
Fighting Terrorism through the Rule of Law?

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Abstract

The question of whether democratic institutions facilitate terrorist activities is a controversial one in current scientific studies of terrorism. Although the “rule of law” is an essential institutional pillar of any mature democracy, its direct effect on domestic and international terrorism remains unexplored. Conceiving democratic rule of law as the coexistence of effective and impartial judicial systems and citizens’ recognition of the law as legitimate, the author presents a causal explanation in which a high-quality rule of law is considered to dampen ordinary citizens’ opportunity and willingness to engage in political violence, protecting democracies from becoming victims of terrorism. Built on a cross-sectional, time-series data analysis of 131 countries during the period from 1984 to 2004, the author finds that, *ceteris paribus*, maintaining a sound rule of law notably reduces the likelihood of any type of terrorist events. In short, the rule of law instantiated in democratic institutions provides a formidable bulwark against terrorism.

Keywords

rule of law, democratic institutions, domestic and international terrorism

The question of how best to combat terrorism is one of today’s most highly debated topics among academics, policy makers, and politicians alike. In particular, deterring terrorism is considered an important foreign policy objective for governments.

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The Bush administration and its defenders championed the advancement of democracy in terrorism-prone countries as a practical foreign policy goal (Gause 2005).¹ Currently, the Obama administration promotes the idea that the development of an appropriate legal framework and the preservation of political freedom and social justice are a winning strategy for democratic countries in response to potential terrorist threats (Hinnen 2009, April 28). Existing scientific studies, however, present contradictory causal arguments about the effect of democratic governance on reducing terrorism. A majority of studies claim that, because democracies promote high levels of civil liberties such as freedom of association and legal rights for accused criminals (e.g., terror suspects), they are more likely to be vulnerable to potential terrorist attacks (e.g., Eubank and Weinberg 1994, 2001). In contrast, a relatively small number of studies maintain that, because democracies encourage political participation and nonviolent resolution of conflicts, their chance of experiencing terrorist incidents is subsequently diminished (e.g., Eyerman 1998). As these unresolved and ongoing debates demonstrate, current scholarship fails to offer a concrete answer to the question of whether democracies attract more terrorist attacks than nondemocracies.

Treating the “rule of law” as one of the most fundamental characteristics of liberal democratic societies, I conceptualize it as the synthesis of effective and impartial judicial systems and ordinary citizens’ recognition of the law as legitimate. I present a causal explanation, which posits that because ordinary citizens can peacefully resolve grievances through democratic rule of law systems, they lack the feelings of hopelessness and desperation that motivate terrorist action. Consequently, legitimately held rule of law systems serve to insulate democracies from terrorist attacks. Built on negative binomial regression, population-averaged negative binomial regression, and rare event logit models of 131 countries during the period from 1984 to 2004, I find that all things being equal, democratic societies that maintain a strong rule of law experience notably fewer domestic and international terrorist incidents than those societies with a relatively weak rule of law.

Literature Review

In general, existing studies on the relationship between democracy and terrorism fall into three groups: (1) the first focuses on the overall effect of democracy on terrorism; (2) the second examines the impact of different sub-features of democratic institutions on terrorist activities; and (3) the third looks into the relationship between democracy and specific subtypes of terrorist events. These three groups offer different assumptions, inquiries, and outcomes concerning how modern democracies influence the likelihood for terrorism.

In the first group, a majority of researchers agree that democratic institutions hinder political leaders from implementing timely and effective preventive measures against potential terrorist threats (e.g., Crenshaw 1981, 383; Eubank and Weinberg 1994, 2001; Weinberg and Eubank 1998; Wilkinson 2001; Engene 2004; Enders and

Sandler 2006). Since democratic countries typically preserve civil rights and liberties not only for law-abiding citizens but also for those accused of crimes and even foreign nationals, they are considered to foster a favorable environment for the activities of terrorist groups. Eubank and Weinberg (1994) provide evidence that liberal democratic countries, because of their structural mandate to preserve entrenched liberties, host more terrorist organizations than authoritarian countries. This leads one to presume that democracies will experience more terrorist attacks than autocracies as a result of the presence of widespread individual freedoms that allow terrorist groups to recruit, train, and mobilize more freely.

In contrast, a small contingent of researchers within this first group contend that democratic countries create environments where ordinary citizens are able to access various nonviolent mechanisms for the resolution of disputes, making such countries *less* vulnerable to terrorism (e.g., Ross 1993; Eyerman 1998). This research group underlines the importance of strong democratic institutions and procedures. The accessibility of court systems and other government agencies guarantee official, legitimate, and predictable channels through which citizens can resolve their complaints and grievances peacefully. Such democratic features are believed to discourage terrorist activities because democratic citizens do not see terrorism as a viable alternative for seeking justice. Consistent with this line of reasoning, Eyerman (1998) finds that mature democracies, on average, attract fewer terrorist attacks than nondemocracies, though nascent democracies are more likely to experience terrorism.

The second group of researchers point to the possibility that democracy might simultaneously attract and discourage acts of terrorism (e.g., Schmid 1992; Li and Schaub 2004; Li 2005). By arguing that some features of democratic institutions encourage terrorist activities while others discourage them, this second group proposes a mixed effect of democratic governance on terrorist incidents. Put differently, this group draws on previous, diverse findings to justify its inquiry into the particular democratic mechanisms that attract or repel terrorism. Thus, this group examines the effect of individual features of democratic regimes on terrorism by avoiding aggregating all the distinctive aspects of democracy into a single composite index. For example, Li (2005) shows that democratic citizens are unlikely to resort to illegal terrorist acts to settle claims because democracies provide multiple means for political participation. Conversely, when democratic legislatures and judiciaries constrain the executive's policy options in response to terrorist threats, or when the free mass media in democratic societies are easily accessible to terrorists as outlets for political propaganda and mobilization, the number of terrorist activities is likely to increase in these countries.

While the first and second groups examine the effect of democracy on the total number of terrorist events within a country or terrorist organizations, the third group delves into specific subtypes of terrorist attacks. The vulnerability of certain democratic institutions may foster an environment for assassinations, suicide bombings, and hijackings. For example, Iqbal and Zorn (2006) find that democratic

characteristics related to executive selection, the extent of the executive's power, and the degree of repression by the regime all interact to influence the occurrence of assassinations of heads of state. The test of Wade and Reiter (2007) on Pape's (2005) hypothesis that suicide terrorist strategies are more likely to be used against targets within democratic societies than those in nondemocratic ones reveals no supporting evidence. Ivanova and Sandler (2007) present empirical results that democratic regimes are more likely to be vulnerable to chemical, biological, radiological, and nuclear (CBRN) terrorism due to favorable environments such as easy access to the necessary knowledge for obtaining such weaponry through laboratories and institutions of higher learning.

