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**Negotiating with Terrorists in the  
Shadow of American Power**

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**Negotiating with Terrorists in the  
Shadow of American Power**

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**Report**

Presented to the Faculty of the Graduate School of

The University of Texas at Austin

in Partial Fulfillment

of the Requirements

for the Degree of

**Master of Arts**

**The University of Texas at Austin**

**May 2015**

## **Abstract**

### **Negotiating with Terrorists in the Shadow of American Power**

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The University of Texas at Austin, 2015

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Negotiation with terrorists is a controversial policy issue that effects both domestic actors and the international community. Current literature only focuses on the domestic characteristics of this phenomenon though. This paper presents a theory of international pressure's influence on the domestic bargaining process between governments and terrorist groups, arguing that governments are more likely to align their domestic terrorism policy with the United States in the aftermath of a terror attack on the US. I find statistical support for this theory using data on concessions to terrorists in Africa from 1989-2010 as concessions are significantly less likely in in the 6 months following an attack on the US.

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## **Chapter 1: Introduction**

Terrorism continues to plague countries the world over, killing thousands of people and destabilizing governments. However the efficacy of terrorism remains a puzzle within the literature. Some research has shown that terrorists are not effective at extracting concessions from governments (Abrahms 2006 & 2012). These findings questions the rationality of terrorism as a tactic and makes the pervasiveness of it quixotic. Other research has found the opposite though, noting that in the right situations terrorism is quite successful at achieving its goals (Pape 2003, Thomas 2014). None of these studies question that terrorists are indeed rational actors though so there must be something missing from our current explanations.

One commonality in the existing literature is that it focusses on the dyadic interaction between terrorists groups (or rebels that use terrorism) and the governments they target. While this is a logical starting point for the study of terrorism it excludes the international system from the equation. Terrorism is largely an international phenomenon though, so the focus purely on domestic bargaining limits our understanding. Many groups like al Qaeda are explicitly transnational while even domestic terrorism often has a diffusion effect across borders. Because of these spillover effects the international community takes a severe interest in domestic bargaining with terrorists, trying to manipulate the process to their interest. While all nations have an interest in the outcome of bargaining over terrorism in other countries, since the end of the Cold War only the United States has been able to actually do so.

The United States has long maintained that their terrorism policy is to never negotiate with terrorists, but she also has a stated policy preference that no other nation should negotiate with terrorists. This policy preference was made particularly clear by President George W. Bush in a 2002 Rose Garden speech about Middle East policy. President Bush said, “Terror must be stopped. No nation can negotiate with terrorists. For there is no way to make peace with those whose only goal is death (ABC 2002).” Despite this clear policy preference and more ability to influence than any other country the US often fails to prevent negotiation with terrorists.

A recent example highlights how the United States often fails to influence to policy of even otherwise good allies. In late 2014 American special operations forces launched a raid against al Qaeda forces in Yemen, attempting to free two hostages. Unfortunately the mission did not go as planned and both hostages were killed. One hostage was an American journalist and the other a South African teacher. The raid sparked an international debate on negotiating with terrorists because the South African government had an agreement in place to pay ransom in exchange for the safe return of their national (NY Times 2014). The United States and South Africa have very strong economic and security ties, going so far as to cooperate in regional stability operations throughout Africa so the defection is shocking.

This paper argues that while the United States’ desire to prevent negotiation with terrorists is consistent, its ability to do so varies over time. In the wake of the September 11<sup>th</sup> attacks both the international community and the American public granted the United States increased political capital. This increased political capital assured that there was

significant support for the invasion of Afghanistan as well as domestic policy initiatives like the Patriot Act. This effect is not just limited to the September 11<sup>th</sup> attacks either as I argue that any significantly shocking attack on American targets grants similar political capital. When the United states has this increased capital they use it to prevent negotiation with terrorists among other policy concessions.

To test this theory I utilize Thomas' (2014) data on concessions to, and negotiations with, rebel groups in Africa. The data includes 106 African rebel groups paired with the government they are fighting and contains observations for each month of active hostilities between 1989 and 2010. There are codings for negotiations and concessions, as well as a slew of other relevant variables. The data also notes if terrorism was employed by the rebel group. I then add a measure for time since a significant terrorist attack against America. I find that in the immediate aftermath of a terror attack on America, governments are significantly less likely to make concessions to domestic terrorists, but that the effect fades over time. That the effects are seen on apparently unconnected domestic bargains in Africa makes the results more convincing.

In addition to the quantitative findings I also situate my theory within the bargaining framework. The decision to make concessions to terrorists or not can be seen as the result of bargaining, which would help explain why we see such disparity in the efficacy of terrorism. Current bargaining models only focus on the binary strategic interaction between terrorists and governments. To this I add a third actor in the United States that has the ability to shift the costs and the benefits for the government of a potential deal.

