

THE PENNSYLVANIA STATE UNIVERSITY  
SCHREYER HONORS COLLEGE

DEPARTMENT OF POLITICAL SCIENCE

DEMOCRACY, WEALTH, AND TRANSNATIONAL TERRORISM

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SPRING 2015

A thesis  
submitted in partial fulfillment  
of the requirements  
for a baccalaureate degree  
in Political Science  
with honors in Political Science

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## **ABSTRACT**

Scholars have suggested many potential causes of transnational terrorism. The general consensus seems to be that democracies are more likely to experience international terrorist attacks than non-democracies, but there is some debate. It is possible that democracy in and of itself is not the cause of transnational terrorism, but instead democracy in combination with another factor is linked to a higher frequency of transnational terrorism. This study tests whether democracy in combination with wealth of a country produces higher rates of international terrorism than democracy or wealth alone. Tests indicate that wealthy democracies are more likely to experience higher incidents of transnational terrorism.

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## **Chapter 1**

### **Introduction**

Since the World Trade Center attacks on September 11, 2001, it seems as though everyone is constantly asking questions about terrorism. One can hardly open a newspaper or turn on the news without learning of some new terrorist organization or theory about terrorism in general. 9/11 may have brought terrorism into the public spotlight in recent times, but it has been around for centuries. Though many studies have been done on the subject of terrorism, some answers are still unclear. Particularly, why do some countries experience more transnational terrorism than others? Using an approach that takes into account certain factors of a country, past research has been able to suggest some partial ideas. With the overall goal being to prevent terrorist groups from forming and to protect against terrorist attacks, it is important that these ideas are fully examined.

A fair amount of work has studied the relationship between the level of democracy of a country and the frequency with which they experience terrorism. Though initial scholarship has produced somewhat contradictory evidence, Quan Li (2005) has recently posited that there are certain features within democracies, such as free presses, that tend to correspond with higher incidents of transnational terrorism. His results show that democracy itself does not necessarily correlate with more transnational attacks. However, this leaves room for further research as to whether other factors in combination with democracy correlate with more transnational terrorism. In particular, a country's wealth when combined with its level of democracy could be key in determining whether it is likely to experience a larger number of transnational terrorist incidents.

Terrorism is often considered to be a tool of the weak. It is highly unlikely that a terrorist organization could ever acquire the funding to support a military that could challenge a wealthy democracy. So, on one hand, if a terrorist group is seeking radical and violent change, as well as an outlet

for its political message, it might view terrorism as one of the only choices for getting through to a wealthy democracy. Additionally, wealthy democracies seem to represent power and the status quo in the modern world. This could easily create grievances in other areas of the world, in turn leading to the formation of more terrorist organizations and attacks upon those wealthy democracies.

In examining the relationship between wealthy democracies and transnational terrorism, first relevant scholarship will be reviewed. Next, my theory and hypothesis will be outlined. Finally, the test about wealth and level of democracy in relation to transnational terrorism will be conducted and the data analyzed. The paper will conclude with the major findings of this study as well as its limitations and possible future research. After completing my research, I anticipate a clearer answer as to whether or not the wealth of a country in relation to its level of democratization has an effect on the amount of transnational terrorism it experiences.

## Chapter 2

### Literature Review

#### *Democracy*

Many scholars have suggested a positive link between transnational terrorism and democracy. This idea is supported in studies such as that of Eubank and Weinberg (1998). Building off their 1995 study and using data from the RAND-St. Andres Chronology of International Terrorism and the U.S. State Department, they analyze the relationship between democracy and transnational terrorism. Their findings show a positive relationship between democracies and the number of transnational terrorist attacks they experience. On the other hand, Eyerman's (1998) study also serves to address the two contradictory theories about democracy and terrorism. He uses the International Terrorism: Attributes of Terrorist Events (ITERATE) database and finds that established democracies experience fewer incidents of transnational terrorism than non-democracies but that new democracies experience more terrorism than any other kind of state. This suggests that democratic systems encourage legal political expression as a substitution for illegal political expression. Eubank & Weinberg later use the ITERATE database as well and find that established democracies experience more terrorism.