By examining the effect of various liberal democratic characteristics—such as civil liberties, executive constraints, and media openness—these three research groups appear to provide detailed insights into identifying what risks democratic institutions face from terrorist threats. However, the research program so far has two major faults. First, in all of these studies, the “rule of law” is neglected as a key determinant of terrorist violence.² This is surprising since the concept of the “rule of law” has been a cornerstone of the liberal democratic order and has been an institutional objective for almost every democratizing country in the twentieth century. Second, although it is not unreasonable to assume that some democratic features may be causes of both domestic and international terrorism, these research groups have not dealt with all the implications of such an inclusive causal mechanism.³ Strengthening civil liberties may, for instance, help both domestic and international terrorists to more easily organize and carry out illegal political activities. In the next section, I attempt to address these two faults of existing studies.

The Dampening Effect of the Democratic Rule of Law on Domestic and International Terrorist Incidents

Before exploring the link between the rule of law and terrorism, these two concepts must be clarified, as their definitions remain controversial. Terrorism is a particularly difficult concept to define because of its value-laden nature: one country's terrorist may be another country's freedom fighter. For analytical clarity, I follow the definition of terrorism of LaFree and Ackerman (2009, 348) as “the threatened or actual use of illegal force, directed against civilian targets, by non state actors, in order to attain a political goal, through fear, coercion or intimidation.”⁴ Domestic terrorism includes incidents such as the Oklahoma City bombing since they arise only against domestic targets of the terrorists' home country. International terrorism, then, is a situation in which a terrorist incident in country A involves perpetrators, victims, institutions, governments, or citizens of country B (Enders and Sandler 2006, 7; Dugan 2010). These subtle differences are important, as they provide clarity to a discussion of terrorism in general.

Like the concept of terrorism, the rule of law is also “subject to various definitional and normative disputes” (O'Donnell 2004, 34). For analytical parsimony,

I limit myself to two fundamental components that should be present in most democratic societies with a high-quality rule of law: (1) fair, impartial, and effective judicial systems and (2) a nonarbitrary basis according to which laws and the legal system as a whole can be viewed as legitimate.⁵ As legal scholar Joseph Raz (1977, 198-201) argues, fair and impartial judicial systems require at least an independent judiciary branch with fair-minded judges, prosecutors and lawyers, as well as strong and stable law enforcement or police (for a similar view, see Fuller 1969). Institutionalizing an independent judiciary system reflects a strong commitment by government to the basic principle that all people are equal before the law and those people deserve the opportunity to have their grievances and disputes heard and settled in court.

Only when fair and independent judicial bodies have been institutionalized are citizens able to have trust and confidence in legal norms, procedures, courts, and the police. When this is the case, citizens are more likely to consult established laws and legal procedures to reconcile political and personal differences rather than turn to physical violence as a means of dispute resolution. Indeed, it is only when citizens believe in the likelihood of a fair and impartial legal ruling in court that citizens are willing to turn to domestic justice systems. Undoubtedly, such a high level of citizen trust in the legal institutions of the state brings a beneficial degree of order to the political and social relations of a society (Hardin 2001; O'Donnell 2004).

The Linkage between the Rule of Law and Domestic Terrorism

The above discussion leads to the inference that ordinary citizens have incentives to use political violence against other citizens, political figures, institutions, or the government under three conditions: (1) when they hold grievances, (2) when they find no peaceful means of resolving these grievances, exacerbating feelings of hopelessness, and desperation, and (3) when they view terrorist action as a legitimate and viable last resort to vent their anger and frustration. The lynchpin of this line of reasoning is that as long as ordinary citizens have access to a peaceful mechanism for conflict resolution, they are less likely to contemplate terrorist violence as a practical option to settle disputes. Along this line, I argue that since liberal democracies promote a high-quality rule of law system, which serves as an effective conflict resolution mechanism, they are likely to experience fewer activities of domestic terrorism.

As a fundamental building block of democratic societies, a high-quality legal system “serves to protect people against anarchy as well as from [the] arbitrary exercise of power by public officials and allows people to plan their daily affairs with confidence” (Wilson 2006, 153). Since liberal democratic judicial systems ensure independent adjudication of legal rules, they create a fair chance for the interests at stake in each case to be properly heard in efficient but inexpensive legal outlets. Thus, in the presence of an effective, independent judicial system in liberal democratic societies, ordinary citizens do not need to resort to illegal terrorist

measures to resolve their complaints and grievances. Eyerman (1998, 154) makes a similar observation: since democracies “increase the expected return of legal activity and offer multiple channels of non-violent expression without the threat of government retaliation,” they assuage potentially growing bitterness and dissatisfaction that may turn ordinary people into terrorists (see also Frey and Luechinger 2003). In contrast, where sound judicial systems are lacking, dissatisfied people are likely to embrace the principle of retributive justice and become more likely to initiate terrorist attacks.

Furthermore, since democratic citizens are socialized to trust in the fairness and impartiality of the legal system in times of disputes, they subscribe to established laws as a means to settle political grievances. From this perspective, engaging in violence would be self-defeating behavior ultimately undermining a legal institution seen as important and necessary. Furthermore, because democratic citizens see these institutions as both fair and legitimate, citizens will tend to subscribe to the established legal order, even if they disagree with individual legal statutes and rulings. Democratic citizens trust that legal adjudication produces a right and fair result, even if it is not the result they might have wanted.⁶

It is then not hard to imagine why ordinary people in democratic countries would be less likely to become perpetrators of domestic terrorism than those in nondemocratic countries, where the legal system is suited mainly for the rich and powerful: a nonarbitrary creation of law and a dispassionate legal system that metes out appropriate punishment make extralegal violence untenable and/or undesirable. Because citizens who live in countries without the rule of law view their own governments as illegitimate, public policy decisions as arbitrary, and peaceful participation futile, they are more likely to resort to attacks against domestic targets (or to support terrorist groups that do so). It is important to note that, in fighting domestic terrorism, law-abiding citizens in democratic societies are no less important than the actual presence of an independent judiciary with fair-minded judges and law enforcement officials. As we have seen, judicial institutions alone cannot produce a high-quality rule of law. Other factors within a society, especially the citizenry, must be actively involved. Exclusive reliance on legal authority is less likely to create and maintain safe and healthy communities if democratic citizens do not willingly cooperate with judicial institutions to resolve grievances and if democratic citizens do not serve as watchful eyes and ears against illegal activities of domestic terrorism (Hogg and Brown 1998; Hardin 2001). Alex P. Schmid (2005, 28), Senior Crime Prevention Officer of the United Nations, presents a compelling argument relating to this point: “where the rule of law is firmly in place, it ensures the responsiveness of government to the people as it enables enhanced critical civil participation. The more citizens are stakeholders in the political process, the less likely it is that some of them form a terrorist organization. In this sense, it can be argued that *the rule of law has a preventive effect on the rise of terrorism*” (emphasis added). In sum, ordinary people within democracies can resolve grievances through rule of law systems, which they

have trust in, thereby mitigating the likelihood that they will commit terrorist acts, and resulting in less politically motivated violence.

