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Where do transnational terrorist organizations operate? : the impact of state capacity and civil conflict

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WHERE DO TRANSNATIONAL TERRORIST ORGANIZATIONS OPERATE?: THE IMPACT OF STATE CAPACITY AND CIVIL CONFLICT

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Abstract

Despite overlapping explanatory theories for the occurrence of terrorism and civil conflict, these two phenomena have largely been studied in isolation. This study addresses this gap in the conflict literature by investigating the influence of state capacity and civil conflict on the presence of a transnational terrorist organization's base of operations. It is postulated that weak state capacity provides the opportunity to organize while civil conflict increases this opportunity via the transmission of information on and the reduction in the state's capacity to prevent organization formation. This hypothesis is then tested by estimating a logistic regression analysis for the years 1980-2004 through the coding of the START information on Terrorist Organization Profiles. Contrary to expectations, state capacity exerts an increasingly positive influence on the presence of a transnational terrorist organization, while civil conflict only exerts a positive influence at higher intensities. Additionally, political freedom and ethnolinguistic fractionalization have a negative impact, while the contiguity of the target state to the state in which the organization is based exerts a positive and robust influence. These results suggest the need for both the opportunity to organize and the willingness to provide cover or recruits for a transnational terrorist organization to form and operate.

Introduction

Terrorism and civil conflict are recognized as two of the most salient threats to state security in the 21st century. The ability to organize domestically in opposition to the state or in one state in order to launch an attack in another, sometimes thousands of miles away, have been recurring characteristics of weak, non-state actors. Consequently, much attention has been given to the conditions that provide the motivation and opportunity for both terrorism and rebellion to occur. Although terrorist groups differ from rebel groups in terms of organization and objectives, it is possible to observe the two occurring separately, yet simultaneously, such as the Taliban in Afghanistan or Al-Qaeda in Sudan. It is therefore no surprise that the structural conditions found to be conducive to rebellion, such as socioeconomic, political, and demographic factors, are often similar or identical to the conditions that facilitate terrorist participation and activity. Despite this seemingly blatant connection between the two phenomena, they have largely been studied in isolation from one another. Likewise, the research on terrorism has neglected investigation into the conditions that give rise to terrorist organizations in favor of a focus on individual participation and terrorist activity.

This study addresses these gaps in the literature by positing a state capacity perspective for understanding the presence of transnational terrorist organizations' base of operations. It is argued that transnational terrorist organizations, or those organizations that are based in a state that does not contain the target of their attacks, locate their base of operations as a function of that state's capacity to limit their operations. Weak states allow terrorist organizations to operate without the risk of state interference thereby lowering the costs of organization through permitting the divergence of funds normally used for

state evasion towards other operational costs (Takeyh and Gvosdev 2002). They can additionally provide a political vacuum for terrorists to fill and provide a protective veneer of sovereignty from third party intervention (Piazza 2008). It is furthermore stipulated that the presence of an ongoing civil conflict contributes to terrorist organizations' location through the transmission of information on and the further reduction in state capacity (Thies 2010). The presence of a civil conflict signals the inability of a state to deter or prevent rebel organization formation (Ginkel and Smith 1999) and, thus, their increased inability to prevent terrorist organization formation due to weakened state capacity.

There has been limited research on the relationship between terrorist organizations and state capacity, the majority of which has concentrated on the influence of state capacity on terrorists' ability to carry out attacks. In order to understand this ability, we must first analyze the conditions that provide the opportunity for the initial formation of the terrorist organization. This is accomplished by investigating the influence of state capacity on the actual presence of a transnational terrorist organization and, subsequently, the specific ability to organize, recruit, raise funds, and train in one location in order to carry out an attack in another. I focus solely on the emergence of transnational terrorist organizations in order to avoid the pitfalls of distinguishing between insurgent and terrorist groups.

The results of the analysis provide support for my main argument that the willingness-opportunity perspective which has been rigorously explored in the conflict literature (Collier and Hoeffler 1998, 2004; Fearon and Laitin 2003; Most and Starr 1989; Starr 1978; Vasquez 1993) is also applicable to terrorist organization formation. Both the opportunity for organization, fund raising, and training, as well as a willingness to harbor

or be recruited into a terrorist organization are crucial influencers on the location of transnational terrorist organizations. The effects of opportunity are demonstrated by the positive effects of the contiguity of the state in which an organization is based to the state in which they conduct attacks as well as the positive effects of civil conflict. The latter represents the opportunity for organization formation created by the protection of state sovereignty while the former indicates a potential exploitation of the chaos and divergence of state resources towards the civil conflict. However, this relationship only applies with the Correlates of War (COW) higher threshold of civil conflict. The Uppsala Conflict Data Program (UCDP) definition of civil conflict is insignificant.

The consequences of willingness in terms of a population willing to act as a pool of recruits or to harbor a terrorist organization are seen in the highly significant and negative effects of political freedom and ethnolinguistic fractionalization across all models. A deficit of political freedom and the presence of ethnolinguistic divisions create grievances throughout the population which terrorists can exploit in order to radicalize individuals to join their cause or provide cover from state authorities. Contrary to expectations, state capacity was found to have consistent, positive effect on the dependent variable. This result indicates that state capacity is not operating through the opportunity mechanism as originally hypothesized but, instead, exerts a divergent relationship to the presence of a transnational terrorist organization.

Without furthering testing, only speculation as to the reasons behind this positive effect is possible. It is may be the case that a state with high extractive capacity creates grievances to be exploited or that transnational terrorist organizations do not require the

opportunity presented by weak state institutions due to the already obtained opportunity through contiguity and civil conflict. However, an interaction term between state capacity and civil conflict reveals that state capacity exerts a greater positive effect when there is an ongoing civil conflict than when there is not. This provides relatively weak evidence for two possibilities: 1) that a state with strong extractive capacity has a grievance-ridden population to exploit or 2) that, despite capable state institutions, civil conflict creates opportunity through the divergence of state resources from general population surveillance towards the direct, internal threat.

Despite the ambiguous results for the influence of state capacity, the analysis ultimately reveals the influence of both the opportunity and willingness on the presence of a transnational terrorist organization. They point to the need for additional investigation into the conditions that give rise to terrorist organizations, particularly those who operate across state borders.

Theoretical Overlap & Empirical Isolation

The objective of this study is to highlight and address three, relevant puzzles and gaps in the conflict literature stemming from the theoretical overlap on the conditions that give rise to rebellion and terrorism and, yet, their investigative isolation in the literature. Despite the obvious similarities and connections between the two phenomena, they have largely been studied separately in the conflict literature. This has resulted in significant, empirical and theoretical gaps in the research on terrorism. The first of which pertains to the neglect of investigation into the influence of civil conflict on terrorism. Although Sambanis (2008) explicitly argues that, "both international and domestic terrorism can grow out of a civil war or lead to it, "(p. 174), he investigates the influence of terrorist events on the occurrence of civil war, leaving open the gap in the literature regarding the influence of civil conflict on the opportunity for terrorists to organize within a state that they are not targeting.

There is also a deficiency of research on the conditions that enable or provide the opportunity and willingness for a terrorist group to organize. The studies that do stem from a willingness-opportunity perspective (Ehrlich and Liu 2002; Newman 2007; Piazza 2008; Sambanis 2008) have rarely done so explicitly and have concentrated on individual participation or terrorist activities to the neglect of organization formation. In the same vein, despite its prevalence in the research on rebel organizations, there is a scarcity of research on the influence of state capacity on the ability of terrorist organizations to organize, raise funds, train, and recruit. The studies that have investigated terrorist organizations take the existence of the organization as *a priori* in order to explain the effect

of internal organizational dynamics on group behavior (see Crenshaw 1988 and McCormick 2003 for a summary of these studies).