Savun and Phillips (2009) hypothesize that a state's foreign policy and involvement in politics abroad will serve better than regime type to predict the amount of transnational terrorism they experience. By using the RAND database and examining events within countries such as foreign policy crises and interventions in foreign civil wars, they find that a country's foreign policy may be more indicative of the frequency with which they experience transnational terrorism than regime type. However, democracy is still found to be a significant positive predictor of transnational terrorism.

After unclear answers about whether democracies correspond with more transnational terrorism, Li (2005) breaks down various components of democracies to determine which are most likely to correlate with transnational terrorism. He finds that democratic participation reduces transnational attacks while government constraints increase attacks. Additionally, he finds that the proportional representation

system experiences fewer transnational terrorist incidents than the majoritarian or mixed system. Chenoweth (2010), similar to Li, looks at different components of democracies in relation to the frequency of an incident of terrorism. She argues terrorist activities proliferate in democratic countries because of political competition, which motivates groups of various ideologies to compete with one another for limited political influence given a multitude of competing interests. Chenoweth controls for size, government capability, history of attacks, post-Cold War, and press freedom. She finds that political competition, government capability, and population have a positive and significant effect on terrorist incidents. She concludes that political competition leads to proliferation of terrorist groups due to competition between domestic and foreign interest groups that have adopted violence to provoke mobilization within the democratic target. She also concludes that terrorism in democracies is not due to the presence of civil liberties but intergroup dynamics.

### *Wealth*

One feature of a state that has also been positively linked to a higher frequency of transnational terrorism is wealth. As many will argue, terrorism is an option for groups who perceive themselves as weak in relation to their adversary (Gassebner & Luechinger, 2011). Even a large group of terrorists could never realistically forge an army large enough to wage war on a state with the wealth or resources of a state such as the United States, and so terrorism and “asymmetrical warfare” might be one of their only options. This idea is supported by Krueger and Laitin (2008), who find that transnational terrorism often comes from politically oppressed states and tends to target economically prosperous states, “giving international terrorist events the feel of economic warfare.” They suggest that a “Robin Hood” effect may be occurring, in that terrorism stems from oppressed countries and targets wealthier ones, despite the individual terrorists’ middle and upper class status (Krueger and Laitin 2008).

Blomberg, Hess, and Weerapana studied the effect of economic conditions on terrorism and the relationship between the business cycle and democratic high-income countries in 2004. Using the



ITERATE database they found that during recessions, terrorist activity in high-income democratic countries increases. This could be because the weaker terrorists perceive these periods of recession as opportunities to strike their much larger, wealthier, and more powerful target.

Li and Schaub (2004) also examine economic factors in relation to terrorism, particularly whether countries that are more integrated into the global economy experience more transnational terrorist incidents within their borders. Using cases from 112 countries from 1975 to 1997, they consider variables such as a country's openness, to trade, foreign direct investment, portfolio investment, economic development, and development of its top economic partner countries. Controlling for country size, level of democracy, government capability, interstate conflict, temporal persistence, regional variations, and temporal unit effects they conclude that trade, foreign direct investment, and portfolio investment have no direct positive effect on transnational terrorist incidents within countries and that economic developments of a country and its top trading partners reduce the number of terrorist incidents inside the country.

Krieger and Meierrieks (2010) study the effects of social spending and welfare on domestic terrorism. Their findings show that variables such as health, unemployment benefits, and active labor market programs are associated with fewer incidents of domestic terrorism. However, they find that transnational terrorism incidents are unaffected by the level of social spending and welfare. They also find that generally, democratic states that have higher levels of market dependence are more prone to experience domestic terrorism.