The Linkage between the Rule of Law and International Terrorism

It appears that existing studies of international terrorism suffer from two common misperceptions. First, many studies put forward religious and ideological motives as the main causes of international terrorism (e.g., Reich 1990).⁷ Typically, the terrorist activities of Al-Qaeda and the Taliban are seen as examples of organizations that advance their religious and ideological agenda. However, these studies overlook the fundamental question of what causes ordinary people to become terrorists in the first place. Religion and ideology, by themselves, do not necessarily drive ordinary citizens to resort to terrorist violence. When ordinary citizens with grievances lack peaceful outlets of conflict resolution, they tend to join radicalized terrorist groups that justify their violent actions through the selective use of religion and ideology. Second, some students of terrorism tend to misperceive the nature of international terrorist incidents. The international aspect of terrorism does not necessarily require the involvement of notorious international terrorist organizations such as Al-Qaeda. As noted earlier, as long as the origin of victims, targets, or perpetrators in political violence can be traced back to at least two different countries, this violence is regarded as international terrorism.

I argue that ordinary people have incentives to terrorize foreigners and foreign facilities when two conditions are met: (1) when they hold grievances against foreigners who violate political and legal rights of local citizens and (2) when these local people, due to poor-quality rule of law in the home country, do not believe in the effectiveness of pursuing justice peacefully. Students of terrorism often fail to observe the fact that when local people have grievances against Western foreigners, they have little chance of resolving them through the legal authority due to an omnipotent presence of foreign power or an unequal international treaty in which foreigners' crimes are immune from the domestic jurisdiction. This impotence of domestic justice systems makes local people feel helpless and desperate. Consequently, disgruntled local people turn to terrorist violence as a last resort.

There are several examples that illustrate how disgruntlement among locals later transforms into violence at the hands of terrorists. In May 2006, several Iraqis abducted two U.S. soldiers at a checkpoint and they were subsequently murdered. The Iraqis learned that the two soldiers raped and killed fourteen-year-old Abeer al-Janabi and committed the murder of her mother, father, and six-year-old sister in their home south of Baghdad (Robertson and Kakan 2009, May 8). On January 12, 2009, several Pakistanis, who were displeased with America's political support for Israel, terrorized the U.S. consulate in Karachi rather than seek peaceful channels of conflict resolution (see <http://chinaconfidential.blogspot.com/2009/01/pakistanistudents-storm-us-consulate.html>). These two examples show how distressed local

people are inclined to make use of terrorist violence against foreigners when they do not have an adequate rule of law system to hear their grievances.

There are four main archetypal narratives that can better illustrate and explain the causal mechanisms underlying the relationship between the rule of law and international terrorism. The first causal mechanism involves situations where ordinary citizens within their own country feel hopeless and desperate against foreigners who abuse fellow citizens' legal rights at home or abroad and who exploit the home country's political and economic interests. When foreigners are not subject to domestic legal jurisdiction, or when they are unfairly protected by the home country's justice systems, residents of the home country are likely to take justice into their own hands through locally coordinated terrorist attacks against foreigners and foreign facilities. An example is the insurgency of Iraqi civilians against armed privately contracted soldiers who operate not only with virtual immunity from Iraqi law but also from the laws of their own countries (see Broder and Risen 2007, September 20).

The second causal mechanism is an extension of the first, where hopeless citizens become international terrorists as a strategy to advance their domestic agendas. In this instance, discontented citizens who are frustrated with a low-quality rule of law at home, go abroad to carry out their attacks against foreign targets of the host country. These attacks represent an attempt to rectify foreign exploitation of their home country or to undermine Western support for brutal regimes (e.g., in the Middle East). This is done either because foreign targets are more vulnerable to attack or because there is some strategic advantage in putting the attack on an international stage rather than on a domestic one. In the former case, foreign targets may be more subject to attack due to easy access (Enders and Sandler 2006). In the latter case, the purpose of international terrorist attacks is to evoke domestic opposition in the host country, demanding the end of the foreign presence (Pape 2005; Wade and Reiter 2007). The suicide car bombing of the UN headquarters in Baghdad on August 19, 2003, is an illustrative example. The followers of the late Abu Musab al-Zarqawi, a Jordanian militant Islamist, intentionally targeted the United Nations and killed at least eight Iraqis and fourteen foreigners including Sérgio Vieira de Mello, a Brazilian UN diplomat (Enders and Sandler 2006).

The third causal mechanism of international terrorism is one in which discontented people are angry at politically influential foreign targets operating within their own country. However, in these situations, citizens possess no readily available means to retaliate against those foreigners or their well-guarded foreign facilities. In such cases, feelings of powerlessness among disgruntled citizens may lead them to elicit the support of international terrorists because they see it as the best strategy to redress their frustrations and grudges (Tessler and Robbins 2007). These circumstances provide ideal opportunities for international terrorist groups to build inroads with the disaffected locals, giving these groups easy access to material resources, safe havens, and better channels through which to execute militant operations against foreign targets in the host country (i.e., foreign terrorist attacks on some

other foreign target). For example, many Iraqis welcome and support Al Qaeda operatives from other countries, like Pakistan, to fight against U.S. forces.

The fourth causal mechanism involves situations where citizens have grievances against their own government but have no avenue for redress because corrupt domestic justice systems take the government's side. This breakdown of the basic perceptions necessary for the rule of law to materialize allows for the possibility of "mob rule" and lawlessness. However, the citizens themselves are often too weak to revolt, which makes them likely to turn to outside sources such as international terrorist groups to take action on their behalf (i.e., foreign terrorist attacks on a domestic target). Possessing global financial resources and disciplined members operating in autonomous terrorist cells, international terrorists are capable of luring local people who feel alienated and disadvantaged, using them to help push forward and carry out their own terrorist plots. For example, disgruntled Pakistani tribesmen joined together with foreign Al Qaeda members, Uzbek militants, and Taliban fighters to initiate terrorist attacks against the people and places attached to the Musharraf government (Masood 2008, January 18).

To recap, the rule of law reinforces a political system's legitimacy by protecting the rights of citizens and foreigners and by providing the means for them to settle grievances in nonviolent ways. It thus acts as a cornerstone of liberal democracies, making it unnecessary for ordinary people to rely on terrorist violence as a last resort to resolve disputes. An independent judiciary with fair-minded judges and police officers, who enforce the letter of the law, creates a nonviolent environment in which the public recognizes established laws as a legitimate channel to settle disputes peacefully. Thus, the combined impact of impartial judicial systems and ordinary citizens' recognition of the law as legitimate is likely to reduce all types of terrorism in democratic countries.⁸ This leads to the following hypothesis:

Hypothesis 1: The democratic rule of law has a dampening effect on domestic and international terrorism: fair and impartial judicial systems along with the public's recognition of the law as legitimate will discourage any type of terrorist acts.

