emerges in civil war because it is much cheaper than its main alternative—selective violence against combatants. Terrorism is an optimal strategy when resources and information are low for rebels; however, nonstate actors might switch strategies between terrorism and conventional warfare at their convenience. Fortna (2015) finds that civil wars where terrorism is used last longer than others, which suggests that terrorism enhances rebel group survival. It is probably these types of terrorism that manifest in Figures 1c, d and 2c, d, high levels of terrorism in nondemocracies with low levels of exclusion. In our data set, Somalia is such a country where high levels of domestic terrorism are reported in the absence of an overt state policy of exclusion. For example, Somalia experienced 539 incidents of domestic terrorism between 1990 and 2012, while it neither practiced a policy of discrimination nor adhered to the rule of law, and during these years, it was also in a civil war.

What are the implications of these results? We argue that electoral democracy without significant protections for aggrieved minority groups might facilitate the conditions that result in domestic terrorism. Building more inclusive democratic institutions may not be a panacea. Instead, minority protections and addressing minority grievances should be the core part of institution building alongside the development of other mechanisms to reduce grievances and encourage peaceful conflict resolution. This means, for example, states such as the United Kingdom, Israel, Spain, and the United States, which are fully institutionalized mature democracies, are not immune from domestic terrorism if they have aggrieved minority groups whose grievances are not being adequately addressed by the government. Domestic terrorism is a product of both grievances and opportunities for mobilization. Democratic states that discriminate against minority groups provide both, which further challenge the assumption that liberal institutions are associated with less conflict. Minorities that are discriminated against tend to view the rule of law and other liberal institutions as illegitimate and inadequate to redress their grievances. All the necessary qualities of democracy need to be strengthened, but minority grievances must be addressed first.

Current patterns of socioeconomic inequality within nations are often intertwined with much older systems of stratification. In Europe, the Roma and other

seminomadic groups that predate modern nation states find themselves distrusted and socially excluded. In India and her neighboring countries, ancient systems of caste inequality endure; their modern manifestations severely constrict the lives and opportunities of lower caste citizens. In many nations, groups at the bottom of the stratification order have either won or have been granted rights of equal citizenship. Nowadays, modern constitutions and legal codes outlaw the more violent or oppressive forms of social exclusion. In some countries, lawmakers have gone further to offer group-specific rights and privileges intended to redress past wrongs. Such constitutional safeguards and legal codes along with some provision of “positive discrimination” can prove effective in preventing the marginalization of excluded minorities. Another way of redressing minority grievances is to recognize group heterogeneity and decentralize power to such groups within constitutional framework. States often deny heterogeneity and marginalize minority groups in the name of homogenization of the entire population (e.g., Sri Lanka, Indonesia, and Bangladesh). Democratic decentralization and power sharing through federal structures might help to redress enduring grievances that might engender domestic terrorism in the first place.

Appendix

Table AI. Summary Statistics.

Variables	Observation	Mean	Standard Deviation	Minimum	Maximum
Domestic terrorism	3,929	9.209	47.420	0	1,252
Ln political exclusion	3,327	1.881	1.506	0	4.524
Minority economic discrimination index	3,057	1.507	1.530	0	4
Democracy (polity IV)	3,736	0.516	0.499	0	1
Anocracy	3,736	0.264	0.441	0	1
Autocracy	3,736	0.175	0.380	0	1
Democracy (Cheibub et al.)	3,232	0.530	0.497	0	1
Rule of law	3,154	3.692	1.521	0	6
Civil liberty	3,861	2.843	2.017	1	7
Ln population	3,905	8.945	1.735	4.2598	14.083
Ln gross domestic product per capita	3,933	8.361	1.398	4.878	11.870
Regime durability	3,890	23.836	29.525	0	203
Civil war	3,937	0.043	0.204	0	1
Interstate (IS) war	3,937	0.004	0.063	0	1
Intervention in Iraq and Afghanistan	3,937	0.005	0.074	0	1

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Supplemental Material

Supplementary material for this article is available online.

Notes

1. This is obtained by looking at long-term trends and for our analysis from 1990 to 2012. Obviously, recent international events show that since the interventions in Afghanistan and Iraq; the civil wars in Syria and Yemen; and unrest in places like Pakistan, Ukraine, and Somalia, there is a significant amount of terrorism in nondemocratic states.
2. Terrorism is more likely to be adopted as an opposition strategy in political settings, where resource mobilization is possible but where peaceful protest generally renders no fruitful results.
3. Tables 1–3 are based on post–Cold War period data.
4. Data on democracy are derived from Democracy–Dictatorship data set by Cheibub, Gandhi, and Vreeland (2010).
5. Democracy, anocracy, and autocracies are operationalized as dummies using the Polity IV data set (Marshall and Jaggers 2010).
6. Most institutionalized democracies allow citizens the right to dissent, and even to articulate radical ideas, if there is no incitement and/or resort to violence (such as “imminent lawlessness”). The dividing line between preaching and practicing violence is thin. Aggrieved people can exploit such freedom to mobilize and cross the legal boundary to resort to violence.
7. The discriminated population who the terrorists claim to fight for might not support their extreme demands.
8. We choose the time period of 1990 to 2012 for several reasons. The Enders, Sandler, and Gaibullov (2011) and Gaibullov, Sandler, and Santifort (2012) data on domestic terrorism used in our study are based on Global Terrorism Database (GTD) and are available for the period of 1970 to 2012; therefore, our temporal domain ends in 2012. Enders, Sandler, and Gaibullov (2011) originally decomposed terrorism into domestic and transnational terrorism through 2007, but Gaibullov, Sandler, and Santifort (2012) extended it to 2012. We decided to test our hypothesis on data for the years between 1990 and 2012 because, first, the nature of terrorism changed after the Cold War. The post–Cold War period is marked by the “fourth” or religious wave of terrorism (Rapoport 2004). Second, several new democracies emerged after the end of Cold War, generating hope for a more peaceful world. Finally, many terrorist campaigns in the developing world were funded