In the next section I will review the relevant literature on concessions to rebels as well as domestic bargaining with rebels who use terrorism. This will place this study within existing work as well as pointing out where my theory fills gaps while building on previous work. Then I will go into detail on my theory of international policy pressure and domestic bargaining to make the relationship between domestic concessions and foreign attacks clearer. The implications of this theory will then be tested quantitatively and the results discussed. Finally a conclusion will conclude.

## Chapter 2: Literature Review

Academic work on concessions to terrorists was restricted to case studies until fairly recently. Given the clandestine nature of many terrorist organizations it is not always clear who launched an attack. Further, many terrorists operate in autocratic countries where information is tightly controlled. Both of these factors made reliable data hard to come by until a decade ago when quantitative analysis began in earnest. The findings from the few quantitative studies there are do not agree on the efficacy of terrorism to extract concessions. There has also been formal work examining both why potential terrorists choose terror as a strategy and why governments do or do not make deals with them.

The first attempt to approach concessions empirically was Pape (2003) who analyzed 11 terror campaigns, of which 6 were successful in extracting significant concessions. From this Pape concludes that terrorism is an effective strategy. A similar approach was taken by Kydd and Walter (2006) who also examine several cases of terror campaigns, many of which were successful in extracting at least some concessions. However both of these studies suffer from similar shortcomings. First, neither of their samples can be truly representative of the population because of their small size. They focus on the larger and more well-known terror groups, artificially selecting only those groups that are relatively strong as a result. Second, the types of concessions that get coded as success can often be quite minor. For instance, a group that never achieves any of its primary political goals but does get a prisoner released along the way is coded as a success. This type coding decision is not common in civil war research. If we agree with

Tilly (2004) that civil wars are often indistinguishable from terrorism, then the decisions of what to code as a victory for the terrorist should coincide with those for rebels.

Some of these shortcomings were addressed by Abrahms (2006) who examined 125 cases of sub state conflict. Abrahms compared groups that used terrorism with those that used more “traditional” rebel tactics and found that those who employed terror were significantly less likely to succeed. These findings were quite novel at the time because the prevailing opinion had been that terrorism was largely successful. Early scholars (Crenshaw 1986 & Held 1991 among others) had also found terrorism to be ineffective but their work had largely been supplanted in the following decade. Abrahms work attracted much criticism for this departure and required a follow up in 2012 to address the issues raised. Then recently with Gottfried (2014) he again addressed the question, finding terrorism largely unsuccessful.

The only other quantitative work on the subject is by Thomas (2014) who looked at domestic terrorism by rebel groups in Africa from 1989 to 2010. She collected a data set from newspapers across Africa and combined it with UCDP conflict data to get a dyadic monthly measure of violence between the state and rebel groups, as well as concessions and negotiations with those groups. Her data was able to differentiate between rebel groups who do and do not use terror as a tactic which many data sets fail to do. The finding was that terror is an effective tactic when used aggressively. This agrees with most of the current research, excluding Abrahms (2006 & 2012) and Gottfried (2014).

While the field does not yet have consensus on the efficacy of terrorism we seem to be looking past an obvious finding of every one of these studies. Namely, terrorists are able to extract concessions and do so fairly regularly. Many countries are more than willing to pay ransom for hostages, Spain pulled out of Iraq following the 2004 Madrid train bombings and even the United States left Lebanon after the bombing of the Marine barracks in 1983. Comparing the efficacy of terrorism to traditional rebellion ignores the obvious selection effect of what tactics to use. While it is outside the scope of this paper, there are many important reasons why a group chooses to use terror prior to the observation of the use of terror. Terrorism typically requires less support from the populace as well as fewer resources. Therefore the decreased effectiveness may just be an artifact of weaker groups having selected into terrorism because they are relatively weaker.

Thus, noting that concessions to terrorists do in fact happen often I will begin to address the question of what effects the extraction of concessions (Thomas 2014 already shifted the focus in this direction substantially but still needed to respond directly to Abrahms 2006 & 2012 for most of the paper). The best way to frame this question is through the lens of the bargaining framework. Lake (2002) was the first to truly do this and he points out some of the benefits of doing so. First, just like it did for the study of international conflict it, allows analysis to move away from a focus on individual unit characteristics to underlying points of tension. Rather than studying Hamas ad nauseam and trying to generalize their attributes, we can identify under what conditions terrorism is a rational choice. This allows us to make sense of seemingly irrational behavior and

gain insight into the decision making process. We see the inhumanity of Boko Haram or ISIS and can't see the rationality, but a truly irrational actor would make scientific study nearly impossible. The bargaining framework allows us to see the method behind the madness and make useful inferences.

