For Whom Terror Works

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Does Terror Work?

- General consensus falls between "no" and "maybe sometimes."

- Demands of terrorists are almost never met.
  - Abrahms (2006; 2008), Jones (2008), Krause (2013).

- Other explanations for why terrorism happens:
  - Seek social solidarity or personal gain (Abrahms).
  - Irrational group-thinkers (Tsintsadze-Maass Maass).

Does Terror Work?

- We suggest that terror works, for the sponsors of terror.

- Sponsors can leverage the threat of aiding terrorists to extract political concessions from targets.

- It is rational for sponsors to do this despite:
  - Sponsors are ideologically unaligned with terrorists.

  - Terrorism is destructive.

  - Terrorists could win (overthrow the target) w/ worse outcomes for the sponsors.

- Sponsor-Terrorist represents a principal-agent relationship w/ a very imperfect agent.

What's Novel Here?

- Our mechanism works well with cases community sponsorship or weak sponsors to misaligned groups.

- Past work on sponsorship emphasizes different ideas.
    - Idea 1: Terrorist is an allied proxy (Salehyan, 2008 & 2010)

    - Idea 2: Sponsors help terrorist/insurgent to weaken adversaries (Schultz 2010; Schram 2020; Qui 2021).

    - Idea 3: Terrorists are potentially misbehaving agents, and sponsor has capacity to punish (Bapat 2006 & 2012).

- Our mechanism applies to six cases where all evidence suggests that VEO failed to accomplish goals.
    - Al Qaeda, the Egyptian Islamic Group (EIG), (early) Hamas, (early) Hezbollah, the Provisional Irish Republican Army (IRA), and the Liberation Tigers of Tamil Eelam (LTTE)

Model

- Actors: Government, VEO, Sponsor.

1. Period $t = 1$ begins.
2. G fixes policy $x_t \in [0, 1]$.
3. S observes x_t and sets costly funding $f_t \geq 0$.
4. V observes x_t and receives the funding, and then V attacks G or not.
   - If attack, V overthrows G w/ prob $P(f_t)$ and controls policy. If G wins, game moves to next step.
5. The game repeats at (2), $t = t + 1$, utilities discounted by common $\delta \in (0, 1)$.

Per-Period Payoffs From Peace

- Each actor has an ideal point: $\chi_G = 0$, $\chi_V = 1$, $\chi_S < \frac{1}{2}$

- Selected policy is x_t.

- Per-Period Payoffs
    - $u_G = -x_t$
      $u_S = -|\chi_S - x_t| - C(f_t)$, where $C(f)$ is funding costs
      $u_V = x_t - 1$

- Stream of peace payoffs
    - $U_G = \sum_{t=1}^{\infty} -\delta^{t-1} x_i$
      $U_S = \sum_{t=1}^{\infty} -\delta^{t-1} \left(|\chi_S - x_t| - C(f_t) \right)$
      $U_V = \sum_{t=1}^{\infty} \delta^{t-1}(x_t - 1)$

- These streams can be altered if V goes to war (especially if V wins and controls policy).

Equilibrium

- Naturally many possible equilibria.

- Focus on "Total Concessions Terror Threat Equilibrium."
  - G makes policy concessions $x_t = \chi_S$ for all t
  - If G deviates, S funds to a level where V attacks.
    - S is willing to fund to get G back on the path.
  - V doesn't attack in equilibrium, but does when receiving funding.
  - Subgame perfect.

- Main point of paper: demonstrating existence of an equilibrium where sponsorship is rational and strategic.
  - How does terrorism/funding occur on-the-path? Take your pick of perturbations/incomplete information modifications.

Case: Provisional IRA (1969-1998)

- PIRA split from the Irish Rep. Army and began attacking British Government (1969).
  - Started The Troubles.
  - PIRA Goal: reunite N. Ireland w/ Ireland.

- PIRA predominately supported by N. Irish Catholics. In polling what was essential for peace:
  - 46% viewed reunification as essential.
  - Bill of rights guaranteeing equality for all (78%) and cultural protection (67%), police reform (70%), disbanding militant organizations (67%), returning the British army to its barracks (61%), and politics w/out sectarian division (59%).

- If model is correct, (1) support is a "punishment" for London not making enough concessions, (2) support will dry up when London makes concessions to sponsors.

Case: Provisional IRA (1969-1998)

- The Troubles ended in 1998 w/ Good Friday Agreement.
  - Bill of Rights: Guaranteed that "the power of the sovereign government with jurisdiction there shall be exercised with rigorous impartiality [. . .] and founded on the principles of [. . .] equality of [. . .] rights, of freedom from discrimination [. . .] of both communities."

  - Also, police reform.

- However, in the Good Friday Agreement, reunification did not happen.
  - PIRA's goals were not met.

  - Sponsors got what they wanted, stopped supporting PIRA.

  - PIRA, losing support, dissolved as a militant organization.

Wrapping Up

- Terrorism works well for those who sponsor it.

- Moderates use support to extreme terror groups as a threat to extract policy concessions.

- When moderate's goals are met, they defund the terror group.

- Mechanism functions across rational actors, even when moderates don't share policy goals of (extreme) terrorists.

- I presented evidence on PIRA, check back for evidence on Al Qaeda, the Egyptian Islamic Group (EIG), (early) Hamas, (early) Hezbollah, and the Liberation Tigers of Tamil Eelam (LTTE)

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