The last two of these puzzles in the literature seemingly stem from a lack of codified data on the specific characteristics of terrorist organizations. The scattering of studies that have postulated an opportunity argument by looking to the influence of failed, failing, or weak states on the ability of terrorist groups to organize failed to test their hypotheses (Gunaratna 2002; Takeyh and Gvosdev 2002), looked instead to the origins of individual terrorists (Ehrlich and Liu 2002; Piazza 2008) or terrorist incidents (Sambanis 2008). This study addresses these gaps by looking to the influence of both state capacity and civil conflict on the opportunity for a terrorist organization to organize as well as the conditions that create a population willing to harbor or be recruited into a terrorist organization. Their effects are then tested in a more precise manner than previously accomplished through the coding of the National Consortium for the Study of Terrorism and Responses to Terrorism (START) information on Terrorist Organization Profiles (TOPs).[1]

Both terrorism and civil conflict represent distinct, yet overlapping, forms of political violence or what Tarrow (2011) designates "contentious politics". Terrorism is a method of violence used on civilians by small, decentralized groups in order to radically influence political policy (Crenshaw 1990), while civil conflict evolves from the use of violence against the state for a range of political ends from ethnic autonomy to secession. The difference between the two lies in their objectives and targets, although the distinction is not always clear (Berman and Laitin 2005). Rebel groups often use terrorism as a tactic

[1] http://www.start.umd.edu/start/data_collections/tops/

in the early stages of conflict, but few terrorists groups evolve into rebel organizations (Kalyvas 2004). This inherent overlap between the two explains their separation in the literature although scholars have investigated the causes of both using similar perspectives: psychological and rational choice.

The frustration-aggression model put forth by Davies (1962) has been used to explain both terrorism and civil conflict. Extrapolated by Gurr (1970), Davies' (1962) J-curve theory proposes that political violence emerges as a function of frustration due to a gap between desired and perceived, future economic and social gains. The gap occurs when a period of prolonged economic growth is followed by a sharp and sudden reversal. It is within this gap between desired and perceived expectations that grievances are created and provide the motivation for political violence. Collier and Hoeffler (1998, 2002) are the most well known proponents of this understanding of grievances as motivation for participation in rebellion. They cite economic inequalities and ethnic/religious divisions as evidence for the influence of grievances as motivating factors. Grievances are also explored as functions of inequalities produced by the socio-economic (Davies 1962; Gotchev 2006; Gurr 1970; Newman 2006, 2007), demographic (Ehrlich and Liu 2002; Ross 1993; Simon 2003) [produced by urbanization (Brennan-Galvin 2002; Massey 1996; Ross 1993)], and political conditions of a state (Goldstone et al. 2010; Gunaratna 2002; Hegre et al. 2001; Krueger and Laitin 2007).

The grievance model has been explicitly applied to the study of terrorism (Feierabend and Feierabend 1966, 1972; Feierabend et al. 1969; Gurney and Tierney 1982; Margolin 1977), but has also been implicitly investigated through research on the influence

of poverty and political oppression (Abadie 2004, 2006; Gunaratna 2002; Krueger and Laitin 2007). Krueger and Laitin (2007) find that the sources of terrorism are more closely related to political repression rather than economic variables. Likewise, Abadie (2004, 2006) empirically investigates this relationship but finds a non-monotonic relationship between political rights and the country level risk of a terrorist attack.

While the civil conflict literature looks to the psychological effects on the collective population in terms of producing the motivation for rebellion, the terrorism literature has largely applied the psychological perspective towards explaining individual participation in terrorist activities. The Narcissistic-Rage hypothesis stipulates that individuals become terrorists out of an attempt to maintain power or control through intimidation (Crayton 1983), for blatantly narcissistic reasons such as a sense of revolutionary heroism, self-importance, borderline personality disorder (Post 1990), or due to narcissistic injuries early in life (Shaw 1986). Similarly, much attention has been devoted to discovering the underlying psychological traits that terrorists share (Billig 1985; Clarke 1982; Gutmann 1979; Hubbard 1975; Jenkins 1982; Kaplan 1978; Knutson 1980, 1981; Oots and Weigele 1985; Russell and Miller 1983). Some posit that terrorism is a form a mental illness since there is no rational explanation for an individual to be willing to commit suicide for a cause whose benefits they will not be alive to receive (McCauley and Sefal 1987). In this vein, the Narcissism-Aggression model is used to explain the actions of individual terrorists as the function of internal, psychological processes (Crayton 1983; Haynal et al. 1983; Lasch 1979; Morf 1970; Pearlstein 1991; Post 1984, 1986, 1990).

This notion that the use of terrorism stems from individual, psychological processes has been rigorously disputed (Corrado 1981; Ferracuti 1990; Ferracuti and Brunco 1981; Heskin 1980, 1984; Hoffman 1998; McCauley and Segal 1987; Rasch 1979; Reich 1990b; Silke 1998) and countered with rational-choice explanations. The rational-choice viewpoint focuses on the conditions that influence the opportunity, as opposed to the motivation, for terrorism to occur. It models terrorists as rational actors who choose the use of this specific form of political violence when the benefits outweigh the costs or when other options are not available or have been exhausted. Many studies in the terrorism literature explicitly argue for this perspective by presenting the use of terrorism as a strategic, rational choice despite the free-rider problem (Olson 1965) that the psychological perspective seeks to explain (Berman 2003; Berman & Laitin 2005; Hoffman and McCormick 2004; Iannaccon 2003; Pape 2003; Sprinzak 2000; Wintrobe 2003).

This perspective focuses on suicide terrorism in particular and cites the range of socio-economic backgrounds of suicide terrorists as evidence against the psychological perspective (Kruger and Maleckova 2002; Paz 2000; Russell and Miller 1983; Wintrobe 2003) while arguing for the use of terrorism as a rational decision based on the strategic environment (Enders and Sandler 1993, 2006; Sandler, Tschirhart, and Cauley 1983; Sandler and Lapan 1988, 1993). Terrorism is a strategic choice made in a constrained environment (Braungart and Braungart 1992; Crenshaw 1981; Gurr 1990; Ross 1993). Terrorists are ultimately weak actors who use the only tools available to them based on enabling factors that create tactical opportunity (Crenshaw 1981).

The psychological perspective of terrorism has managed to rationalize these two viewpoints by arguing for terrorism as both a product of psychological processes and a strategy with psychological aims such that, "… political terrorism, is, at base, a particularly vicious species of psychological warfare," (Post 1990, 39-40). Caplan (2000, 2001, 2006) similarly proposes a model of rational irrationally wherein the benefits of suicide terrorism are material as well as psychological due to the irrational preferences produced by extreme religious or ideological beliefs. Still others continue to argue for an understanding of suicide terrorism as a rational choice due to the economic, social, or symbolic incentives provided to families and communities (Azam 2005; Berman and Laitin 2005; Iannaccone 2003; Pape 2003). Azam (2005) specifically models suicide terrorism as an inter-generational investment. Although the individuals who perform the suicide bombing will not receive the benefits of their action, it is a rational choice based on the benefits that future generations of their family will receive. Hoffman and McCormick (2004) argue that terrorism is rational in that it signals a group's willingness to kill and to be killed in the pursuit of their objectives.

There exists a similar divide in the civil conflict literature between the arguments of rebellion as a function of grievances (Davies 1962; Connor 1994; Gurr 1970; Paige 1975) or as a strategic, rational choice when the benefits outweigh the costs (Fearon and Laitin 2003; Moore 1995; Muller and Opp 1986). The latter perspective can be broken down into those who focus on the benefits of rebellion demonstrated by the research investigating the positive relationship between primary commodity exports, lootable natural resources and rebellion (Collier and Hoeffler 1998, 2004; Lujala, Gleditsch and Gilmore 2005) and those

who focus on the costs of rebellion in terms of state capacity (De Soysa and Neumayer 2007; Fearon 2005; Fearon and Laitin 2003; Humphreys 2005). Fearon (2005) counters Collier and Hoeffler's (1998) argument for a greedy, looting rebel understanding of rebellion, by contending that the presence of natural resources instead works through their influence of the capacity of state institutions. However, there is an inherent difficulty in distinguishing between the two mechanisms. Although Fearon and Laitin (2003) argue for an opportunity or state capacity perspective, they allow for the possibility that their proxy may, in fact, be acting as a motivator by making the state a greater prize for capture.

Although the state capacity model has gained considerable traction in the civil conflict literature, both arguments can be understood as shaping the opportunity-willingness structure within a state by altering both the costs and benefits for rebellion through changing incentives and resources (Tilly 1978). Skocpol (1985) defines the state as an organization pursing collective goals more or less effectively given the available resources. However, the capacity of the state to pursue these collective goals depends not only on the availability of resources but the ability of state institutions to effectively harness them. Some states are extremely capable of harnessing whatever resources are available; while others are extremely incapable of capturing potential resources, abundant or otherwise. States with limited capacity will be unable to either deter or resist internal dissent through the provision of social goods and services or effective repression (Sobek 2010). The presence of a highly capable state reduces the probability of success thereby increasing the potential costs and lowering the opportunity for rebellion (Lichbach 1995; Taylor 2003).