Kydd and Walter (2002) get more into the specifics of how terrorism can be a rational best response. They examine several cases where terrorism was used during ongoing peace talks in Northern Ireland and the Middle East in the 1990's. In both cases the attacks were intentionally timed during negotiations in order to derail them. While pointing out some ways in which seemingly irrational behavior can be rational, they also highlight some of the shortcomings of existent quantitative work. Many terrorist attacks are not intended to extract concessions that are readily observable so many attacks without concessions may be exactly the outcome desired.

Kydd and Walter (2002) and Lake (2002) have explained the rationality of terrorism as a tactic and the applicability of bargaining respectively, which gets us half of the two player bargaining picture. Toros (2008) looks at the unique dilemma that states face when bargaining with terrorists. Toros argues that governments are unwilling to make deals with terrorists for a variety of reasons. The first is that deals with terrorists confers legitimacy upon them. A fringe group that is allowed at the negotiation table becomes mainstream. Second, terrorists often make unreliable bargaining partners. Groups that use extreme violence against civilians can always return to that tactic when they desire further concessions. Finally, negotiating with terrorists can make other groups feel like the established political order is no longer a viable path to change. Their

attempts at peaceful change seem like a waste of time and violence becomes a palatable option.

Despite these strong incentives to not negotiate with terrorists governments often do. Bapat (2005 & 2006) explains under what circumstances governments make deals with terrorists. Bapat notes that terrorists make poor negotiation partners because they lack the ability to make credible commitments. First, few third parties can inflict costs on terrorists in order to act as a guarantor so terrorists are likely to defect from any deal. Second, the shadow of the future in which expected benefits from future cooperation ensure compliance now is not viable for terrorists. Terror groups are often short lived movements and it is unclear at what point of longevity this mechanism would become effective anyways.

Given this bargaining environment, governments are persuaded to deal with terrorists in two situations. First, when the threat from the terrorists is sufficiently high that even a risky deal is preferable to continued violence. If the regime might collapse any deal becomes tempting. Second, when there is some third party which can inflict sufficient penalties upon the terrorists should they renege on a deal. This dynamic can be seen in Israel where foreign donors in Lebanon have been able to enforce agreements.

Terrorists possess a unique tool to alter the bargaining space that the government and other rebels do not (Zartman 1993). Their tactics often inflict shocking and devastating damage on the civilian population, which can drive a wedge between the government and their base of support as they fail to protect their people (Crenshaw 1981, Kalyvas 2004). This takes us from a world where the government does not want to

negotiate with terrorists for fear of alienating other citizens (Toros 2008) to one in which governments must negotiate with terrorists and will (Bapat 2005 & 2006). This makes the strategic choice of most terrorists very simple; be as violent and shocking as possible to open up the bargaining space.

From this existing literature we have a fairly clear picture of the base dyadic bargaining environment between rebels who use terrorism and the governments they target. Governments begin the process unwilling to negotiate, but can be driven to it by a costly terror campaign or the availability of a third party guarantor. Terrorists may or may not have specific concession demands at first but can force some sort of positive outcome by launching numerous, shocking and deadly attacks. What is still missing from the puzzle though is the international element of the bargaining game. Powerful nations have always meddled in the domestic policy of weaker states and they certainly do with regards to terrorism policy. The next section will lay out my theory of how and why the powerful states alter the domestic bargaining process

### **Chapter 3: Theory**

The United States enjoys a unique position of privilege in many ways. As a continental power she has vast resources and population that has fueled a dominant economy, while simultaneously enjoying safe borders. This has allowed the United States to gain great strength project its will upon weaker nations in every corner of the globe. As terrorism has become a more central concern to American interests, she has begun to export her terrorism policy to more and more places. Often this takes the form of aid or military cooperation but the United States has also used economic and military coercion when deemed necessary. While many studies have tried to determine the efficacy of aid, intervention or economic sanctions on terror, the ability to obtain policy concessions over the domestic bargaining environment indirectly has remained untouched.

We saw in the introduction that the United States has an ideal policy point of not negotiating with terrorists, while also wanting no other countries to negotiate with terrorists. This policy position is another example of the privileged position that the United States occupies. She faces a real threat from terrorism, but the threat is neither constant nor existential. Instead it is a periodic nuisance that can be dealt with through strict and unbending rules because regime failure is not a possibility. The bargaining framework can never shift far enough for concessions to be a best response. When the United States then tries to export this policy to states that do not have the benefit of American safety it is unclear if she realizes the burdensome restrictions this may place on a regime, but it certainly denies a best response.

Meanwhile, states that face domestic terrorism do not have an ideal policy point like the United States and other powerful countries. They instead prefer flexibility at the bargaining table because there are instances in which either making a concession or refusing to will be best responses. As the amount of violence from terrorism goes up, so too does the possibility of regime collapse. An inability to protect its people will also delegitimize the government as they demonstrate no monopoly on the use of force. However, making concessions to terrorists can also undermine the peaceful political process by rewarding bad behavior, which may encourage more bad behavior. These forces make the domestic bargaining process dangerous for weaker governments, so flexibility of action is a necessity. A misplay at any point and they face either regime collapse or regime change.