Research Design

To test the democratic rule of law hypothesis, I conduct a cross-sectional, time-series data analysis with a sample of 131 countries during the 1984–2004 period.⁹ Consistent with the theoretical discussion of the previous section, the dependent variable is the annual total number of domestic and international terrorist events that occurred in a country, collected from the Global Terrorism Database (GTD) Explorer, a Web-based interactive visual exploratory tool that deals with systematic data about all types of terrorist incidents.¹⁰ The GTD Explore was originally built on data from 1970 to 2004, but it is now expanded up to 2007 and includes over 85,000 cases of terrorist incidences (Lee 2008).¹¹ Although the GTD provides comprehensive

terrorism data since 1970, the data for 1993 is missing due to an office move (LaFree and Dugan 2007). For cross-sectional, time-series data analysis to be completed, the missing data are interpolated based on the average between the previous and following years.¹²

Despite the theoretical discussion about the dampening effect of the democratic rule of law on international terrorism, one may contend that the former is applicable only in explaining the behavior of domestic terrorists. To counter this contention, I create a dependent variable, which captures activities of international terrorism, collected from the Attributes of Terrorist Events (ITERATE) database of Mickolus et al. (2006).¹³ It may be tempting to construct such a measure of international terrorist attacks from the GTD. However, according to a personal e-mail exchange with a GTD staff member (Global Terrorism Database 2009, February 3), there is no current way to distinguish international terrorism from domestic terrorism for a meaningful statistical analysis. The main reason is that in any given terrorist incident, the perpetrator is known for only about 50 percent of the cases due to the lack of informational resources. There is no information about whether an incident is domestic or international in nature for 50 percent of the attacks without a known perpetrator. It is also important to note that “nearly half of the attacks in the GTD are unattributed to any terrorist organization” (Dugan 2010, 16). If one’s statistical analysis relies only on those attacks with known perpetrators, it would be subject to selection bias that would distort the empirical results. The bottom line is that the reclassification of the GTD has to be withheld until the missing information about the perpetrator is properly collected and documented.¹⁴

It should be noted that although the GTD and the ITERATE data sets are two widely used sources of terrorist activity, they contain some limitations and inherent shortcomings since their sources come from newspaper accounts. This may introduce underreporting bias because autocratic regimes tend to suppress freedom of the press. For a more general discussion about underreporting bias, see Drakos and Gofas (2006). It is interesting to know that neither the GTD nor the ITERATE database is used in the analysis of Drakos and Gofas. They instead examine the National Memorial Institute for the Prevention of Terrorism (MIPT) Knowledge Base and conclude that it may understate the true number of terrorist incidents.

The rule of law variable measures the coexistence of the two democratic features conceptualized in the previous section: (1) the strength and impartiality of the legal system and (2) the degree of popular observance of law as a legitimate and fair way to settle claims. The source of this variable is the International Country Risk Guide (ICRG), compiled by the Political Risk Services (PRS) Group.¹⁵ The ICRG first assesses each of these two features on a scale of 0–3. For example, a country can enjoy a high rating of 3 in terms of its judicial system but maintain a low rating of 1 if the law is routinely ignored by the public without effective sanction (e.g., by widespread rioting or looting) or if a crime rate is very high. The ICRG then combines the two scores from each feature to produce a 7-point scale with “0” indicating a weak law and order tradition where citizens depend on physical force or illegal

means to resolve grievances and “6” denoting a strong law and order tradition where the established law enforcement and judicial channels are effectively used by citizens to settle disputes.¹⁶ According to the rule of law hypothesis, a high rating on this scale should produce a dampening effect on the number of domestic and international terrorist incidents, while a low score would indicate a much higher likelihood of domestic and international terrorism. It should be noted that the ICRG releases only the aggregated measure for public use, which is sufficient to test the combined effect of the two democratic features on terrorist events.

To avoid obtaining spurious statistical results, several control variables are considered. As noted earlier, some existing studies underscore the importance of separating the effects of democracy. In addition to the rule of law variable, which is conceived of as a dampening effect of democracy, I include government constraints and political competition to control for aggravating effects. In doing so, I intend to show that the rule of law has an impact on terrorist activity that is distinct from the other two prominent democratic institutions. Li (2005) reports that countries with more institutional constraints on their governments experience more terrorist incidents. To control for the detrimental effect of government constraints, the executive constraints component of the Polity data set is used. It is coded on a 7-point scale, with “1” denoting unlimited executive authority and “7” indicating executive parity or subordination (Marshall and Jagers 2007). Chenoweth (2010) finds that intergroup competition, motivated by the competition of the political regime, is related to an increase in terrorist incidents. The political competition component of the Polity data set is a proxy measure of intergroup competition on a 10-point scale with “1” meaning that all competition is restricted by a hegemonic regime and “10” indicating that no political groups, issues, or types of conventional political action are routinely banned from political participation (Marshall and Jagers 2007).¹⁷

Several recent studies show that less developed countries have more individuals willing to commit terrorist acts due to feelings of relative economic deprivation than do advanced industrialized countries (e.g., Kahn and Weiner 2002). Thus, the economic development variable is included as a control for reducing terrorism. It is measured by the logged real gross domestic product (GDP) per capita, adjusted for purchasing power parity. Data for this variable are obtained from Gleditsch (2002). Since frequent regime changes tend to destabilize domestic political and economic systems, they create a favorable pretext for terrorist activities. In contrast, terrorists find fewer opportunities in countries with a long history of regime durability (Eyerman 1998; Eubank and Weinberg 2001). The regime durability variable is expected to decrease terrorism. It is operationalized as the number of years a country has experienced without going through a regime change, measured as a 3-point shift in a country’s Polity score for a given year. Data for this variable are collected from Marshall and Jagers (2007). Countries with large populations find it difficult to provide an adequate level of security measures resulting in their greater vulnerability to terrorist plots and attacks (Eyerman 1998). Thus, the population variable, measured by the logged total population, is projected to increase terrorism due to the

increased difficulty of successfully policing a larger population. Data for this variable are taken from the U.S. Census Bureau (2008). Previous studies show that countries with a vast territory have greater difficulty policing their borders and/or a greater chance of having minority ethnic groups holding political and economic grievances against the government (e.g., Abadie 2004). This variable is taken from the World Bank's (2008) *World Development Indicators* and is measured as the logged square kilometers of a country's territory.

Failed states in which the central government is too weak to exercise legal authority over much of its territory are bound to attract terrorists. Sudan, for example, has come to be feared as a reservoir and exporter of terrorism not only because the sense of political community among people vanishes in the absence of fair judicial systems and political order but also because the public feels disenfranchised and marginalized (Rotberg 2002). Some recent studies provide empirical evidence on the linkage between failed states and terrorism (e.g., LaFree, Dugan, and Fahey 2007; Piazza 2008). The failed state variable ranges from 0 to 17 by combining the severity of ethnic wars (0–4), revolutionary wars (0–4), adverse regime changes (0–4), and genocides and politicides (0–5). Data come from the Political Instability Task Force (2007).

Involvement in international conflict makes countries unstable and open to more terrorist plots. Typically, these plots are directed at sabotaging political and economic systems and creating tension between the domestic population and the enemy abroad (Ross 1993). Based on data from Gleditsch et al. (2002), the international conflict variable is coded as "1" for militarized interstate disputes or war involvement and "0" otherwise. Enders and Sandler (2006) provide evidence that due to the end of Soviet funding of left-wing groups, terrorist attacks have decreased since the end of the cold war. To account for the systemic decrease in terrorist activity that took place after the end of the cold war, a post-cold war variable is included. The post-cold war variable is coded as "1" since 1991 and "0" otherwise. Past terrorist incidents affect the potentiality of current terrorist events. However, simply adding a one-year lagged dependent variable on the right side of the equation is equivalent to ignoring a much longer history of past terrorism (Li 2005). To avoid this problem, the past incident measure records the annual average number of past terrorist incidents.