While the civil conflict literature has accentuated the importance of state capacity in terms of institutional extractive capacity, the terrorism literature has tended to focus on conditions that provide permissive or enabling environments for terrorist organizations and activities such as geographic features, including rural and mountains areas (Abadie 2006; Blomber, Gaibulloev, and Sandler 2011; Ross 1993), government corruption (Gunaratna 2002), and lack of economic development (Gunaratna 2002; Li and Schaub 2004). The few who do focus directly on state capacity do so in terms of the effects of failing or failed states (Ehrlich and Liu 2002; Gunaratna 2002; Newman 2007; Piazza 2008; Takeyh and Gvosdev 2002).

Ultimately, the literature explaining the causes of terrorism and civil conflict stem from similar perspectives, posit similar theories, and cite similar evidence. It follows that the conditions that provide the opportunity and willingness for both civil conflict and terrorism must be similar, the same, or interrelated, yet few have investigated the connection between the two. Gurr (1970) subsumes terrorism under a category of political violence deemed "conspiracy" and Hyams (1974) argues that there is little variation between the causes of guerilla warfare and terrorism, but the majority of scholars have chosen to focus on one form of political violence over another. This has resulted in an inattention to the influence of conflict on the incidence of terrorism. The few scholars who have investigated the influence of conflict on terrorism have focused on the effect of interstate war on the likelihood of being targeting by a terrorist organization (Chenoweth 2009; Li and Schaub 2004; Pape 2005). The exception is Sambanis (2008), who argues that civil war can generate the conditions that favor terrorism as a form of violence. However,

he investigates the influence of terrorist events on the occurrence of civil war using a limited time sample, leaving open the gap in the literature pertaining to the influence of civil war on the opportunity for terrorists to organize within a particular state.

Despite the limited empirical investigation into the influence of state capacity on terrorist organization formation in comparison to its rigorous investigation in the civil conflict literature, Takeyh and Gvosdev (2002) posit a stimulating argument for the influence of state failure on the incidence of terrorism. They argue that failing or failed states allow terrorists to run their operations without the risk of interference from state authorities. Failing states allow for greater territorial acquisition, provide a political vacuum to fill, a pool of recruits from which to draw, and a veneer of sovereignty that offers protection from third party intervention in their operations. Piazza (2008) expands their argument by stipulating that weak or failing states increase the opportunity for terrorist organization formation by freeing resources typically allocated towards state evasion and thus lowering the overall costs of operation. These scholars are essentially arguing that states with limited capacity to address and effectively police the population provide the opportunity for terrorist organization formation.

While others (Ehrlich and Liu 2002; Gunaratna 2002) have argued along similar lines, there exist contradicting hypotheses (Menkhaus 2003; Schneckener 2004; Von Hippel 2002). Menkhaus (2003) and Von Hippel (2002) both posit the idea that failed states are undesirable locations for terrorist activities because they are actually more prone to third party policing. Newman (2007) falls in between these two lines of thought

by stipulating that terrorists operate and target state institutions *because* they are strong or because they are already contested.

These studies contend that state capacity influences the occurrence of terrorism either negatively or positively, though they fail to provide sufficient evidence for either viewpoint. Newman's (2007) results point to the weakness of states as a facilitating factor in terrorist events but he admits that the evidence is weak and insufficient. Takeyh and Gvosdev (2002) fail to test their theory while Gunaratna (2002) limits his investigation to Al-Qaeda. Likewise, empirical investigations on the influence of state capacity on terrorism have been limited to its effect on individual terrorist participation (Ehrlich and Liu 2002; Piazza 2008) while neglecting the role of state capacity in influencing terrorist organization formation. Consequently, this is a theme throughout the terrorism literature. Many studies stem from an opportunity and/or willingness perspective for explaining the occurrence of terrorism, but they concentrate on individual participation or the occurrence of terrorist attacks.

Those who have focused on terrorist organizations have concentrated on the influence of organizational structure and internal dynamics on group behavior (Crenshaw 1988). This approach counters the rational choice understanding of the use of terrorism by arguing for the use of terrorism as the outcome of internal group dynamics opposed to strategic reactions to the external environment. Scholars in this vein have stipulated that terrorist behavior is a result of terrorist organizations' clandestine requirement (Crenshaw 1985; Erikson 1981; McCormick and Owen 2000), bias towards action (Crenshaw 1985; Hoffman 1998; Kellen 1979; Laquer 1987; Post 1990), or inter-organizational competition

(Crenshaw 1985; DeNardo 1985; Jenkins 1981; Laquer 1987; McCauley and Segal 1987). While this view focuses on terrorist organizations, contrary to individual terrorists or terrorist attacks, it assumes the presence of organizations while neglecting the forces that give rise to terrorist organizations in the first place.

This general overview of the terrorism and civil war literatures has highlighted three puzzles in the terrorism literature based on the overlap of explanatory theories with the research on civil conflict: the deficiency of research on the conditions that facilitate terrorist organization formation in favor of terrorist activities or participation and, more specifically, the influence of state capacity and civil conflict on terrorist organization formation. These gaps in the literature exist due to a lack of codified data on the location and timing of terrorist organizations' base of operations. It is quite possible that these data do not exist due to the inherent difficulty in distinguishing between domestic terrorist and rebel organizations, as well as the difficulty in identifying terrorist groups' exact locations. However, without these data, investigations into the conditions that facilitate terrorist organization formation have remained qualitative and empirically limited. This study attempts to solve these puzzles by coding this missing data and empirically testing an opportunity-willingness argument for understanding the presence of terrorist organizations as functions of state capacity, civil conflict, and conditions that influence the population's willingness to harbor terrorist groups or be recruited into them.

Opportunity, Willingness, and Transnational Terrorist Organizations

As Kalyvas (2004) discusses, the violence in civil war is informed by the logic of terrorism, particularly at earlier stages in a conflict. Most terrorists are not seeking to overthrow a government, but many rebel groups who do wish to overthrow the government use terrorism as a method of attack when resources and information are low. This study mitigates the dilemma in distinguishing between a rebel and terrorist group by looking exclusively at transnational terrorist organizations. Enders and Sandler (2006) define transnational terrorism as an incident in one country that involves perpetrators, victims, institutions, governments or citizens of another country. However, this definition falls prey to the assumptive focus on the incidence of terrorism, as opposed to the organization.

So what makes a terrorist organization transnational? A transnational terrorist organization is here understood as any terrorist group basing their operations for recruitment, training, and fund raising in one state in order to conduct attacks in another. The process of organization formation, recruitment, training, planning, and attack take place across state borders, thus designating the terrorist organization's operations as transnational. While transnational terrorist organizations may contain active cells in any number of states, they often have one or two states in which they conduct the majority of their operations in order to gain the capacity to implement attacks in another state. These centers of organization are deemed "bases of operations". The largely unexplored effects of state capacity and civil conflict on the opportunity for these bases to emerge comprise the primary focus of this study.

This argument stems from an opportunity-willingness perspective for understanding the formation of terrorist organizations. While the grievance perspective highlights the influence of grievances as motivation for rebel or terrorist participation or action, the focus of this study stipulates the necessity for the opportunity to express such grievances. Therefore the presence of a segment of the population willing to harbor and provide recruits to terrorist organizations as well as an environment that provides the opportunity for organization are both sufficient conditions for the presence of a transnational terrorist organization.

As the research on failing and failed states and terrorism (Ehrlich and Liu 2002; Gunaratna 2002; Piazza 2008; Takeyh and Gvosdev 2002) demonstrates, the opportunity for organization occurs as a function of cost/benefit analyses which are, in turn, heavily influenced by the amount of interference that terrorists can expect from a state. These weak states are unable to fully project their power within their borders and monopolize force against other, non-state state actors due to incompetent or corrupt law enforcement institutions (Piazza 2008; Rotberg 2002). The lowered risk of state interference reduces the costs of fund raising, recruitment, and weapons obtainment, thereby increasing the opportunity for terrorist organizations to form. Therefore, I expect to find that

H_1: The lower a state's capacity, the more likely that a transnational terrorist organization will be based in that state.