Terrorists meanwhile have a fairly straightforward set of decisions to make when bargaining with the government. Since there is a selection effect for rebel groups to either use or not use terrorism we can simplify the game and have terrorists always employing the max amount of effort possible. This is because regardless of what they want, be it concessions, regime change or peace process spoiling, a more deadly campaign will always suit their needs. Existing literature says that seeking out third party support may also be a viable option, but this aspect of terrorist strategy is beyond the scope of this paper.

We now have the three players for the game and what they ideally want. Terrorists want maximum amount of violence to try and open up the bargaining space to extract concessions. Domestic governments want freedom of action to try and balance

domestic stability and legitimacy with ending the threat of terrorism. Finally the United States wants the domestic government to not make concessions under any circumstances. The last thing that needs to be covered is how the United States policy preference shapes the domestic government's actions.

The United States can either punish or reward domestic governments for how they deal with terrorists, but many of the direct means of doing so are often feasible. Economic sanctions and military intervention require congressional approval and international support. Foreign aid is a bit more flexible but allocations tend not to fluctuate year to year, and the United States would worry about regime collapse if it pulled funding from an embattled government. Instead it is more likely that under normal circumstances the costs that a domestic government will pay for deviating from American wishes are purely reputational. A government that makes concessions to terrorists will appear weak and untrustworthy making future cooperation less likely. Similarly, appearing tough on terrorism can have positive reputational benefits as you appear trustworthy and strong.

This more fully fleshed out bargaining environment doesn't yet explain what we see in the data though. For reference see the figure below. This graph shows concessions clumped by year from 1989 to 2010 for Africa and is drawn from the Thomas (2014) data. We can see that concessions seem to come in waves. If the domestic bargaining process with terrorists was truly just a domestic process we should see a bit more even spread of the data, thus hinting at a possible international factor that helps shape the

bargains. From the previous discussion about the bargaining process the only actor that influences multiple countries is the United States.

American foreign policy on terrorism may have remained consistent as far as an ideal policy point is concerned, but the vigor with which the policy is pursued does indeed vary quite widely. Following the Oklahoma City bombing extraordinary rendition was revitalized and the September 11<sup>th</sup> attacks resulted in an invasion, a Global War on Terror (GWOT), and the Patriot act among other foreign and domestic policy changes. These examples point to a more indirect effect as well. The invasion of Afghanistan and the wider GWOT campaign required the support of many different nations who otherwise would have opposed such actions. This leads to the conclusion that in the aftermath of an attack on the United States, the international community provides them with increased political capital resulting in fewer concessions to terrorists.

The states provide the political capital because they fear the reputational costs of not doing so. For the purposes of the theory here, the political capital provided is that states dealing with domestic terrorists match their policy to that of the United States. Using the September 11<sup>th</sup> attacks as an example, if a state wanted to make some minor concession to domestic terrorists on September 10<sup>th</sup> nobody would have noticed. On September 12<sup>th</sup> though it would have been a major scandal to have dealt with terrorists at all. The heightened tensions were evident when Saddam Hussein refused to offer condolences to the United States after the attacks. The general belief was that this made him a supporter of terrorism and increased tensions between the two states (CNN 2001).

The increased political capital should decrease over time though, and there are a few reasons for this. First, weaker states are eager to get back to their positions of flexibility. When states restrict their bargaining range to that of the United States it is a very dangerous situation. They are running real risks that the United States never has to face, that of regime collapse and flexibility in bargaining can help to avoid this. Second, the focus of the world community will begin to shift back to other concerns over time. Economic and security issues will pop up that demand attention and the significance of a specific attack will begin to fade.

If my theory is correct we should expect to see few concessions in the wake of a terrorist attack against the United States. However this depressive effect should fade as we get further from an attack. There may also be a knock on effect where the US is willing to exert influence to the benefit of her close allies. If this is true we should see similar effects in the aftermath of attacks on close American allies. This generates the following hypotheses:

**H1:** *Concessions to terrorists decrease following a significant terrorist attack on the United States.*

**H2:** *Concessions to terrorists return to normal rates as time passes following an attack on the US.*

**H3:** *Concessions to terrorists decrease following a significant terrorist attack on US Allies*

**H4:** *Concessions to terrorists return to normal rates as time passes following an attack US Allies*

## Chapter 4: Research Design

There are only a few data sets that attempt to capture concessions to terrorists, and each has its own shortcomings. Some only have a few observations (Pape 2003, Kydd and Walter 2006) which greatly restricts the time element so important to this theory. Attacks against American interests span decades so a more representative data sample is needed. Other data sets restrict their sample on the type of concessions made to ransom payments (Abrahms 2006). This is also problematic given what we know about the bargaining process with regards to terrorists. If governments are only willing to make deals when terrorist attacks start threatening stability and legitimacy, it is unlikely that kidnapping ever gets to that level. Additionally, paying ransom is a fairly low cost bargain compared to the military costs necessary for rescue operations. This measure likely catches capacity as much as desire.