Because the dependent variable (i.e., the total number of terrorist incidents) is a non-negative count measure, a negative binomial maximum likelihood regression is used with robust standard errors clustered by country. All independent variables are lagged one year to ensure that they cause changes in the dependent variable rather than vice versa. To further confirm the robustness of the main findings reported below, two other advanced estimation techniques are used: population-averaged negative binomial regression and rare event logit models.

Empirical Findings

Table 1 reports four negative binomial regression models and compares the dampening effect of the rule of law variable with the ten control variables. Models 1 and 2

Table 1. Effects of the Rule of Law on Terrorism Within Countries, 1984–2004

Variable	Negative Binomial Regression			
	Domestic and Transnational Terrorism Based on the GTD		Transnational Terrorism Based on the ITERATE	
	Model 1	Model 2	Model 3	Model 4
Rule of law	-0.184*** (0.041)	-0.142*** (0.041)	-0.270*** (0.051)	-0.271*** (0.050)
Government constraint	0.113* (0.054)		-0.036 (0.053)	
Political competition	0.035 (0.034)		0.013 (0.039)	
Economic development	0.215*** (0.068)	0.346*** (0.069)	0.336*** (0.094)	0.320*** (0.090)
Regime durability	-0.002 (0.002)	-0.002 (0.002)	-0.001 (0.002)	-0.001 (0.002)
Population	0.363*** (0.036)	0.384*** (0.051)	0.245*** (0.061)	0.235*** (0.059)
Surface area	-0.060 (0.037)	-0.069* (0.042)	-0.003 (0.052)	0.002 (0.051)
Failed state	0.224*** (0.031)	0.212*** (0.032)	0.192*** (0.030)	0.189*** (0.031)
International conflict	0.079 (0.146)	0.078 (0.153)	0.251 (0.203)	0.251 (0.209)
Post-cold war	-0.356*** (0.116)	-0.220* (0.115)	-0.580*** (0.128)	-0.582*** (0.118)
Past incidences	0.009*** (0.001)	0.009*** (0.001)	0.120*** (0.025)	0.120*** (0.025)
Constant	-4.570*** (0.802)	-5.332*** (0.816)	-5.880*** (1.112)	-5.717*** (1.065)
Observations	2,213	2,213	2,213	2,213
Dispersion = 1	50.67	57.23	5.58	5.55
Wald chi-squared	824.77	634.10	287.13	250.45
Probability > chi-squared	.001	.001	.001	.001

Note: Robust standard errors, adjusted for clustering on country, in parentheses.

* $p < .05$,

** $p < .01$,

*** $p < .001$, one-tailed tests.

predict the causes of both domestic and international terrorism, which are operationalized through the GTD Explorer. Models 3 and 4 differ as they are confined to the causes of international terrorism, which is measured with the ITERATE database. A one-tailed test at the .05, .01, and .001 levels is used because the theoretical expectations are directional.

As shown in model 1, the hypothesis about the rule of law variable is supported and it is statistically significant at the .001 level. As the quality of the rule of law improves, the likelihood of domestic and international terrorist events decreases. In other words, with the presence of democratic rule of law systems, ordinary citizens are more likely to settle grievances peacefully. Consequently, they are less likely to have feelings of frustration that could otherwise turn into terrorist violence. Among the ten control variables, five turn out to have statistical significance in the hypothesized directions: government constraint, population, failed state, post-cold war, and past terrorist incidences. The hypothesis about economic development is supported, but in a counterintuitive direction. Industrialized economies are more exposed to domestic and international terrorism. It is speculated that countries with greater economic resources may provide their citizens with better terrorist skills as more highly educated individuals are better able to plot terrorist events (see Krueger and Maleckova 2002). Political competition, regime durability, surface area, and international conflict do not achieve statistical significance. It is plausible that the effects of these four variables are washed out by the other variables including the rule of law.

It is worth investigating further the significance of the rule of law variable without the inclusion of government constraint and political competition because there is a possibility that the latter two variables may cause the significance of the former to be drastically increased.¹⁸ Model 2 excludes government constraint and political competition from model 1. The magnitude of the coefficient on the rule of law is slightly decreased and its standard error remains unchanged, indicating that its dampening effect remains strong. Again, the existence of a high-quality rule of law is likely to reduce the number of politically motivated acts of violence, irrespective of the type of terrorism. The control variables also continue to display the same levels of significance except for surface area and post-cold war, which now become significant at the .05 level. Models 3 and 4 show the explanatory power of the rule of law with respect to activities of international terrorism measured in ITERATE. The results are quite similar to those shown in the previous two models. The hypothesis about the rule of law in those two models is supported at the highest significance level, indicating that promoting a strong rule of law tradition produces a deterrent effect on acts of international terrorism. The overall empirical results in table 1 indicate that countries that lack a tradition of democratic rule of law are more likely to be victims of politically motivated violence, regardless of whether it takes the form of domestic or international terrorism.

Since statistical significance does not necessarily ensure a meaningful finding in a practical sense, the marginal effects of variables should be reported for empirical verification. To calculate a baseline probability of a terrorist incident against which

Table 2. Marginal Effects of Statistically Significant Variables^a

Variable	Negative Binomial Regression	
	Domestic and Transnational Terrorism Based on the GTD in Model 1	Transnational Terrorism Based on the ITERATE in Model 3
Rule of law		
1 standard deviation	-24%	-34%
2 standard deviations	-43%	-56%
Economic development		
1 standard deviation	28%	46%
2 standard deviations	63%	114%
Population		
1 standard deviation	70%	43%
2 standard deviations	188%	104%
Failed state		
1 standard deviation	36%	29%
2 standard deviations	84%	68%
Post-cold war	-30%	-44%
Past incidences		
1 standard deviation	38%	32%
2 standard deviations	91%	86%

^a The baseline values are as follows: mean for continuous variables and 0 for dummy variables.

to make comparisons, I set the continuous variables at their means and the dichotomized variables at "0." I then adjust the variables of greatest interest one at a time to see the change in the predicted probability of terrorism. Table 2 reports the marginal effects of the rule of law variable and four other variables that show statistical significance in a consistent manner in models 1 and 3 in table 1. It is apparent that, regardless of the choice of the dependent variable (the GTD or the ITERATE), the combined effect of well-functioning legal systems and ordinary citizens' recognition of the law as legitimate notably reduces the likelihood of terrorism. As shown in the shaded rows, the risk that any country will experience any type of terrorism decreases by 24 percent if the quality of its rule of law increases by one standard deviation. Moreover, the likelihood of terrorism decreases by 43 percent if the rule of law quality increases by two standard deviations.

It is important to note that, given the high human and financial costs associated with terrorism, even small changes in the predicted probability of a terrorist attack should not be dismissed. The benefit of democratic rule of law is a function of the cost of terrorist violence as well as the probability of its occurrence. For example, reducing the annual probability of a terrorist incident by 24 or 43 percent is hardly trivial when we recognize that a single act of terrorism might cost dozens or hundreds of human lives and result in millions of dollars of damage.