Civil conflict enters the equation via two distinct mechanisms. Firstly, the state capacity perspective models the occurrence of civil conflict as a function of the state's capacity to either maintain a monopoly of coercive power or to address population grievances. Consequently, the occurrence of a civil conflict signals the incapacity of state

institutions in one or both of these areas. When faced with an uprising, a state can choose to accommodate the group's demands or repress them with violence, either of which will result in a negative payoff for the state relative to a lack of rebellion (Ginkel and Smith 1999). The occurrence of rebellion provides information on the ability of the state to monitor and censor non-state organizations without the cost that such information usually requires.

The role of information and signaling has been heavily investigated throughout the conflict literature, particularly in relation to interstate warfare (Fearon 1995, 1997; Morrow 1999) but also to rebellion and revolution (Denardo 1985; Kuran 1989, 1995; Lohmann 1994; Sandler 1992). The ability of any actor to act rationally by conducting a cost/benefit analysis depends on the type and amount of information available to them. This information can be conveyed via signaling. It is not enough for a regime to state that it is capable or willing to repress a rebellion or monitor terrorist activities. It must provide information on its capability and willingness by signaling its preferences. Whether signaling preferences to other states or non-state dissent groups, a credible signal is inherently costly (Denardo 1985; Fearon 1997; Kuran 1995). Therefore, although costly for either the state or the rebels, the occurrence of civil conflict provides cost-free information on state capacity to terrorist organizations. This allows them to make decisions with more complete information than would have otherwise been obtained.

Secondly, an ongoing civil conflict increasingly reduces the costs of organization for transnational terrorists relative to other weak states. Civil conflict is an inherently costly and destructive phenomenon. Even if rebels miscalculate state capacity when choosing to

rebel, the rebellion itself will ultimately be costly for the state (Thies 2010). Therefore, pending rebel miscalculation on state capacity, state institutions are inevitably weaker during and after a civil conflict than before. Rebellion also reduces the costs of acquiring weapons since civil conflicts tend to coincide with a proliferation of weapons smuggling. Additionally, an ongoing civil conflict signals the divergence of state resources towards addressing the demands of the rebels whether in the form of repression or accommodation, offering a cover of chaos for terrorists to exploit (Takeyh and Gvosdev 2002). All of these conditions produced by the occurrence of civil conflict point to an increase in the opportunity for terrorist organizations to form and operate in a state that is currently experiencing a civil conflict.

H_2: The presence of an ongoing civil conflict in a state will increase the likelihood that a transnational terrorist organization will be based in that state.

A final condition that is explored in terms of increasing the opportunity for terrorist organization formation is the contiguity of the state in which the group's operations are based to the state in which they conduct attacks. This represents a new variable yet to be explored in the terrorism literature since terrorist groups have, until now, not been differentiated based on location and target. The definition of transnational terrorist organization utilized in this study, however, allows for the exploration of the role of contiguity on the opportunity to organize and operate. As the research on interstate conflict demonstrates, contiguity is a highly salient indicator of the potential for conflict given the opportunity it creates for increased interaction between states (Diehl 1985; Vasquez 1993; Wallensteen 1981).

Similarly, the contiguity of the state in which a terrorist organization is based to the one that constitutes or contains the organization's target(s) creates the opportunity for the formation of a terrorist organization. This is due to the protection offered by state sovereignty, an element discussed in the failing/failed state literature (Piazza 2008; Takeyh and Gvosdev 2002). While these studies look to the doctrine of state sovereignty as protection from third party or outside state intervention in operations in failing or failed states, I argue that this protection applies to any state that does not contain or constitute the target of the terrorists' activities. Operating in a state contiguous to their target offers the protection of state sovereignty from outside intervention.

H_3: A transnational terrorist organization is more likely to base their operations in a state that is contiguous to their target state.

Although the primary focus of this study is an exploration of the influence of state capacity and civil conflict on the opportunity to organize a terrorist organization, the conflict literature stipulates the necessity for the presence of both opportunity *and* willingness for organization or action to occur (Most and Starr 1989; Starr 1978; Starr and Thomas 2005). It is therefore necessary to explore the conditions that create a population willing to be recruited into or, at a minimum, abide the presence of a terrorist organization. Due to the discrepancy of results in the terrorism literature, both political and socioeconomic conditions are included in the analysis. Political freedom or lack thereof has been found to be a motivating factor in both terrorist recruitment (Gunaratna 2002; Krueger and Laitin 2007) and terrorist incidents (Abadie 2004, 2006). Therefore,

H_4: A state with more political freedom will be less likely to contain a base for a transnational terrorist organization.

Poverty and linguistic fractionalization have also been speculated to increase the risk of terrorist incidents and individual participation. Hassan's (2001) interviews with failed suicide bombers prompts him to posit the "Robin Hood effect" by which individuals become terrorists due to poverty in their country, rather than their own, personal poverty. The positive influence of linguistic fractionalization on a country's terrorist risk (Abadie 2006) is here interpreted as providing the potential for exploitation of internal divisions and grievances by terrorist organizations. The presence of grievances provides a more willing population from which to recruit and hide amongst. While Abadie (2006) only looked to linguistic fractionalization, this study also takes ethnic divisions into account so that,

H_5: A state with greater ethnolinguistic heterogeneity will be more likely to harbor a base of operations for a transnational terrorist organization.

and,

H_8: The higher a state's Gross Domestic Product (GDP) the less likely that state is to harbor a base of operations for a transnational terrorist organization.

Finally, the analysis controls for regime type, membership in Oil and Petroleum Exporting Countries (OPEC), population size and growth. These hypotheses allow for the specification of an empirical model that will appropriately test the effects of a state's capacity and the occurrence of civil conflict on the opportunity for transnational terrorists to organize and operate.

Data and Design

The Dependent Variable

The coding of the dependent variable deserves particular attention given the particular definition of transitional terrorism that is used in this study. Transnational terrorism has largely been explored as an abstract concept in which terrorist organizations acquire recruits, arms, and conduct operations across state borders. However, this definition makes specification of these organizations' location and subsequent analysis of the conditions that give rise to a transnational terrorist group in a particular location impossible. In this light, I have defined transnational terrorist organizations as those terrorist groups who base their recruitment, training, and weapons acquisition in one state in order to conduct attacks in another. The presence of a group that meets these qualifications was coded as 1 for every year that a group was present in a state and 0 otherwise. This information was procured from START's TOPs which provides detailed information on all known terrorist organizations, their location, and the known years in which they are active.

However, due to the inherently elusive nature of terrorist organizations, much of the information had to be interpreted and additional research was required. It was often the case that no specific date was given for the formation of a terrorist organization. In this case, the date of the first known attack by a group, as specified by START's Global Terrorism Database[2], was used as the start date. Groups that had no exact start date, nor evidence of any attacks were left out of sample. Additionally, START does not differentiate

[2] http://www.start.umd.edu/gtd/

between terrorist and insurgent or rebel groups. While focusing on transnational terrorist organizations mitigated this dilemma, decisions had to be made concerning a group's rebel or terrorist status based on the organization's structure, objectives, and perpetuation of operations. Groups that were deemed "insurgent", held the specific objective of government overthrow, or conducted their operations on the scale of a military campaign were left out of the sample.

This study looks to the influence of state capacity on terrorist organization formation without addressing the issue of state sponsorship. In order to control for state sponsorship of terrorist organizations, any group specified as receiving funding from a state was left out of the sample. This is the most efficient and appropriate manner of control although there is sure to be some element of clandestine state funding for certain groups that made their way into the sample. Additionally, due to the highly decentralized nature of Al-Qaeda following the invasion of Afghanistan by NATO forces, Al-Qaeda was limited to its years located in the Sudan and Afghanistan prior to the 9/11 attacks. Finally, there are a plethora of terrorist incidents by various groups against American interests or embassies around the world. While these do entail organization formation in one state to indirectly attack another, they do not capture the ability to organize in order to conduct attacks across state borders and so were thus left out of the sample.

Ultimately, the decisions over which terrorist groups in which years to include in the sample were designed to limit the occurrence of Type I error so as to not bias the sample in favor of the presence of transnational terrorist organizations. While I have no doubts that there remains room for improvement in the coding of the dependent variable,

the efforts undertaken here represent a considerable advancement towards the construction of a valid variable that captures the location and time frame of the presence of a transnational terrorist organization. It is only through this coding that we acquire the ability to test the conditions that give rise to such organizations.