For this study I chose to use Thomas' (2014) data on concessions and negotiation with rebels in Africa. The data runs from 1989 to 2010 and includes dyadic observations of 106 rebel groups and the government they are fighting, taken from the Uppsala Conflict Data Program (UCDP) Armed Conflict Dataset (Harbom, Melander, and Wallensteen 2008). The data codes for what the rebels demanded of the government as well as what the government offered in response. It is coded monthly to allow for more fine grained analysis. The data set also differentiates rebel groups by tactic used and provides measures for many potentially related factors to concessions.

At first glance this data set does appear to have a few significant drawbacks. However, upon closer inspection it becomes evident that the concerns are unwarranted.

First, the restriction of the sample to just Africa instead of being a liability actually makes this a tough test of the theory. The United States has economic and political ties in every region of the world but Africa remained largely outside of the scope of American pressure until fairly recently. The United States Africa Command (AFRICOM) was not officially stood up until a few years ago and military ties with the continent only began strengthening about a decade ago. As a result the United States has far fewer levers of control in African than anywhere else. Second, Thomas collected her unique data through newspaper reports. This could potentially introduce bias as some events get over reported while others go unreported but Thomas included a “strong” measure that only included events that had multiple corroborations, which I use. This stricter coding will alleviate many of those concerns.

The dependent variable is concessions to terrorist groups. This is a count variable that is roughly Poisson distributed from 0 to 8, with 95.84% of the observations being 0. There are 3,416 observations. This measure is included while the measure for negotiations is omitted here because of the nature of bargaining with terrorists. Often in bargaining literature we are interesting in cases of bargaining breakdown that lead to conflict, but that initial breakdown already occurred in this theory when the group decided to rebel in the first place. Here we are interested in when bargaining is successful again and negotiations that do not lead to concessions do not fit that description.

The explanatory variable is a dichotomous coding of time since a significant terror attack on the United States, with an alternate coding for attacks against US allies. A significant terrorist attack is coded as a 1 when an article about the attack appears on the

front page of the New York Times for at least one week immediately following an attack. The front page of the NY Times was accessed through ProQuest's archive of newspapers. During the data sets time range the following attacks against the US got coded as significant: World Trade Center bombing (1993), Oklahoma City bombing (1995), Khobar Towers bombing (1996), Atlanta Olympics bombing (1996), African embassy bombings (1998), the USS Cole attack (2000) and the September 11<sup>th</sup> attacks (2001). Two additional attacks against US allies also reached significance, the Madrid train bombing (2004) and the London Metro bombings (2005).

This measure is then coded into two versions of time since attack, 6 months and 12 months where each of those months is coded as a 1. These time measurements are designed to capture the immediate political capital afforded the US after an attack while also capturing its fade over time. Further, the use of the NY Times front page for a week is a good standard to judge significant terrorists attacks for three reasons. First, the theory hinges on the psychological shock value of terrorism more than the actual damage caused. The 1993 World Trade Center attack and the USS Cole both led to significant policy action by the US government but did not cause many deaths. Similarly many terror attacks against US target in Iraq killed many more people but failed to capture the attention of America or the international community as drastically. Second, the NY Times is generally considered the American paper of record because of its wide distribution, and professional and authoritative journalism so spending a week on its front page is significant. Finally, the use of a week threshold eliminates transient concerns while setting the bar quite high for shock value. Front page space is limited so only the

most important or NY Yankee related news will remain for more than a day or two. Lower thresholds also tend to cover too much of the data set for effective analysis to occur.

To control for possible confounds a series of control variables are also used. The first control variable is **Deadly Attack** which is a dummy variable that notes the time since a deadly terrorist attack somewhere in the world, with 6 and 12 month versions to match the explanatory variable. The top 5 deadliest attacks during the sample period are included. It is possible that governments are updating their bargaining strategy based on shocking attacks anywhere, not just the United States, reasoning that concessions may lead to similar attacks at home. With this coding rule September 11<sup>th</sup> (2001), the Boko Haram attack on Maiduguri (2009), a wave of car bombing in Iraq (2007), the Chechan separatists school attack in Beslan (2004) and a string of bombings in Mumbai (1993) are included in the variable. Three of these attacks overlap with those in the explanatory variable so this is a particularly hard test for the theory.

Several more control variables used in the literature are also included. Thomas' (2014) explanatory variable of **Successful Attacks** by terrorists is included because this is the main mechanism by which rebels try and force concessions. Other control variables included are **Relative Rebel Strength**, **Main Group**, **Explicit Support**, **Regime Type**, **Battle Deaths** (logged), **Third Party Mediation**, and **GDP** (logged). All of these variables have shown up in the literature as control variables but more importantly could directly affect the bargaining process described in this paper. Battle deaths should catch rebels ability to force concessions, third party mediation and explicit support (for rebels)

will make rebels more trustworthy bargaining partners, while relative strength, regime type, main group and GDP will measure the initial bargaining position of the two domestic parties.