Krueger and Maleckova's (2003) research examines whether there is a causal link between poverty and low education and participation in politically motivated violence and terrorist activities. Data for this was gathered from public opinion polls conducted by the Palestinian Center for Policy and Survey Research in the West Bank and Gaza Strip and is specific to the Israeli-Palestinian conflict. 1,357 Palestinians age 18 or older were polled. The independent variables were occupational status and educational level. The dependent variable was support for armed attacks against civilians inside Israel.

The study concluded that economic conditions and education were largely unrelated to participation in and support for terrorism.

Piazza (2008) researches whether failed and failing states promote transnational terrorism. He hypothesizes that failed and failing states are more likely to be the location of transnational terrorist attacks and the source of transnational terrorist attacks that target other countries. Using a time-series, cross-national negative binomial analysis, he concludes that failed and failing states are a significant positive predictor of transnational terrorism. These countries are more often the location of transnational terrorist attacks and the sources of them. Piazza suggests that this reinforces the idea that addressing the problem of failing states should be a key strategy in the war on terror.

## Chapter 3

### Theory

As Crenshaw (1981) mentions, the most fundamental reason for terrorists to attack is to focus attention on their cause. As the world becomes increasingly symbiotic, global attention and acknowledgment become more important to terrorist groups. A key component of democracies is freedom of the press. Unlike in a non-democracy, a democratic government cannot suppress news of a terrorist attack. An event such as a terrorist attack will undoubtedly be covered by multiple news sources within the democracy and likely spread to other countries as well. This makes democracies an excellent target for transnational terror attacks.

Furthermore, “terrorism is also often designed to disrupt and discredit the processes of government” (Crenshaw 1981). This is arguably easier to do in a democracy, which often has greater restrictions on its government’s ability to police. After experiencing a very public act of terrorism that incites fear in its citizens, democracies may become more authoritarian in nature in order to provide security, but in turn abandon fundamental democratic principles. This could alienate citizens who then begin to view their government as hypocritical or corrupt and become more sympathetic to the terrorists’ cause.

Democracy alone is enough to make a country a likely target for terrorism, but a wealthy democracy is an even likelier target. Capitalism reigns supreme in the Western World and more attention is paid and more importance is given to countries with greater wealth, possibly because of their ties to other countries through the globalization of markets. Therefore, if a terrorist group is going to attack a democracy, attacking a wealthier democracy will probably garner more international attention, as other countries have a stake in its success and stability.

Several scholars (Li, 2005; Eubank & Weinberg 1998) have posited that democracy is linked to fewer incidents of terrorism because it offers an opportunity for political participation as well as outlets for political grievances. This may be true, however, if it is, it is only true for domestic acts of terrorism. Transnational terrorism stems from other countries and the terrorists committing these acts are not attacking their own government or one in which they have a voice. They may actually be attacking democratic values.

Additionally, they may be attacking capitalistic values. Capitalism, in which industry and production are privately owned and operated for profit, often results in the greater overall wealth of a country. Some will argue that this greater wealth comes at a cost and that the burden of this cost falls primarily on the weaker masses. Viewing capitalist countries as ones that exploit others and profit off their labor and misery could certainly create grievances in the international community and lead to the formation of terrorist organizations (Gassebner & Luechinger, 2011).

For an example of possible proof of these ideas, look no further than the September 11 attacks. The targets of these attacks were the World Trade Center and the Pentagon, and a third attack was believed to have been planned for the Capitol or the White House. The World Trade Center was perhaps one of the greatest symbols of capitalism in the world at the time of the attacks. Likewise, the Pentagon, Capitol and White House are all symbolic of the United States government, a proud democracy. It is possible that these attacks were carried out not only for the notoriety that would undoubtedly be gained by attacking such a wealthy and democratic country, but also as a symbolic attack on democratic values, capitalism, and the status quo. And so it stands that other terrorist groups could have similar grievances and achieve their political goals more easily by attacking wealthy democratic countries.