Table 1: Dependent Variable Descriptive Statistics

Region	Countries in Sample	Country-years in sample
Middle East	10	153
Asia	11	149
Africa	8	137
Europe	7	78
North Africa	4	55
Latin America	5	20
North America	1	11
Total	47	603

Descriptive statistics for the dependent variable can be seen in Table 1. After the inclusion of all variables, there are a total of 47 countries and 603 country years included in the sample. The majority of transnational terrorist organizations are concentrated in Middle East, Asia, and Africa but are relatively evenly disbursed between these three regions. Latin America and North America are the most under sampled regions with Europe and North Africa falling in the middle. This provides confidence that the sample is not bias conditions in a particular region. [3]

The Independent Variables

State Capacity is operationalized as the ratio of a state's expected to actual revenue extraction using the Relative Political Capacity (RPC) dataset. First used by Organski and

[3] A comprehensive list of all transnational terrorist organizations can be seen in Table A.1. of the appendix.

Kugler (1980), this variable is designed to measure the resource needs of a state and the enforcement capacity to procure these resources from its population. Although there has been considerable debate pertaining to the appropriate measure of state capacity, this measurement addresses some of the limitations of the other, most oft used measurement: total taxes/GDP (Hendrix 2010). First, it controls for factors that influence the collection of revenues not captured by the more simplistic measurement by including mining, exports, and agriculture as ratios of GDP depending on the wealth level of the country (Johnson and Arbetman-Rabinowitz 2005). Second, RPC more appropriately captures the effectiveness of state institutions in terms of resource extraction by differentiating between those states that did and did not procure their expected revenue extraction. A low total taxes/GDP ratio does not necessarily reflect a lower capacity to extract resources but may demonstrate a lower need to do so.

Although this measurement represents an improvement over other options, it is not without its own limitations. Like total taxes/GDP, it is does not completely distinguish between revenue acquired from direct or indirect forms of taxation. Direct forms of taxation require more investment in institutional mechanisms for population monitoring and compliance whereas indirect taxes may be acquired without this investment (Hendrix 2010). In an attempt to control for revenue from oil exports, a control for OPEC membership is included in the analysis. Additionally, state capacity is a multi-dimensional concept (Cummings and Norgaard 2004; Hendrix 2010; Sobek 2010) and this measurement only captures one, although arguably the most salient, dimension. However, every study has its limits and the point here is not to create a new measure of state capacity

but to apply the most valid and appropriate one available. In this light, RPC will suffice for capturing the ability of state institutions to extract the resources needed to functionally operate, address grievances, and police the population.

Civil Conflict has two operationalizations designed to capture two levels of conflict intensity. The first variable for civil conflict is coded using the Uppsala Conflict Data Program (UCDP) conflict termination dataset. This dataset gives start and end dates, as well as the locations for conflicts between two actors, ones of which is a state government and in which there were at least 25 battles deaths in a given year. Given the focus of this study on the effect of civil conflict on the opportunity for transnational terrorists to operate in the state experiencing the conflict, civil conflicts that occurred outside of a state's territory are left out of the sample while interstate conflicts involving disputes over territory contiguous to both states involved are included. For example, the majority of the conflicts over colonial territories are not included while the territorial dispute between India and Pakistan over the Kashmir area is included. All conflicts are coded 1 for every year that a conflict is ongoing in the location(s) specified by the dataset and 0 otherwise.

The second operationalization of civil conflict is taken from the Correlates of War (COW) dataset. For a conflict to be coded as ongoing the state must mobilize at least 1,000 troops and experience at least 100 battle deaths in a year while the non-state actor need only mobilize 100 troops and experience 25 battle deaths in a year. This captures a higher intensity of civil conflict than the UCDP data, although they include colonial wars. In certain instances, such as when neither side is designated as a state government or the location given is uncertain, a conflict is left out of the sample.

Contiguity is coded a 1 for every year in the state that a transnational terrorist organization is based if the target of the terrorist organization resides in a contiguous state and 0 otherwise. For simplification, I determined who the target of each terrorist group was based on the TOPs information and limited contiguity to a shared land border. *RealGDP* was obtained from the RPC dataset which uses and supplements both the World Penn Tables 2000 and the World Bank Development Indicators.

Freedom is operationalized using the Freedom House scores on political freedom and civil rights. They designate each state as free, partially free, or not free based on scores ranging from 0-100 which indicate the ability of a state's population to participate freely in the political process, vote freely in legitimate elections, have representatives that are accountable to them, exercise freedoms of expression and belief, be able to freely assemble and associate, have access to an established and equitable system of rule of law, and enjoy social and economic freedoms.[4] States designated as not free are coded 0, partially free are coded 1, and free are coded 2 in the appropriate years. Prior to 1989 Freedom House did not provide the score but merely its level of freedom, one for broadcast and one for print media. In this case, the lower designation is coded.

Although the Freedom House scores are not without issue, their inclusion captures the potential for the creation of grievances based on a lack of political and civil rights. While many would argue that a variable for democracy would sufficiently capture the potential for grievances, I do not assume that electoral democracy goes hand-in-hand with political freedom. The ability to vote for a representative does not capture the potential for

[4] http://www.freedomhouse.org/report/freedom-world-aggregate-and-subcategory-scores

limited party options, censorship, corrupt judicial systems, or other politically limiting actions that can occur in a democratic state. Although I also include Polity IV scores as a control for regime type, the two measures are capturing different concepts: procedural democracy and political liberalism (Danilovic and Clare 2007). [5]

Finally, *Ethnolinguistic Fractionalization (ELF)* was obtained from Fearon and Laitin's (2003)[6] replication data. This variable gives the probability that two randomly drawn individuals in a state will be from different ethnolinguistic groups. The operationalizations and coding of the control variables are included in the appendix.

Design

Due to the dichotomous nature of the dependent variable, the effects of the independent variables on the dependent variable are analyzed through the estimation of a cross-sectional, pooled, time series, logistic regression analysis. The intended sample ranged from 1945 to 2011 but after the inclusion of all variables is limited to 1980-2004. However, this time frame still provides appropriate variation by extending from the Cold War to post-Cold War eras and into the 21st century. This estimation technique allows for an analysis of the relationship of opportunity and willingness, operating through state capacity, civil conflict, contiguity, political freedom, and ethnolinguistic fractionalization, on the presence of a transnational terrorist organization.

[5] For example, Italy, Jamaica, and South Korea (only a few examples) are consistently coded above the common democracy of 6 on the Polity IV scale but range from partially free to free on the Freedom House scale.

[6] http://www.stanford.edu/group/ethnic/publicdata/publicdata.html

Results

To begin, Table 2 demonstrates the b coefficients and z-scores in parentheses for the main models. Models 1 and 2 use the UCDP definition of civil conflict and Models 3 and 4 use the COW definition. Models 1 and 3 include the total population while Models 2 and 4 include population growth. The results are fairly consistent across models and provide food for thought on the influence of opportunity and willingness on the presence of transnational terrorist organizations.[7]

Table 2: Logistic Regression Analysis

	Model 1 UCDP	**Model 2 UCDP**	**Model 3 COW**	**Model 4 COW**
Opportunity Variables				
State Capacity	0.648 ***	0.653 ***	0.637 ***	0.642 ***
	(3.77)	(3.80)	(3.70)	(3.74)
Civil Conflict	0.426	0.417	0.558 *	0.558 *
	(1.92)	(1.87)	(2.09)	(2.10)
Contiguity	5.88 ***	5.88 ***	5.95 ***	5.95 ***
	(19.38)	(19.42)	(19.42)	(3.74)
Willingness Variables				
Freedom	-1.65 ***	-1.65 ***	-1.65 ***	-1.66 ***
	(-9.78)	(-9.64)	(-9.79)	(-9.70)
Real GDP	-3.25^07	-9.16	-4.40^06	-5.85^06
	(-0.02)	(0.95)	(-0.28)	(-0.36)
ELF	-2.55***	-2.55 ***	-2.67 ***	-2.66 ***
	(-7.22)	(-7.19)	(-7.22)	(-7.20)
Control Variables				
Regime Type	0.008	0.009	0.008	0.008
	(1.54)	(1.53)	(1.46)	(1.45)
Population	-4.59^-11	-----	1.37^11	-----
	(-0.10)		(0.03)	
Pop. Growth	-----	-0.013	-----	-0.034
		(-0.19)		(-0.48)

[7] Preliminary variation inflation indicators (VIF) were obtained to verify a lack of multi-collinearity. They can be found in Table A.2. of the appendix.