The dependent variable (Concessions) is a count variable so the first step in determining the model is to examine the distribution. The data appears Poisson distributed (See figure 2). This suggests that a Poisson regression would be appropriate, but Poisson regression has one very restrictive and typically not met assumption; that the mean and the variance must equal each other because the formula uses the same variable for each. The mean of the sample is .0693794 and the variance is .1741016 which suggests that we have over dispersion as these two numbers are more than 2 standard deviations apart. To solve this problem I instead will implement a Negative Binomial regression which has different terms for the mean and variance so the discrepancy won't taint the results.

## Chapter 5: Results

Looking at the chart of concessions over time again we now add labels for the significant attacks against the United States and a plot of terror attacks (Figure 3). We can see that all of the attacks coincide with the valleys of concessions which is quite interesting, though hardly conclusive. It gets more interesting when we realize that two of the remaining valleys also coincide with attacks on America's closest ally in the GWOT and across Iraq during the height of the American occupation (2005 London Metro bombing and 2007 Iraq car bombings respectively). More telling is the plot of overall terror attacks which shows that even though the level of violence remained fairly constant from the middle of the 1990's, the number of concessions fluctuates wildly.

In the results from the regression (Figure 4) Model 1 represents the relationship between terror attacks and the subsequent year of concessions, and Model 2 represents the 6 months after an attack. In Model 1 attacks on the United States have no effect on concessions but attacks on the United States is highly significant at the 6 month time limit. This result is expected by the theory in hypotheses 1 and 2 because the political capital granted to the United States in the wake of an attack should fade over time. Governments appear to be adjusting their domestic bargaining strategies just long enough to make America happy so that they can avoid reputational costs and still return to a full range of bargaining options.

The results for attacks on American allies is puzzling though. At the one year it is highly significant, *but positive*, while insignificant at the six month threshold. It strains the imagination to think that there is a delayed effect on foreign domestic bargaining after

one of these attacks so it is more likely that this is an artifact of the measure created. Thinking of this political capital mechanism in the framework of Lake's (2011) theory of hierarchy in international relations we see that the data does not represent either Spain or Britain's spheres of influence. Hierarchy can work indirectly and without any obvious action but the threat of punishment must be real, and neither country can credibly threaten most of Africa. Consequently the most we can say we learned from this variable is that the United States may be unwilling or incapable of extending its political capital in favor of its allies.

I anticipated that the deadly attacks variable would pose the greatest risk to my analysis for a variety of reasons. First, there appeared to be a decent amount of overlap between this variable and my US attack variable, but the six month threshold only ended up with a correlation of .2 and the year with a correlation of .15 so the fear of overlap was wrong. Second, shocking attacks anywhere altering the domestic bargaining preferences seems to make a convincing story. A government may realize just how bad terrorism can get and decide negotiations are no longer in their best interest. However this explanation misses a few key aspects of the bargaining process. These governments in Africa are already dealing with terrorism, so the shock value is decreased. It also isn't clear why shocking terrorist attacks would make concessions less likely when others (Thomas 2014) have found that more attacks make concessions more likely. Therefore the null results on this control were to be expected.

From the rest of the control variables we see that findings in the literature largely hold. Attacks, relative rebel strength and battle deaths are measures of both rebel capacity

and effectiveness so their positive and significant correlation just means that stronger rebel groups are more likely to get positive bargaining outcomes. The third party mediator variable is also interesting because it confirms other work about the reliability of terrorists as bargain partners being low, but buttresses when a third party can help to guarantee their compliance with any agreement.

## **Chapter 6: Conclusion**

This study sought to determine how effective the United States is at altering the domestic bargaining processes of other countries. We knew that America does not want negotiation with terrorists and attempts to export that policy but we did not know how effective she was at this. I have provided significant evidence here that she is capable of exporting policy informally but only when conditions are conducive. This test was particularly convincing because the region represented by the data and what is being bargained over make this a tough test but the expected results came through. Africa has not been a foreign policy focus of the United States until very recently so its informal power network is weaker than in other regions. Further national security issues are a core concern of any nation so attempts by outsiders to alter the bargaining process where death is on the line must be strong to work. That nations alter their behavior in the most crucial of circumstances is telling of the projection power of America.