## Chapter 4

### Hypothesis

My first hypothesis is that countries that are more democratic experience more incidents of transnational terrorism. Though generally speaking scholarship has found more evidence of a positive correlation between democracy and transnational terrorist attacks, there are a few studies that suggest the opposite is true. Those who suggest democracy and transnational terrorism to be positively correlated often believe that aspects of democracies such as the free press make them more vulnerable to attack, an idea consistent with “terrorism as theatre”. A democracy is much more likely to report the incident of terrorism, which helps to spread awareness about the group as well as its message, than an autocratic regime. In other words, democracy allows terrorists a much greater audience than they would have if they chose to attack an autocratic regime (Crenshaw 1981).

*Hypothesis 1:* Countries that are more democratic experience more incidents of transnational terrorism.

My second hypothesis is that countries that are wealthier experience more incidents of transnational terrorism. Groups who feel they are weak in relation to their adversaries often use terrorism. Wealth is undoubtedly a great source of strength and power in the world. It is highly unlikely that a terrorist group could acquire enough resources to wage a legitimate war on a state as wealthy and powerful as the United States for example. Studies have found that the perpetrators of international terrorism are often from politically oppressed states and that their targets tend to be financially wealthy

states. Furthermore, terrorist groups might see wealthy countries as symbols of capitalism and the status quo and wish to attack them for these reasons (Gassebner & Luechinger, 2011).

*Hypothesis 2:* Countries that are wealthy experience more incidents of transnational terrorism.

My third hypothesis is that that wealthy democracies experience more transnational terrorism. As evidenced by Li's (2005) work, democracy in and of itself might not be the only factor contributing to higher frequencies of transnational terrorism incidents. Rather, higher levels of democracy in combination with greater wealth would correlate with a higher number of transnational terrorism incidents in a country. Terrorism is often considered to be a tool of the weak, so terrorist attacks would be one of the few ways for weaker groups to level the playing field. A terrorist group in all likelihood could never produce an army large enough to fight a wealthy country, so terrorist attacks might be the only way for terrorists to strike out against a wealthy country. Additionally, attacking wealthy democracies might allow the terrorists more international media attention, allowing them to spread their message and achieve their political goals more easily. Many studies cite media attention as a major goal of terrorist organizations.

*Hypothesis 3:* Countries that are wealthier and more democratic experience more incidents of transnational terrorism.

Based off information from previous studies, I expect to find a positive relationship between democracy and transnational terrorism as well as between country wealth and transnational terrorism. However, I expect to find the combination of these two factors to have a more profound effect on the amount of transnational terrorism a country experiences than either factor alone.

## **Chapter 5**

### **Data Analysis**

The Global Terrorism Database, used for the dependent variable of transnational terrorism has a total of 7,391 observations. The average number of attacks is 2 with a standard deviation of about 9. The minimum number of attacks is 0 and the maximum number of attacks is 270. The data from the Global Terrorism Database are not normally distributed. There are no negative counts on the dependent variable of transnational terrorist attack since it is impossible to have a negative number of attacks. The data also contain a large number, about 70%, of 0 values on the dependent variable. Because of the nature of the terrorism data, an ordinary least squares regression is not appropriate, so a negative binomial regression was used. This technique for regression analysis is used in many similar terrorism studies.

The Global Terrorism Database is available to the public and provides information on both domestic and transnational terrorist events from around the world. It includes more than 113,000 cases from 1970 through 2012 and is updated periodically. The statistical information is based on reports from open media sources. According to its website, the Global Terrorism Database is the most comprehensive unclassified database of its kind. In my research, in order to be considered a terrorist attack the act must be aimed at attaining a political, economic, religious, or social goal. There also must be evidence of an intention to coerce, intimidate or convey some other message to a larger audience than the immediate victims. Additionally, the action must be outside the context of legitimate warfare activities. This database includes both domestic and transnational terrorist attacks. The Global Terrorism Database has been used in research similar to this project where the dependent variable is an incident of terrorist attack. Additionally, this database is the largest and most thorough database on incidents of terrorism that is available free to the public. The data in the Global Terrorism Database has been separated into domestic and transnational attacks by Enders, Sandler, & Gaibulloev (2011).