It is plausible that alternative statistical estimation techniques may make the significance of the rule of law disappear if it is not robust. Table 3 evaluates the robustness of the results of models 1 and 3 reported in table 1 by performing two other advanced statistical estimations: population-averaged negative binomial regression and rare event logit models. Models 1 and 2 show the results where a population-averaged negative binomial regression is used, allowing for an AR(1) correlation structure. Overall, irrespective of the type of terrorism, the dampening effect of the rule of law on terrorist events is confirmed.

The empirical tests used so far have used negative binomial and population-averaged negative binomial regression models, assuming that all countries should have an equal chance to experience terrorist incidents. However, it is highly probable that an excess of non-events might occur in the distribution of the dependent variable because few countries are actually victims of terrorism. In such situations, both statistically and logically, a standard negative binomial regression estimation method loses some of its effectiveness since the prevalence of zero counts in the data can pose a statistical challenge if not estimated appropriately. A rare event logit is designed to address the issue of excessive zeros. It is originally developed by Tomz, King, and Zeng (1999), expanded upon by King and Zeng (2001), and recently used in the study of Wade and Reiter (2007) on suicide terrorism. For this technique, the event count dependent variables are redefined as a dichotomous measure, coded "1" if any attacks are recorded and "0" otherwise. Models 3 to 4 show the results of the rare event logit. The significance of the rule of law is again confirmed in a consistent manner, regardless of the type of terrorism.

Since my theoretical discussion focuses on the implications of terrorist *events*, the dependent variable of all the empirical tests has been measured by the number of terrorist *incidents*. However, it would be worthwhile to investigate alternative ways of measuring terrorism since using the total number of terrorist incidents as a dependent variable indiscriminately amalgamates terrorist events of differing magnitude (in terms of resulting deaths and injuries). This is an important point as it has been observed that a "new terrorism," characterized by a drop in the number of incidents but an increase in lethality, has replaced the "old terrorism" of the 1970s and 1980s. Recognizing these limitations, Frey and Luechinger (2005, 144) propose the number of persons killed and the number of persons injured in terrorist attacks as alternative measures to total event counts because they can capture the unequal degree of severity in each terrorist incident (see also Crain and Crain 2006; Frey, Luechinger, and Stutzer 2007). Models 5 to 8 in table 3 evaluate the robustness of the results of model 1 reported in table 1. In this instance, the dependent variable, the total number of terrorist incidents, is replaced with the total number of individuals either wounded or killed. They are calculated and tested separately. The empirical results with these two alternative measures reveal that the democratic rule of law remains a contributing factor in preventing terrorist casualties.

Table 3. Effects of the Rule of Law on Terrorism Within Countries, 1984–2004: Robustness Analysis

Variable	Population-Averaged			Rare Event Logit			Negative Binomial Regression		
	Dom & Int'l		International	Dom & Int'l		International	Dom & Int'l: GTD		International: ITERATE
	GTD	ITERATE	GTD	ITERATE	Wounded	Killed	Wounded	Killed	
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	
Rule of law	-0.217*** (0.066)	-0.178* (0.100)	-0.098* (0.050)	-0.193*** (0.054)	-0.129** (0.047)	-0.190*** (0.045)	-0.371*** (0.070)	-0.342*** (0.071)	
Government constraint	0.014 (0.070)	-0.103 (0.112)	0.055 (0.050)	-0.120* (0.053)	0.061 (0.064)	0.072 (0.062)	0.018 (0.075)	0.063 (0.069)	
Political competition	0.044 (0.035)	0.021 (0.071)	0.083** (0.030)	0.040 (0.032)	0.038 (0.042)	0.045 (0.039)	-0.043 (0.059)	-0.102* (0.054)	
Economic development	0.226* (0.134)	0.490* (0.222)	0.311*** (0.064)	0.287*** (0.069)	0.096 (0.093)	-0.033 (0.089)	0.495*** (0.130)	0.274* (0.132)	
Regime durability	-0.007** (0.003)	-0.009* (0.005)	-0.004* (0.002)	0.000 (0.002)	-0.003 (0.002)	-0.002 (0.002)	-0.001 (0.003)	-0.001 (0.003)	
Population	0.627*** (0.079)	0.395*** (0.108)	0.530*** (0.055)	0.298*** (0.054)	0.491*** (0.060)	0.421*** (0.050)	0.340*** (0.087)	0.266*** (0.082)	
Surface area	-0.117 (0.075)	-0.006 (0.062)	-0.063* (0.038)	-0.056 (0.043)	-0.117* (0.061)	-0.085 (0.058)	-0.071 (0.074)	-0.028 (0.080)	
Failed state	0.177** (0.069)	0.255*** (0.067)	0.729*** (0.133)	0.339*** (0.055)	0.225*** (0.037)	0.236*** (0.035)	0.176*** (0.043)	0.204*** (0.037)	
International conflict	0.104 (0.124)	-0.098 (0.244)	0.373 (0.346)	0.450 (0.279)	0.291* (0.170)	0.088 (0.158)	0.702** (0.237)	0.503* (0.279)	
Post-cold war	0.056 (0.188)	-0.667*** (0.201)	-0.113 (0.110)	-0.790*** (0.121)	-0.231* (0.112)	-0.498*** (0.137)	-0.396* (0.203)	0.022 (0.172)	
Past incidences	0.021*** (0.003)	0.145* (0.082)	0.013** (0.004)	0.284*** (0.032)	0.008*** (0.001)	0.008*** (0.001)	0.117*** (0.026)	0.120*** (0.029)	
Constant	-8.728*** (1.388)	-9.723*** (3.042)	-10.538*** (0.904)	-6.812*** (0.907)	-4.088*** (1.067)	-2.290* (1.033)	-6.618*** (1.832)	-4.853** (1.642)	
Observations	1,859	1,859	2,213	2,213	2,213	2,213	2,213	2,213	
Wald chi-squared	550.38	213.31	n/a	n/a	602.38	574.59	223.25	226.57	
Probability > chi-squared	.001	.001	n/a	n/a	.001	.001	.001	.001	

Note: Robust standard errors, adjusted for clustering on country, in parentheses.

* $p < .05$.

** $p < .01$.

*** $p < .001$, one-tailed tests.

Conclusion

With a focus on either domestic or international terrorism, many existing studies report mixed findings when the question of whether democracy encourages or reduces terrorist events is addressed. This study provides a novel probe into determining if adherence to the rule of law tends to reduce the incidence of domestic and international terrorist attacks. I have argued for the rule of law as an essential feature of liberal democratic governments and hypothesized that the synergistic effect of fair and impartial judicial systems and legitimate nonarbitrary law discourages ordinary citizens from resorting to politically motivated violence over peaceful resolution of conflict. In short, democratic rule of law systems offer ordinary citizens nonviolent ways of settling grievances, so they are more likely to overcome feelings of desperation, which could otherwise lead to seeking terrorist violence as a last resort. The empirical results show that a strong rule of law tradition produces a dampening effect on political violence, regardless of the type of terrorism.