(Table 6 continued)

	Model 1 UCDP	Model 2 UCDP	Model 3 COW	Model 4 COW
Control Variables				
OPEC	-0.691 * (02.04)	-0.678 * (-1.97)	-0.714 * (-2.09)	-0.685 * (1.98)
Significance <0.05 * <0.01 ** < 0.001 ***				

State capacity is highly significant and positive at the 0.001 level across all models which does not allow us to reject the null of hypothesis 1. This initially suggests that state capacity is not influencing the presence of transnational terrorist organizations in the manner previously theorized, although these results deserve closer attention. Both freedom and ELF are highly significant at the 0.001 level and negative across all models, indicating that states with less political and civil freedoms, as well as a more ethnolinguistically heterogeneous populations are more likely to harbor a transnational terrorist organization, validating hypotheses 4 and 5. These results suggest that a lack of political freedom and ethnolinguistic divisions produce grievances within the population which transnational terrorist organizations are able to exploit. A population whose freedoms of political and economic association are limited by the government, as well as the presence of internal, ethnolinguistic divisions, is more willing to be recruited into a terrorist organization or abide its presence. This provides evidence of the influence of a willing population on the location of a transnational terrorist organization, while the insignificant coefficient for real GDP implies that the production of grievances is occurring as a function of political repression as opposed to poverty.

Although the coefficient for state capacity is in the opposite as hypothesized direction, there is still evidence that the presence of transnational terrorist organizations occurs as a function of the opportunity to organize, train, and raise funds in a particular location. Civil conflict is positive and significant at the 0.05 for COW's higher threshold in Models 3 and 4. This provides support for hypothesis 2 but suggests that a higher intensity of conflict may be necessary for an exploitation of the chaos provided by civil conflict. Additionally, contiguity is positive and highly significant at the 0.001 level across all models so that transnational terrorist organizations are more likely to base their operations in states that are contiguous to their target state. This validates hypothesis 3 and provides evidence of the opportunity for organization formation created by the protection of state sovereignty from outside intervention. These results suggest that a state's capacity to prevent terrorist organization formation may not be a crucial factor in determining where a transnational organization bases its operations if the organization does not represent a threat to the state in which it is based. Instead, opportunity is created by the chaos of intense civil conflict and the close, yet protected, proximity of the base of operations to the target state.[8]

Table 3: Quadratic and Interactions Equations

	Model 1 UCDP	**Model 2 COW**	**Model 3 UCDP**	**Model 4 COW**
<u>Opportunity Variables</u>				
State Capacity	0.656 *** (3.77)	0.639 *** (3.67)	0.249 (1.13)	0.305 (1.42)

[8] Both population total and population growth, alone and together, were included in all models but consistently failed to reach significance.

(Table 3 continued)

	Model 1 UCDP	Model 2 COW	Model 3 UCDP	Model 4 COW
Opportunity Variables				
Civil Conflict	0.385 (1.72)	0.601 ** (2.26)	-0.834 (-1.86)	-0.506 (-1.04)
Capacity * Conflict	------	------	1.158 ** (3.17)	1.032 * (2.75)
Contiguity	6.03 *** (18.95)	6.1 *** (19.06)	6.16 *** (18.76)	6.15 *** (18.89)
Willingness Variables				
Freedom	-2.08 *** (-4.38)	-2.22 *** (-4.62)	-1.98 *** (-4.12)	-2.053 *** (-4.27)
Freedom2	0.266 (1.00)	0.351 (1.31)	0.223 (0.83)	0.285 (1.06)
Real GDP	-0.000 (-1.15)	-0.00 (-1.52)	-0.000 (-1.62)	-0.000 (-1.73)
ELF	0.559 (0.42)	0.618 (0.46)	0.549 (0.40)	0.528 (0.39)
ELF2	-3.789 * (-2.38)	-4.04 * (-2.54)	-4.083 * (-2.51)	-4.17 ** (-2.59)
Control Variables				
Regime Type	0.008 (1.36)	0.007 (1.29)	0.009 (1.65)	0.008 (1.40)
Population	4.06^11 (0.09)	8.93^-11 (0.20)	3.41^-11 (0.08)	1.08^-10 (0.25)
OPEC	-0.528 (-1.51)	-0.52 (-1.51)	-0.388 (-1.11)	-0.347 (-0.98)
Significance <0.05 * <0.01 ** < 0.001 ***				

However, these results deserve further analysis. Abadie (2004, 2006) finds a non-monotonic relationship between political freedom and a country's risk for terrorism. Given these results, it is worthwhile to investigate the possibility of a similar relationship in this instance. It may be that there is a middle range of political freedom between completely free and not free wherein grievances are produce and coincide with the opportunity to

actively express these grievances through a willingness to harbor terrorist organizations. It can also be argued that a similar relationship is occurring between ELF and the presence of transnational terrorist organizations. To test these possibilities, a quadratic variable for each is added to the original models as shown in Table 3, Models 1 and 2. Although the quadratic term for freedom is significant with a chi-score of 10.24, solving for the minimum demonstrates that the negative relationship bottoms out at a freedom value of 4 which exceeds the coded values. Political freedom is still negatively and linearly affecting the likelihood of a transnational terrorist organization basing their operations in a state.

The quadratic term for ELF, however, is not significant. The positive and insignificant original variable for ELF coupled with its significant and negative quadratic term suggests that there is a slight, but not statistically significant, positive influence of increasing homogeneity until a certain point at which it negatively influences the dependent variable. Solving for the maximum demonstrates that the probability of being drawn from the same ethnic-linguistic group is negatively affects the presence of a transitional terrorist organization beginning at a value of -1.609. Ultimately, the results for both variables are unchanged by the inclusion of the quadratic terms.[9]

An additional point that deserves attention is the possibility that the influence of state capacity varies as a function of civil conflict. It was hypothesized that civil conflict positively affects the presence of a transnational terrorist organization via two mechanisms: 1) the transmission of information on, and 2) the reduction in state capacity. Although the COW civil conflict variable was found to be positive and significant, state

[9] Both sets of quadratic variables fail to reach significance in a negative binomial regression.

capacity was positive and significant across all models, contrary to expectations. However, it is possible that the models are underspecified and require an interaction term to appropriately test the influence of state capacity as moderated by civil conflict. Based on the logic of the original argument and hypothesis, I expect state capacity to exert an increasingly negative influence on the presence of a transnational terrorist organization when a civil conflict is ongoing, compared to when it is not.

Models 3 and 4 in Table 3 display the results with the inclusion of the freedom and ELF quadratic terms and an interaction term composed of state capacity and civil conflict. The significant interaction term demonstrates that there is, in fact, a statistically significant difference in the slopes of state capacity depending on whether there is an ongoing civil conflict or not. In order to test the significance of the overall interaction, a Chi-square test was conducted for each model. The interaction is significant with a Chi-square score of 0.0193 and two degrees of freedom in Model 3 but insignificant with a Chi-square score of 0.151 in Model 4. This indicates that state capacity has statistically different effects at different levels of the civil conflict variable, mainly whether or not there is an ongoing civil conflict.

To investigate these effects more closely, I obtain the slopes for state capacity based on the interaction term. The slopes for state capacity when there is no civil conflict is 0.25 but it is 1.4 when there is an ongoing civil conflict. As opposed to an increasingly negative influence, state capacity's positive influence increases when there is an ongoing civil war from when there is not. Again, state capacity is clearly not exerting an influence on the presence of a transnational terrorist organization in the manner originally hypothesized.

Without additional analysis, I must subjugate interpretation of this correlation to mere speculation. To begin, it is possible that high extractive capacities do not automatically result in an investment in institutions for collective, public goods and thus create grievances to be exploited. It may also be the case that transnational terrorist organizations do not require the opportunity presented by weak state institutions due to the already obtained opportunity through contiguity and civil conflict.

To investigate this further, I look to the influence of civil war at varying levels of state capacity, and find that civil conflict negatively affects the dependent variable when state capacity is at 0 but exerts an increasingly positive effect as state capacity moves from 1 to 2. Contrary to expectations, an ongoing civil conflict only positively affects the presence of a transnational terrorist organization when a state has a capacity greater than or equal to 1. While this fails to support the argument for the influence of civil conflict through the mechanism of decreasing state capacity, it insinuates that, despite capable state institutions, civil conflict creates sufficient opportunity for terrorist organization formation through the divergence of state resources from general population surveillance towards the direct, internal threat.