The data originated from a database that was originally collected by the Pinkerton Global Intelligence Services. According to the website, “information is not added to the Global Terrorism Database unless and until we have determined the sources are credible” (National Consortium for the Study of Terrorism and Responses to Terrorism, 2013). Data was recorded in real-time from 1970 to 1997 while data from 1998 to 2007 was collected retrospectively, which causes a slight difference in levels of attacks and casualties between the two periods. Additionally, the GTD attempts to cite individual incidents of terrorism, unlike most terrorism databases, which only list general sources of information. (National Consortium for the Study of Terrorism and Responses to Terrorism, 2013).

There are three main independent variables in this study. They include the wealth of a country, the level of democracy of a country, and an interaction term (PolityxHDI) that combines both the wealth and level of democracy of a country. The Human Development Index is used for the independent variable of the wealth of a country. Polity IV is used for the independent variable of the level of democracy. The Human Development Index and Polity IV are multiplied by each other to create the interaction term (PolityxHDI).

The United Nation Development Programme’s Human Development Index is used for the independent variable of wealth as well as for part of the interaction variable. These data are available from 1980-2012 for 186 countries. The Human Development Index is being used as a way to measure wealth in my research because it “is a composite measure of health, education and income that was introduced in the first Human Development Report in 1990 as an alternative to purely economic assessments of national progress, such as GDP growth” (United Nations, 2013). The three measures (health, education, and income) are all weighted equally. The Human Development Index is “the most widely accepted and cited measure of its kind, and has been adapted for national use by many countries,” suggesting that the data are reliable and valid (United Nations, 2013). It is scaled from 0 to 1, with 0 representing the lowest level of human development and 1 representing the highest level of human development. There are a total of 5,799 observations for the Human Development Index. The average



score is .648 with a standard deviation of .193. The minimum score is .221 and the maximum score is .956.

The Polity IV dataset is used for the independent variable of level of democracy as well as part of the interaction variable. It codes the authority characteristics of states in the world system for comparative, quantitative analysis. It covers all major, independent states in the global system with a population of 500,000 or more. This includes 167 countries from 1800-2012. Polity is the most widely used data resource for studying regime change and the effects of regime authority (Marshall and Jaggers, 2000). It measures both democratic and autocratic authority and is scored on a 21-point scale, which ranges from -10 to 10. There are three recommended categorizations of regime type. -10 to -6 indicates autocracies, -5 to 5 indicates anocracies, and 6 to 10 indicates democracies. In determining these scores, Polity judges qualities of executive recruitment, constraints on executive authority, and political competition (Marshall and Jaggers, 2000). Additionally it records changes in the institutionalized qualities of governing authority. An advantage to using Polity IV is that it is one of the most commonly used measures of democracy in political science research. The scale used provides a clear picture of whether a country is an autocracy, an anocracy, or a democracy and how strongly they fit into these categories. It focuses on contestation in defining democracy and has been updated throughout the years to improve upon validity and reliability (Marshall and Jaggers, 2000). There are a total of 6,205 observations for the Polity IV dataset. The average score is 1.03 with a standard deviation of 7.53. The minimum score is -10 and the maximum score is 10.

The PolityxHDI variable is an interaction term which multiplies a country's Polity score by its Human Development Index score. There were a total of 5,005 observations with an average score of 1.09 and a standard deviation of 5.31. The minimum score was -8.57 and the maximum score was 9.56.

Control variables include population and regime durability. This study uses population data from the United Nations for the years 1970-2011. The variable population represents the total population in a country. There are a total of 6,425 observations with an overall average population of 32,400,000. The

standard deviation for population was 119,000,000. The minimum population was 58,906 and the maximum population was 1,320,000,000 (United Nations, 2013, World).

Regime durability data is taken from Polity and is defined as the number of years since the most recent regime change (Marshall and Jaggers, 2000). There are a total of 6,480 observations with the average number of years between regime changes being 23.21. The standard deviation is 28.72. The minimum number of years between regime changes is 0 and the maximum is 203.