I believe that scholars and policy makers should pay closer attention to the *immediate precipitants* of terrorism. Examining the enabling conditions of terrorism such as government constraints, political competition, and failed states often overlooks its root causes. Only when we move beyond our present penchant for *permissive factors* will we begin to provide a blueprint for how best to challenge terrorism (Crenshaw 1981). I hope that my focus upon the rule of law variable that has the potential, when rule of law is absent, to directly motivate ordinary people to turn to terrorist activity is a move in this direction. In particular, my rule of law argument and findings are relevant to the literature of international terrorism in which religion and ideology are often considered the main causes of international terrorist incidents (e.g., Reich 1990). I strongly emphasize that local people do not necessarily resort to terrorist violence against foreigners or foreign facilities simply due to their religious and ideological beliefs. When local people with grievances are recruited to radical religious or ideological groups, they become international terrorists to vent their frustration and rage. People who live in countries lacking the rule of law have a much smaller chance of resolving grievances peacefully and are more likely to turn to international terrorist violence. In this context, the underlying cause of international terrorism should be traced back to a poor quality rule of law, not religion or ideology.¹⁹ Simply put, a weak rule of law tradition provides international terrorist recruiters with some of their most effective recruitment materials, thereby leading to a rise of international terrorism.²⁰

The empirical findings I report in this study have important implications for future policy making. Although some democratic countries have been tempted to bend the rule of law in response to growing threats of terrorism, it is essential to continue to cherish and uphold the tradition of a high-quality legal system to deter disgruntled people from turning into domestic terrorists. Furthermore, although the thrust of American foreign policy has been toward democratization, the empirical findings presented here suggest that the cultivation of the rule of law is more likely

to reduce the occurrence of terrorist events. For these reasons, emphasis should not be put on simple democratic procedures like electoral systems and legislative debate, but on more civic education, and judicial and legal training. In fact, the empirical findings suggest that the significance of the role of the U.S. Agency for International Development (USAID) and similar agencies in the European Union are critical, since one of their primary missions is to fund independent judiciaries in developing countries (see USAID 2008). These kinds of agencies should work together to find more financial resources and help establish a sound rule of law tradition in terrorism-prone countries.

Contrary to current policy practice, it is not rational to push for quick elections as a deterrent to terrorism over the institutionalization of the rule of law system. Indeed, terrorists know that they can neither come to power nor wield political influence through free elections, therefore it makes little sense to espouse free elections as the highest priority in deterring terrorism in nascent democracies (Gause 2005). For example, Bosnia was able to hold free elections and showed strong political participation within a year of the Dayton Peace Accords, but the elections were swiftly followed by violent ethnic conflict and terrorist attacks. The domestic judicial system was essentially too corrupt to deter political violence, and many ordinary Bosnians chose to use terrorist tactics in resolving their grievances rather than leave their fate to untrustworthy legal services (Zakaria 2004). As Schmid (2005, 28) points out, “in order to help countries in transition to reach a higher level of law enforcement, judges, prosecutors, lawyers, and police need to be instructed or trained to bring national practices in line with recognized international standards . . . on advancing the development of an interdependent judiciary and promoting more just legal systems.” If legal practices are not used in the service of fairness but rather to entrench sharp inequalities, supporting terrorism may come to be seen as a viable alternative for victims.

Notes

1. Ironically, the Bush administration and its defenders simultaneously argued in favor of some undemocratic practices, such as secret wiretapping, as effective tools in challenging terrorist activities against Americans.
2. An exception is the study of Ivanova and Sandler (2007), which reports that a strong rule of law encourages CBRN terrorist attacks when both domestic and international CBRN attacks are included for 1988–2004.
3. The point is in line with Crenshaw’s observation that “the distinction between ‘international’ terrorism and ‘domestic’ terrorism is artificial and has been so for some time” (quoted in Schmid 2004, 59).
4. This definition appears to be among the most comprehensive (see Dugan 2010, 9).
5. A comprehensive legal definition of the rule of law can be found in Schmid and Boland (2001, xi).

6. It should be noted that the democratic rule of law cannot simply mean the legal coercion of citizens but must also imply some public understanding and acknowledgment of the legitimacy inherent in the tendency of law's operations. For the purposes of this study, I contend that this is achieved when the coercive element of law is somehow linked up with, and justified by, a notion of public autonomy relevant to our intuitions concerning democracy. In this sense, an effective and legitimate rule of law is obtained when there is a middle ground between, or coexistence of, pure voluntary adherence to law and pure submission to legal coercion. In this middle ground, laws are seen as legitimate, entailing a recognition of, if not a voluntary subscription to, laws as sovereign in political and social proceedings, insofar as laws are produced in some nonarbitrary fashion, and are adjudicated and processed by fair and impartial judicial systems (see Rawls 1971/1999; Hobbes 1985). In short, the democratic rule of law means that citizens voluntarily subscribe to the legal system, even when being coerced to act in accord to individual laws.
7. On the contrary, Pape (2005) offers strategic logic as a cause of suicide terrorism, not religion or ideology.
8. One may argue that democratic citizens and elected officials may be heavily implicated in terrorism abroad, especially in nondemocratic countries regarded as illegitimate and dangerous. Although this possibility appears to be at odds with my line of reasoning, it is exceptional because only a few major powers like the United States could carry out such "preventive or extreme measures" (see Barber 2003; Hobsbawm 2007). More importantly, this possibility should be referred to as state or state-sponsored terrorism, which is beyond my conceptualization of terrorism since I only focus upon those terrorist acts committed by individuals or subnational groups.
9. The starting year of this study is based on the data collection of the rule of law, which is available only as far back as 1984. A list of 131 sample countries can be found in appendix 1.
10. During this study period, the three most terrorism-prone countries are Colombia, India, and Sri Lanka, while the three least terrorism-prone countries are North Korea, Burkina Faso, and Malawi.
11. The Web site can be found at <http://www.start.umd.edu/gtd/features/GTD-Data-Rivers.aspx>. It should be noted that the GTD does not distinguish between threats and actual incidents.
12. With respect to the significance of the rule of law variable, all estimation methods produce no substantially different results with or without the missing 1993 data. The results can be obtained on request.
13. It is worth noting that although the ITERATE database has been used in most previous studies of international terrorism, it includes some incidents that may be considered domestic terrorism. The codebook of the ITERATE data set (Mickolus et al. 2006, 9) observes that in some cases, the data are not entirely clear on the distinction between domestic and international terrorism: "While many of these attacks [committed by separatists or irredentists] are considered to be domestic terrorism, such attacks are included if the terrorists traverse a natural geographical boundary to conduct attacks on the metropole, e.g. Northern Irish attacks on the main British island, Puerto Rican attacks outside of the island, and attacks within Israel by Palestinian refugees."

Although it is important to learn how large a percentage of the incidents in the ITERATE data set potentially falls into the category of domestic terrorism, there is no clear way of identifying these incidences because of the ambiguity of the coding rules. Mickolus (1982, 20) states that “sources are often vague regarding the actual name of the [terrorist] organization responsible, or unclear about the amount of legally acceptable evidence pointing to responsibility.” If all the terrorist incidents that occurred within Israel, Puerto Rico, and the United Kingdom are treated as missing data in empirical tests, my preliminary results indicate that the significance level of the democratic rule of law variable actually turns out to be higher than what is reported in the next section.