Table 6: Negative Binomial Regression

	Model 1 UCDP	**Model 2 COW**	**Model 3 UCDP**	**Model 4 COW**
<u>Opportunity Variables</u>				
State Capacity	-0.103 (-0.97)	-0.125 (-1.04)	-0.449 ** (-3.40)	-0.188 (-1.52)
Civil Conflict	0.037 (0.33)	-0.002 (-0.01)	-0.767 *** (-3.56)	-0.177 (-0.69)
Capacity * Conflict	-----	-----	0.889 *** (4.25)	0.187 (0.75)

(Table 6 continued)

	Model 1 UCDP	Model 2 COW	Model 3 UCDP	Model 4 COW
Opportunity Variables				
Contiguity	2.904 ***	2.91 ***	2.992 ***	2.925 ***
	(26.23)	(26.55)	(26.21)	(26.32)
Willingness Variables				
Freedom	-0.594 ***	-0.591 ***	-0.428	-0.356
	(-6.61)	(-6.58)	(-1.81)	(-1.50)
Freedom2	-----	-----	-0.079	-0.12
			(-0.60)	(-0.91)
Real GDP	-0.000	-0.000	-0.000	-0.000
	(-1.48)	(-1.60)	(-1.67)	(-1.45)
ELF	-1.427 ***	-1.423 ***	-0.199	-0.105
	(-7.56)	(-7.39)	(-0.30)	(-0.16)
ELF2	-----	-----	1.562 *	-1.571 *
			(-1.97)	(-2.00)
Control Variables				
Regime	0 .004	0.004	0.003	0.002
Type	(1.27)	(1.25)	(0.93)	(0.81)
Population	3.43^10	3.55^10	3.72^-10	4.10^-10
	(1.07)	(1.12)	(1.17)	(1.28)
OPEC	-0.219	-0.214	-0.295	-0.205
		(-1.39)	(-1.91)	(-1.30)
Significance	**<0.05 ***			
	<0.01 **			
	< 0.001 ***			

Indeed, the results of a negative binomial regression, with the dependent variable coded as a count of the number of transnational terrorist organizations in a state in a given year, provides additional evidence for this argument. Table 6 shows that both state capacity and civil conflict lost significance in both base Models 1 and 2 but the interaction with the UCDP definition of civil conflict and state capacity is once again significant in Model 3. When there is not a civil war ongoing, state capacity exerts a negative influence, as was originally hypothesized, while this effect becomes positive when there is an ongoing civil conflict. The effect of civil conflict at varying levels of state capacity remains the same,

negative when there is no state capacity and increasingly positive otherwise. Terrorists appear to be taking advantage of a divergence of state resources towards a civil conflict, rather than the chaos or weakened state capacity created by a civil conflict.

While the negative binomial regression results provide some support for the influence of state capacity as was originally theorized, this only applies when there is no ongoing civil conflict and when the analysis is altered to take into account the presence of more than one organization. However, the results for the interactions in both the logit and negative binomial regressions are not robust as they only apply to the UCDP civil conflict definition. Additional research and analyses are needed to obtain a more robust and valid inference of the mechanisms behind the relationship between state capacity, civil conflict, and the presence of a transnational terrorist organization.

Conclusion

This study has attempted to address three empirical gaps in the terrorism literature: the isolation of the study of civil conflict and terrorism despite overlapping explanatory theories, a neglect of the influence of state capacity on terrorist organization formation and an overall neglect of the conditions that give rise to terrorist organizations in favor of a focus on individual participation or terrorist attacks. To fill in these gaps, I posited an argument for the formation of transnational terrorist organizations as functions of the opportunity to organize and operate as well as the willingness of the population to provide safe haven or act as a pool of recruits.

The results of the empirical analyses support this understanding of terrorist organization formation, although not always in the manner originally hypothesized. State capacity, specifically, appears to be exerting an increasingly positive influence on the presence of a transnational terrorist organization depending on whether there is an ongoing civil war or not. This brings into question the failing/failed state arguments which stipulate the opportunity for the occurrence of terrorist organizations presented by weak state institutional capability and political vacuums (Gunaratna 2002; Piazza 2008; Takeyh and Gvosdev 2002). However, the sample of terrorist organizations in this study is limited to an exceptionally narrow definition of transnational terrorist organization. While this mitigated the dilemma that occurs in distinguishing between rebel and terrorist organizations, it inevitably neglects the majority of terrorist organizations. Additionally, while steps were taken to control for state sponsorship of terrorist groups, it is possible this is influencing the results of the analysis.

Despite these weaknesses, there remains strong evidence that the presence of transnational terrorist organizations occurs as a function of both opportunity and willingness. The negative influences of political freedom and ethnolinguistic heterogeneity provide additional support to the argument that terrorism occurs as a function of repression and social divisions, not poverty. The positive effects of higher intensity civil conflict and contiguity provide evidence for the exploitation of chaos and opportunity. In turn, the positive influence of civil conflict only occurs when state capacity is greater than 0, suggesting the opportunity is created through a divergence, as opposed to a limit, of state resources. Ultimately, these results demonstrate the need for both the opportunity to organize and the willingness to cooperate to be present in order for a transnational terrorist organization to form and operate.

While the results of this study must be examined with possible flaws in mind, they provide an impetus for the need for additional research into the conditions that provide the opportunity and willingness for terrorist organizations to organize, operate, and exist. I would argue that a focus on the formation of terrorist organizations is a fruitful avenue of pursuit. The literature has focused on what causes an individual to become a terrorist or the conditions that allow terrorist attacks to occur while neglecting the conditions that initially give rise to terrorist organizations. Without an understanding of their occurrence how can we possibly hope to limit their appearance and influence on the international stage? In much the same manner as the civil conflict literature has begun to form a consensus surrounding the conditions that give rise to rebel organizations, so too should the research on terrorism seek answers to these questions.

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Appendix

Table A.1: Transnational Terrorist Organizations

Base of Operations	Terrorist Organization	Active Years	Region	Target Location
Afghanistan	al-Gama'a al-Islamiyya (GAI)	1977-2000	Middle East	Egypt
	Al-Qaeda	1989-1992		USSR
	Egyptian Islamic jihad	1989-2001		Egypt
	Al-Qaeda	1996-2001		U.S.
	Islamic Movement of Uzbekistan	1998- 2011		Uzbekistan
	Jund al-sham	1999-2001		Syria
Algeria	Polisario Front	1973-2003	North Africa	Morocco
	Canary Islands Independence Movement	1977-1982		Spain
	Islamic Salvation Front	1989-1997		Iraq
Angola	Southwest Africa People's Organization	1976-1989	Africa	South Africa
Australia	Ananda Marga	1970-1979	Oceania	India
Azerbaijan	Islamic International Peacekeeping Brigade	1998-2011	Asia	Russia
Bangladesh	People's Revolutionary Party of Kangleipak	1977-2011	Asia	India
	Revolutionary People's Front	1979-2011		India
	National Liberation of Tripura	1989-2011		India
	All Tripura Tiger Force	1990-2011		India
	Kamtapur Liberations Organization	1995- 2011		India

(Table A. 1 continued)

Base of Operations	Terrorist Organization	Active Years	Region	Target Location
Bangladesh	Achik National Volunteer Council	1995-2004	Asia	India
	Borok National Council of Tripura	2000-2011		India
	United Achik National Front	2004-2006		India
Belgium	New Armenian Resistance	1977-1983	Europe	multiple
Bhutan	National Democratic Front of Bodoland	1988-2011	Asia	India
	Kamtapur Liberations Organization	1995- 2011		India
	Bodo Liberation Tigers	1996-2003		India
Bulgaria	Pan-Turkish Organization	1985-1990	Europe	Netherlands
Cameroon	Movement for Democracy and Development	1990-2003	Africa	Chad
Chile	Proletarian Action Group	1985	Latin America	Germany
Columbia	Latin American Patriotic Army	2001	Latin America	Venezuela
Cuba	Independent Armed Revolutionary Movement	1967-1973	Latin America	U.S.
Dem. Congo	National Front for the Liberation of Angola	1962-1990	Africa	Angola
	Lord's Resistance Army	1994-2011		Uganda
	West Nile Bank Front	1995-2004		Uganda
Djibouti	Front for the Liberation of the French Somalia Coast	1977	Africa	multiple

(Table A. 1 continued)