either by the Soviet Union or by the United States during the Cold War period as a part of their superpower rivalry. So, using a Cold War temporal domain would eliminate the possible effects of this dynamic.

9. GTD is a publicly available, open-source event-count database of aggregated domestic and international terrorist attacks from 1970 to 2016 built and managed by the National Consortium for the Study of Terrorism and Responses to Terrorism housed at the University of Maryland. Access to the raw GTD database, along with descriptions of count methods and operationalization of terrorism, is available online at <http://www.start.umd.edu/gtd/>.
10. Some scholars take issue with using Polity IV on the right-hand side and a measure of conflict on the left-hand side due to the coding of its composite measures (Vreeland 2008). For example, two of Polity's five composite variables, competitiveness of political participation (PARCOMP) and regulation of political participation (PARREG), have categories that explicitly mention conflict. Therefore, Polity IV might result in biased estimates. To control for this, we use three other measures of regime type and we also run our analysis using executive constraints (XCONST), which is not plagued by the same issues. The results are robust to each of these specifications.
11. These two variables, gross domestic product (GDP) per capita and regime durability, are lagged by one year to avoid the possible problem of endogeneity. The decision to lag these two variables and not others is informed by the fact that terrorism, as a low-level category of violence might have a long-term effect on a state's economy and political stability. GDP per capita and regime durability are measures of long-term changes in the economy and political stability. However, we ran our models with all the independent variables lagged by one year, and the results remain unchanged.
12. We include civil war defined as 1,000 battle deaths as a dummy variable in all the models. Some groups engaged in civil war also use terrorism as a strategy. Controlling for civil war increases our confidence that large-scale political conflict within countries is not driving our results. However, we ran models excluding the civil war dummy and our results remain unchanged.
13. Access to the raw Uppsala/PRIO database, along with descriptions and operationalizations of civil war and interstate war, is available online at <http://www.prio.no/Data/Armed-Conflict/>.
14. The dependent variable has a mean 9.209214 and standard deviation of 47.42013.
15. As the data on our dependent variable consists of 62.56 percent zeroes, a zero-inflated model could be appropriate. We ran a series of zero-inflated negative binomial (ZINB) models and the results generally support our theoretical expectations. Still, we remain skeptical of the zero-inflated model for several reasons. First, one must assume with the ZINB model that some observations in our data set (so some countries during some years) have a zero probability of experiencing domestic terrorism. We are hesitant to make such an assumption, because almost every country suffers terrorism at some point in history. Drakos and Gofas (2006), in their piece on underreporting bias in quantitative studies of terrorism, argue against full specification of the inflated equation in ZINB modeling and recommend instead including only covariates associated with "certain-zero" countries:

regime type. They assume that certain-zero countries appear to be so in the data because they lack free media that would report on terrorist events. However, the GTD data collection method is robust to this type of bias since it does not solely depend on local media. In the absence of a strong theoretical justification for modeling the zero observation, we are not confident with using ZINB models. GEE models are appropriate in time series cross-sectional analysis because GEE models use a population-averaged approach to correct for correlation in time-series cross-sectional data, meaning that coefficients show whether covariates influence dependent variable (domestic terrorism in this case) on average (Zorn 2001). However, our findings are generally robust to different types of specifications (ZINB, negative binomial, random effect Negative Binomial (NB), and fixed effect NB). This strengthens our confidence that our empirical results are not strongly influenced by our estimator choice.

16. The rule of law and political exclusion interaction graph is created by keeping the rule of law at two values: low, one standard deviation below mean, and high, one standard deviation above the mean. Similarly, Figure 2d, the graph showing the interactive relationship between civil liberties and political exclusion, is created using the same criterion.
17. We ran Wald tests on each of our interaction models to assess whether restricting parameters on the interaction term to 0 significantly harms the fit of our models. In every case, the Wald tests indicate that the models with the interaction terms improve the overall fit.
18. We also tested our interactive hypothesis with an additional measure of democracy, judicial independence, deriving data from Henisz (2000, 2002). We find that the presence of an independent judiciary increases domestic terrorism in the presence of political exclusion as well as in the presence of minority economic discrimination. However, when political exclusion or minority economic discrimination is absent, a country with independent judiciary is less vulnerable to domestic terrorism than others. This finding provides us greater confidence in the robustness of our interactive hypotheses.
19. There are numerous examples of civil wars where high incidents of terrorism have been recorded; some examples include Iraq (2003 to present), Syria (2011 to present), Afghanistan (2001 to present), Algeria (1991–2002), Peru (1981–1999), and El Salvador (1979–1992).

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