These results have also added to the lively debate in the field over the efficacy and determinants of concessions to terrorists. Pape (2003) and Thomas (2014) found that terrorism can be an effective tool for concession extraction but neither fully considered the effects of the international system on this effectiveness. Abrahms (2006 & 2012) likewise did not fully factor in international pressure on the effectiveness of terrorism, so it would be interesting to see if the disparity between the effectiveness of terrorism and other rebels holds when international pressure controls are introduced to his models. These findings also lend credence to Lake's (2011) theory of hierarchy. Lake holds that powerful states can extract policy concessions from weaker states without coercion being

necessary. The evidence here suggests that the United States indeed has exerted its hierarchical powers over weaker countries effectively without force.

Additionally this paper adds another dimension to the bargaining literature on terrorism. It helps explain seemingly irrational behavior by terrorists who are not getting timely concessions because their otherwise successful strategy is being usurped by American pressure. We also get a more complete picture of the forces shaping the bargaining process for states. The reputation cost concerns that they face when dealing with terrorists is not found in bargaining with other rebels, which should drive down the overall likelihood concessions to terrorists comparatively. Future work on formalizing the domestic terrorism bargaining game as a three player game promises to be a fruitful endeavor.

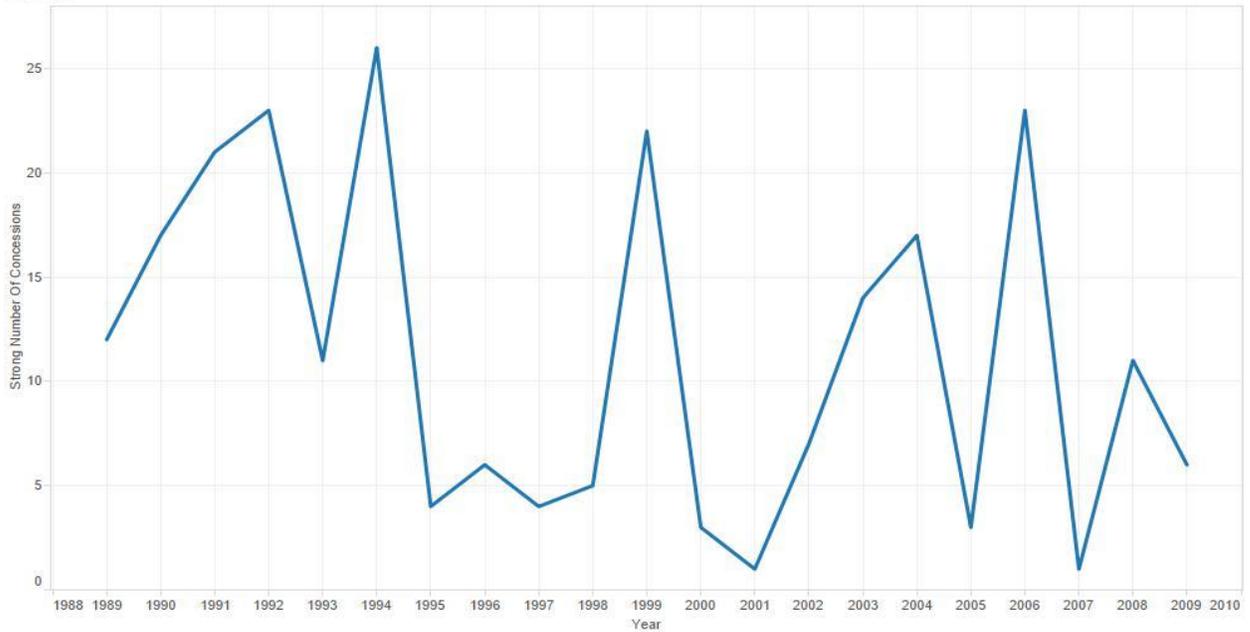
Finally, this work may have policy implications. First it reinforces the idea that America has significant but difficult to measure soft power capabilities. With minimal effort the United States has been able to temporarily export its preferred policy position. Second it helps to inform on the difficulties that weaker governments face when dealing with terrorism. American pressure to never deal and the “with us or against us” rhetoric may be painting our friends into uncomfortable bargaining corners. Denying weak governments a full bargaining range may actually make terrorism more persistent, increase the possibility of regime collapse and result in a net increase of terrorism as groups seek to increase violence further to force concessions.

## Appendix

**Figure 1**

Concessions to terrorists over time using the Thomas (2014) data.

Sheet 3

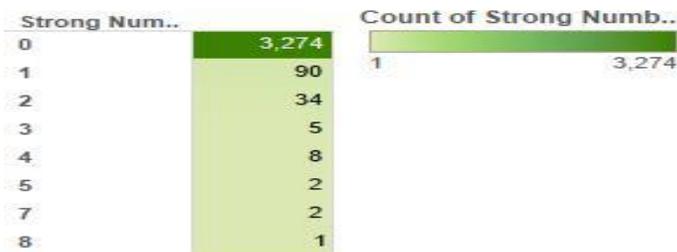


The trend of sum of Strong Number Of Concessions for Year.

**Figure 2**

Distribution of the concessions to terrorists variable.