Base of Operations	Terrorist Organization	Active Years	Region	Target Location
	Jordanian National Liberation			
Egypt	Movement	1972	North Africa	Jordan
	International Justice Group	1995		multiple
	Takfir wa Jijra	1972-2011		Multiple
	Islamic Liberation Organization	1974-1985		Lebanon
	Oromo Liberaton			
Ethiopia	Front	1992-2005	Africa	Multiple
France	Action Directe	1985	Europe	Germany
	de Fes	1994		Morocco
	International Revolutionary Action Group	1974-1975		Spain, Belgium
	New Armenian Resistance	1977-1983		multiple
	Special Purpose			
Georgia	Islamic Regiment	1996-2011	Asia	Russia
	Islamic International Peacekeeping Brigade	1998-2011		Russia
Honduras	Recontra 380	1993-1997	Latin America	Nicaragua
India	al-Zulfikar	1977-1981	Asia	multiple
	Communist Party of Nepal-Maoist	1996-2005		Nepal
	Movement of Islamic Action of			
Iran	Iraq	1982	Middle East	France
	Guardsmen of Islam	1980-1984		multiple
	Islamic Action Organization	1980-2003		Iraq
	Group of the Martyrs Mostafa Sadeki and Ali Zadeh	1992-1993		Switzerland

(Table A.1 continued)

Base of Operations	Terrorist Organization	Active Years	Region	Target Location
	Iraqi Liberation			
Iraq	Army	1981	Middle East	Lebanon
	al-Bara bin Malek Brigades	2005		Jordan
	Mujahedin-e-Khalq	1963-2001		Iran
	Mujahedin-e-Khalq	1971-2011		multiple
	Patriotic Union of Kurdistan	1975-2003		Turkey
	May 15 Organization for the Liberation of Palestine	1979-1984		multiple
	Kurdistan Freedom Hawks	2004-2011		Turkey, Iran
	Irish Republican			
Ireland	Army	1955-2001	Europe	UK
	Official IRA	1969-1972		UK
	Irish National Liberation Army	1974-2011		UK
	Real IRA	1998-2011		UK
Italy	New Armenian Resistance	1977-1983	Europe	multiple
	World United Formosans for			
Japan	Independence	1970	Asia	U.S.
	Japanese Red Army	1970-1987		multiple
Jordan	al-Fatah Uprising	1982-1990	Middle East	Israel, Spain
	Battalion of the Matyr Abdullah Azzam	2004-2011		Egypt
	East Turkistan Liberation			
Krgystan	Organization	1999	Asia	China
	Armenian Red			
Lebanon	Army	1982	Middle East	Netherlands
	Green Cells	1987		Switzerland

(Table A.1. continued)

Base of Operations	Terrorist Organization	Active Years	Region	Target Location
	Popular Front for the Liberation of Palestine	1968-2011		multiple
	Black September	1971-1988		multiple
	Justice Commandos for the Armenian Genocide	1975-1983		U.s.
	Armenian Secret Army for the Liberation of Armenia	1975-1997		multiple
	Amal	1975-2008		Israel
	Hezbollah	1982-2011		Multiple
	United Nasserite Organization	1986-1987		Cyprus
	Anti-Imperialist International Brigade	1986-1988		Multiple
	Islamic Front for the Liberation of Palestine	1986-1990		Israel
	al-Zulfikar	1977-1981	North Africa	multiple
	Arab Commando Cells	1986-1988		Lebanon
	Yemen Islamic Jihad	1992-2001		multiple
Malaysia	Sri Nakharo	2001	Asia	Thailand
	Pattani United Liberation Organization	1968-2011		Thailand
	Free Aceh Movement	1977-2005		Indonesia
	Jamaah Islamiya	1978-2005		multiple
Mauritania	Polisario Front	1980-2003	North Africa	Morocco
Myanmar	National Democratic Front of Bodoland	1988-2011	Asia	India
	Achik National Volunteer Council	1995-2004		India

(Table A.1. continued)

Base of Operations	Terrorist Organization	Active Years	Region	Target Location
Nicaragua	Morazanist Front for the Liberation of Honduras	1980-1992	Latin America	Honduras
Nigeria	Movement for Democracy and Development	1990-2003	Africa	Chad
	Movement for Democracy and Development	1990-2003		Chad
Pakistan	Black December	1973	Middle East	multiple
	al-Barq	1978-2011		India
	Harakat ul-Jihadi-Islami	1980-2011		India
	Lashkar-e-Taiba	1989-2011		India
	Hizbul Mujahideen	1989-2011		India
	Jamiat ul-Mujahedin	1990-1996		India
	Islami Inqilabi Mahaz	1997-2011		India
	al-Badr	1998-2008		India
	al-Madina	2002-2003		India
Pakistan	al-Mansoorain	2003-2011		India
Philipiines	Free Vietnam Revolutionary Group	2001-2011	Asia	multiple
Poland	Polish Revolutionary Home Army	1982	Europe	Switzerland
Saudi Arabia	Abu Mus'ab al-Zarqaqi Battalion	2006	Middle East	Syria
Somalia	Front for the Liberation of the French Somalia Coast	1975-1977	Africa	Multiple
	Ogaden National Liberation Front	1984-2005		multiple
	al-Ittihaad al-Islami	1992-2005		Ethiopia
	Oromo Liberaton Front	1992-2005		Multiple

(Table A.1. continued)

Base of Operations	Terrorist Organization	Active Years	Region	Target Location
Spain	Irrintzi	2006	Europe	France
	Spanish Basque Battalion	1975-1981		France
	Anti-Terrorist Liberation Organization	1983-1987		France
	Ummah Liberation Army	1999	Africa	Somalia
Sudan	Eritrean Islamic Jihad Movement	1980-2011		multiple
	Uganda Democratic Christian Army	1990-1994		Uganda
	Al-Qaeda	1992-1996		U.S.
	Lord's Resistance Army	1994-2011		Uganda
	Popular Front for the Liberation of Palestine	1968-2011	Middle East	Multiple
Syria	Syrian Socialist Nationalist Party	1979-2008		Lebanon
	Palestinian Popular Struggle Front	1982-1989		multiple
	al-Fatah Uprising	1983-2011		Israel, Spain
	Battalion of the Matyr Abdullah Azzam	2004-2011	Middle East	Egypt
	Karenni National Progressive Party	1955-2011	Asia	Myanmar
Thailand	All Burma Student's Democratic Front	1988-2011		Myanmar
	Vigorous Burmese Student Warriors	1999-2011		Myanmar
	Democratic Karen Buddhist Army	2002-2007		Myanmar
	Iraqi Liberation Army	1981	Middle East	Lebanon
Turkey				

(Table A.1. continued)

Base of Operations	Terrorist Organization	Active Years	Region	Target Location
Turkey	Kurdistan Freedom Hawks	2004-2011		Iran
U.S.	Hector Riobe Brigade	1982-1986	North America	Haiti
	Cambodian Freedom Fighters	1998-2001		Cambodia
Yemen	Yemen Islamic Jihad	1992-2011	Middle East	multiple

Table A.2: Collinearity

Variable	VIF
UCDP	1.08
Contiguity	1.04
State Capacity	1.03
Real GDP	1.32
OPEC	1.03
Regime Type	1.14
Freedom	1.30
Pop. Total	1.03
Pop. Growth	1.27
ELF	1.12

Control Variables

Regime Type was coded using the Polity IV score for regime type. A score for each state is provided based on a 21-point scale ranging from fully institutionalized autocracies (-10) to fully institutionalized democracies (+10). State scores are based on qualities in executive recruitment, constraints on executive authority, and the level of political competition. As opposed to having a dichotomous, democracy variable, the Polity score for each state was included so as to capture the effects of moving from autocratic to democratic regimes.

Population and *Population Growth* variables were created from the demographic data provided by the World Bank Database, World Development Indicators.

OPEC is a dichotomous variable coded 1 if a state is a member of OPEC in a given year and 0 otherwise is included as a control

Vita

Rebecca Noto grew up in Mandeville, Louisiana where a life-long fascination with the diversity of the world led her to pursue a Bachelor of Arts degree in International Studies at Louisiana State University. She minored in French and graduated cum laude. During her undergraduate experience, her love of history culminated in the decision to stay at Louisiana State University to attend graduate school in the Department of Political Science and concentrate in International Relations. She will receive her master of arts' degree in May 2013 and has future plans to pursue a doctorate degree.