14. Putting aside the problem of the missing observations in the GTD, LaFree, Yang, and Crenshaw (2009) present the first study of conducting research on domestic and international terrorism though their study is limited only to the U.S. case.
15. To advise clients on the attractiveness of countries as places for investment, the PRS Group collects information on political risk factors such as the degree of rule of law, government stability, ethnic tensions, and internal and external conflict. The rule of law is based on area specialists’ evaluation of countries since the early 1980s. For more detailed information, see the PRS Group Web site at <http://www.prsgroup.com/Default.aspx>.

The World Bank’s (2008) *Worldwide Governance Indicators* provide another source of a rule of law measure, but its data range is limited, as it only begins in 1996.

16. Since the synthesis of independent judicial systems and citizens’ trust into the established laws creates a strong tradition for the institution of law and order in a democratic society, the rule of law indicates the presence of a sound law and order tradition. This line of reasoning is consistent with Davis’ (2004, 148) observation: “the most commonly used source of data on respect for *the rule of law* is a private publication known as the International Country Risk Guide (ICRG), which provides quantitative assessments by unidentified experts of the strength of *the law and order tradition* in various countries” (the emphases added). However, Davis is equally critical of the rule of law variable when it is considered to be a causal factor of economic development.

One may claim that it is not necessary for a government to exhibit *both law and order*, since some autocratic countries may have order without law and appear to experience only a small number of terrorist incidents. However, it should be stressed that political and social order resulting from oppressive measures such as the use of threats, a secret police force, and mass killing under a dictator is clearly not a democratic system based on fair and impartial legal systems that lead to citizens’ willing adherence to established laws. When authoritarian leaders use threats of punishment and violence through corrupt domestic legal authorities, ordinary citizens have more incentives to challenge the legitimacy of authoritarian rule. This can occur through the use of terrorist violence either by themselves and/or with the support of international terrorist groups. A few exceptional cases may be found in some countries such as Singapore, where a stable authoritarian rule is the norm but a relatively low level of international terrorism occurs. This is because the trust between the government and average citizens, including Muslims, has been cultivated for years (IslamOnline.net & News Agencies 2009, May 16). Put differently,

Singaporeans believe that they can rely on domestic legal systems to settle claims rather than turn to political violence.

17. Other features of democratic regimes, such as press freedom and political participation, are not included in this study mainly due to data availability. While this study covers the years from 1984 to 2004, Van Belle's (2000) press freedom data point ends in 1995 and Vanhanen's (2000) political participation data are not collected after 2000. These two variables turn out to be statistically insignificant when this study is limited to their available temporal domain.
18. The correlation between the rule of law and government constraint is .38. The correlation between the rule of law and political competition is .35. A severe multicollinearity problem is suspected if and only if the correlation exceeds .80 (see Greene 2003; Gujarati 2003).
19. Of course, my country-year level analysis lacks a direct test of which factor is the main cause of international terrorism, the rule of law or religion. This would require individual-level data across country. Because no such data are currently available, I instead conduct a preliminary test with country-year data. Since Islamic terrorism is the center of attention, I create a variable identifying Islamic countries based on the criterion of the CIA World Factbook (2008): a country is considered Islamic if a plurality of its population practices Islam as their religion. Appendix 2 shows the results where the significance of the rule of law is confirmed: it is clearly a contributing factor in reducing the likelihood of terrorism even if the Islam variable is accounted for in the estimation.
20. Of course, some exceptional cases are the international terrorist attacks perpetrated by groups whose members were born and bred in strong rule of law states (e.g., Earth Liberation Front).

Appendix I

Table A1. List of Sample Countries

Albania	Czech Republic	Indonesia	Mozambique	Somalia
Algeria	Czechoslovakia	Iran	Myanmar (Burma)	South Africa
Angola	Denmark	Iraq	Namibia	Spain
Argentina	Dominican Republic	Ireland	Netherlands	Sri Lanka
Armenia	Ecuador	Israel	New Zealand	Sudan
Australia	Egypt	Italy	Nicaragua	Sweden
Austria	El Salvador	Ivory Coast	Niger	Switzerland
Azerbaijan	Estonia	Jamaica	Nigeria	Syria
Bahrain	Ethiopia	Japan	Norway	Taiwan
Bangladesh	Finland	Jordan	Pakistan	Tanzania
Belgium	France	Kazakhstan	Panama	Thailand
Bolivia	Gabon	Kenya	Papua New Guinea	Togo
Botswana	Gambia	Korea North	Paraguay	Trinidad & Tobago
Brazil	Germany	Korea South	Peru	Tunisia
Bulgaria	Germany East	Kuwait	Philippines	Turkey
Burkina Faso	Germany West	Latvia	Poland	Uganda
Cameroon	Ghana	Liberia	Portugal	Ukraine
Canada	Greece	Libya	Qatar	United Arab Emirat
Chile	Guatemala	Lithuania	Romania	United Kingdom
China	Guinea	Madagascar	Russia	United States
Colombia	Guinea-Bissau	Malawi	Saudi Arabia	Uruguay
Congo Brazzaville	Guyana	Malaysia	Senegal	Venezuela
Costa Rica	Haiti	Mali	Sierra Leone	Yeman
Croatia	Honduras	Mexico	Singapore	Yeman South
Cuba	Hungary	Moldova	Slovak Republic	Yugoslavia
Cyprus	India	Morocco	Slovenia	Zambia
				Zimbabwe

Appendix 2

Table A2. Effects of the Rule of Law on Terrorism Within Countries, 1984–2004: Islam

Variable	Negative Binomial Regression	
	Domestic and International Terrorism Based on the GTD Model 1	International Terrorism Based on the ITERATE Model 2
Rule of law	-0.182 ^{***} (0.040)	-0.270 ^{***} (0.055)
Government constraint	0.122 [*] (0.054)	-0.017 (0.049)
Political competition	0.042 (0.034)	0.024 (0.039)
Economic development	0.219 ^{**} (0.069)	0.346 ^{***} (0.092)
Regime durability	-0.002 (0.002)	-0.001 (0.002)
Population	0.363 ^{***} (0.036)	0.240 ^{***} (0.066)
Surface area	-0.063 [*] (0.037)	-0.006 (0.055)

(continued)

Table A2 (continued)

Variable	Negative Binomial Regression	
	Domestic and International Terrorism Based on the GTD Model 1	International Terrorism Based on the ITERATE Model 2
Failed state	0.225 ^{***} (0.033)	0.198 ^{***} (0.029)
Islam	0.217 (0.140)	0.377 ^{**} (0.156)
International conflict	0.073 (0.145)	0.201 (0.180)
Post-cold war	-0.367 ^{***} (0.114)	-0.594 ^{***} (0.124)
Past incidences	0.009 ^{***} (0.001)	0.120 ^{***} (0.024)
Constant	-4.736 ^{***} (0.805)	-6.127 ^{***} (1.076)
Observations	2,213	2,213
Dispersion = 1	50.35	5.53
Wald chi-squared	796.36	335.28
Probability > chi-squared	.001	.001

Note: Robust standard errors, adjusted for clustering on country, in parentheses.

* $p < .05$,

** $p < .01$,

*** $p < .001$, one-tailed tests.

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