Sheet 1

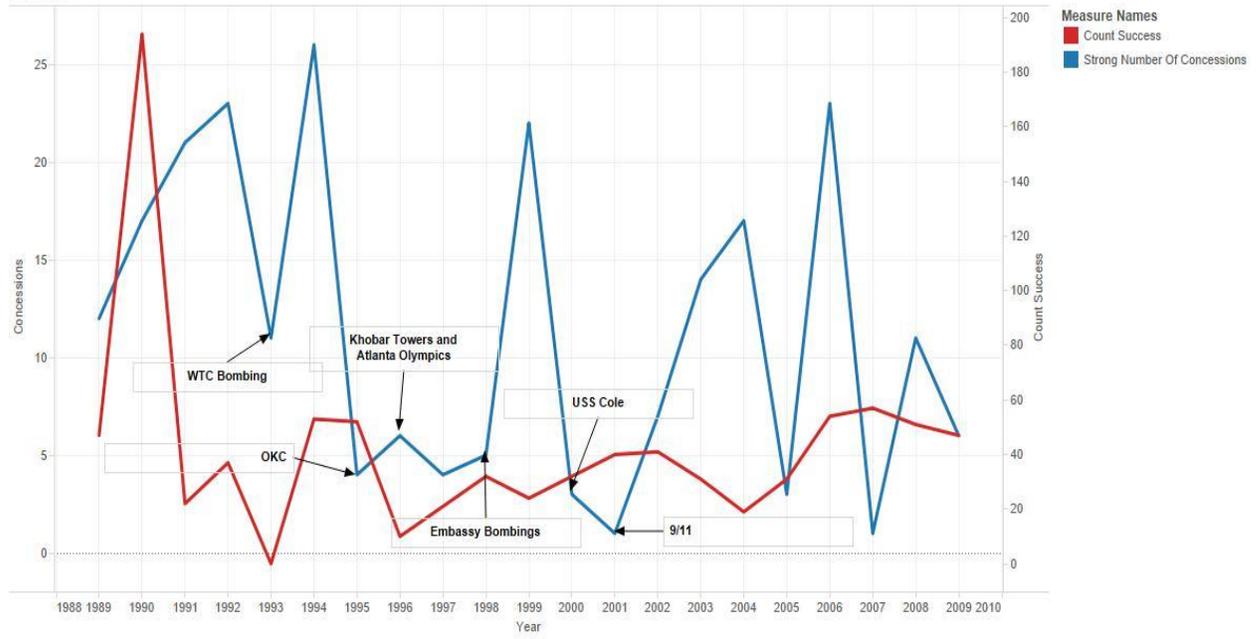


Count of Strong Number Of Concessions broken down by Strong Number Of Concessions (bin). Color shows count of Strong Number Of Concessions. The marks are labeled by count of Strong Number Of Concessions.

**Figure 3**

Concessions to terrorists and successful terror attacks over time with label for significant terror attacks against the US.

Sheet 2



The trends of Strong Number Of Concessions and Count Success for Year. Color shows details about Strong Number Of Concessions and Count Success.

**Figure 4**

Regression results.

| VARIABLES                    | (1)<br>Model 1         | (2)<br>Model 2         |
|------------------------------|------------------------|------------------------|
| US Attack (year)             | -0.208<br>(0.374)      |                        |
| Ally Attack (year)           | 0.906**<br>(0.398)     |                        |
| Deadliest Attacks (year)     | -0.244<br>(0.204)      |                        |
| US Attack (6 months)         |                        | -1.130***<br>(0.423)   |
| Ally Attack (6 months)       |                        | -0.243<br>(0.472)      |
| Deadliest Attacks (6 months) |                        | -0.129<br>(0.266)      |
| Successful Attacks           | 0.0560***<br>(0.00673) | 0.0477***<br>(0.00839) |
| Relative Rebel Strength      | 1.014***<br>(0.305)    | 1.064***<br>(0.302)    |
| Main Group                   | -0.262<br>(0.401)      | -0.368<br>(0.470)      |
| Explicit Rebel Support       | 0.155<br>(0.339)       | 0.217<br>(0.330)       |
| Polity Score                 | 0.0617<br>(0.0588)     | 0.0748<br>(0.0581)     |
| Battle Deaths (logged)       | 0.197*<br>(0.111)      | 0.189*<br>(0.112)      |
| Third Party Mediation        | 1.270**<br>(0.515)     | 1.311**<br>(0.551)     |
| GDP (logged)                 | 0.208<br>(0.133)       | 0.275**<br>(0.125)     |
| Constant                     | -11.19***<br>(3.479)   | -12.52***<br>(3.339)   |
| Observations                 | 2,575                  | 2,575                  |

Robust standard errors in parentheses

\*\*\* p&lt;0.01, \*\* p&lt;0.05, \* p&lt;0.1

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