**Table 1: Summary Statistics**

<b>Variable</b>	<b>Obs.</b>	<b>Mean</b>	<b>Std. Dev.</b>	<b>Min.</b>	<b>Max.</b>
<b>Year</b>	8457	1989.558	13.7197	1966	2013
<b>PolityxHDI</b>	5005	1.092168	5.313542	-8.57	9.559999
<b>GTD</b>	7391	2.009742	8.990171	0	270
<b>Polity</b>	6205	1.025624	7.526709	-10	10
<b>HDI</b>	5799	.6479279	.1931394	.221	.956
<b>Population</b>	6425	3.24e+07	1.19e+08	58,906	1.32e+09
<b>Durability</b>	6480	23.2088	28.72117	0	203

**Table 2: Definitions**

<b>Variable</b>	<b>Definition</b>	<b>Operationalization</b>	<b>Source</b>
GTD	The threatened or actual use of illegal force and violence by a non-state actor to attain a political, economic, religious, or social goal through fear, coercion, or intimidation	Average annual number of transnational terrorist incidents in a country since 1970	Global Terrorism Database
Polity	Country's level of democracy	Score of -10 to 10: -10 to -6 corresponding to autocracies; -5 to 5 corresponding to anocracies; 6 to 10 corresponding to democracies	Polity
GDP	Number of people in a country	Total population	United Nations
HDI	Summary measure of average achievement in key dimensions of human development: a long and healthy life, being knowledgeable, having a decent standard of living	0 (lowest level of human development) to 1 (highest level of human development)	Human Development Index
Durability	Number of years since most recent regime change	Number of years since most recent regime change	Polity
PolityxHDI	Interaction term between Polity and HDI	Polity multiplied by HDI	Polity, Human Development Index
Population	Number of people in a country	Total population	United Nations

**Table 3: Bivariate Analysis**

	<b>GTD</b>	<b>Polity</b>
<b>GTD</b>	1.0000	
<b>PolityxHDI</b>	0.1822	1.0000
	0.0000	

#### Model 1

Model 1 had a total of 5,802 observations. Pseudo  $R^2$  was .029, meaning a larger number of variables are needed to explain the causes of terrorism more fully. As Table 4 demonstrates, Polity was a positive predictor of transnational terrorism. As a country's level of democracy increases, so does the likelihood that they will experience transnational terrorism. This supports Hypothesis 1. Regime durability was found to be a negative predictor of transnational terrorism. As a country's level of durability increases, the frequency with which they experience incidents of transnational terrorism decreases. Total population was found to be a positive predictor of transnational terrorism. As a country increases in size (population), it is more likely to experience more transnational terrorism.

#### Model 2

Model 2 had a total of 5,097 observations. Pseudo  $R^2$  was again very low at .016, meaning a larger number of variables are needed to explain the causes of terrorism more fully. As Table 4 demonstrates, Human Development Index was a positive predictor of transnational terrorism. This supports Hypothesis 2. As a country's level of wealth, as measured by the Human Development Index,

increases, its likelihood of experiencing an incident of transnational terrorism also increases. As in Model 1, durability was found to be a negative predictor of transnational terrorism. As a country's level of durability increases, the frequency with which they experience incidents of transnational terrorism decreases. Total population was also again found to be a positive predictor of transnational terrorism. As a country increases in size, it is more likely to experience transnational terrorism.

### Model 3

Model 3 has a total of 4,860 observations. Pseudo  $R^2$  was again low, at .0355. The PolityxHDI interaction variable was found to be a positive predictor of transnational terrorism. As a country's level of democracy as measured by Polity and level of wealth as measured by HDI increase, the frequency with which they experience transnational terrorism also increases. This supports Hypothesis 3. Durability was again found to be a negative predictor of transnational terrorism, meaning as a country becomes more durable, the frequency with which it experiences incidents of transnational terrorism decreases. Population was also again found to be a positive predictor of transnational terrorism, with larger countries experiencing more incidents of transnational terrorism.

**Table 4: Negative Binomial Regression Analysis Results**

<b>Incident of Transnational Terrorist Attack</b>						
<b>Variable</b>	<b>Model 1</b>		<b>Model 2</b>		<b>Model 3</b>	
<b>Polity</b>	.099	***			-.005	
	(.005)				(.023)	
<b>HDI</b>			3.26	***	1.98	***
			(.234)		(.256)	
<b>PolityxHDI</b>					.123	***
					(.033)	
<b>Durable</b>	-.004	**	-.007	***	-0.007	***
	(.001)		(.001)		(.011)	
<b>Population</b>	4.89e-09	***	4.01e-09	***	3.65e-09	***
	(8.55e-10)		(7.84e-10)		(6.90e-10)	
<b>Constant</b>	.194	***	-1.41	**	1.02	***
	(.051)		(.147)		(.165)	
<b>N</b>	5,802		5,097		4,860	
<b>Pseudo R2</b>	.029		.016		.036	

\*\*p≤.01; \*\*\*p≤.000

[standard errors are in parentheses]

## **Chapter 6**

### **Conclusions**

Though the question of why some countries experience more transnational terrorism than others may never be fully answered, scholarly research does provide some potential suggestions. Building off previous work that found positive relationships between democracy and transnational terrorism, this study reasons that it is actually democracy in combination with wealth that has a more profound effect on the amount of transnational terrorism that a country experiences. Perhaps this is related to the heavy influence both wealth and democracy have in an increasingly capitalistic and globalized world. Transnational terrorists see wealthy democracies as a symbol of the status quo and understand that attacking a country with international markets and a free press will bring their group attention and notoriety. The larger the audience for their acts, the more potential they have to reach their goals.

The tests within this study suggest that perhaps wealthy democracies should take more precautions and use greater security measures to guard against transnational terrorism than poorer less democratic countries otherwise would. However, this suggestion is somewhat paradoxical, as the restraints on democratic countries' governments are a key component of democracy. A democratic leader does not have the same ability to mobilize forces or infringe upon its citizens' civil liberties in order to provide higher security against transnational terrorism. It would not make sense to suggest that democracies begin suppressing their citizens' freedom of speech, nor would it make sense to suggest that they isolate themselves from the increasingly intertwined global markets or seek less economic prosperity.

The balance between security and democracy is very delicate. The United States' controversial PATRIOT Act is just one example of a democratic government attempting to provide its citizens with security from terrorism but at the same time teetering on the edge of violating fundamental democratic

values and rights. Perhaps certain aspects of the PATRIOT Act, like information sharing between government agencies, are more appropriate solutions, as they have proven to be effective in certain instances (the Buffalo Six plot, for example) without necessarily inconveniencing or alienating citizens. Regardless of how wealthy democratic governments choose to deal with transnational terrorism, it is evident that they will experience more of it than non-wealthy non-democracies, and so they will need to devote more time and attention to it.



## Chapter 7

### Limitations and Possible Future Research

Perhaps the greatest limitation of this research is the small Pseudo  $R^2$ , indicating that there is a large piece of the overall picture missing. While a country's level of democracy in combination with their wealth is a better indication of transnational terrorism incidents than either variable on its own, the Pseudo  $R^2$  in Model 3 was only .0355, which is low even by terrorism study standards. Perhaps adding additional control variables commonly found in other terrorism studies, and thereby increasing Pseudo  $R^2$  will lead to a better understanding of the causes of transnational terrorism.

As this research has shown, combining democracy with wealth proved to be a greater indication of the likelihood of experiencing transnational terrorism than just democracy. Instead of focusing on democracy itself or even just certain aspects of democracy as Li did, perhaps creating other similar interaction terms could better explain the causes of transnational terrorism. This could mean using democracy in combination with a variable other than wealth, or even using different measurements of wealth other than the Human Development Index, such as Gross Domestic Product. Different sources to measure a country's level of democracy, such as Vanhanen's Polyarchy dataset could also be used to determine the reliability of these results or if an even stronger connection is present.

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