Remittances, Terrorism, and Democracy*

Casey Crisman-Cox† Yohan Park‡

March 1, 2022

Abstract

What effects do migrant remittances have on domestic terrorism? Past work suggests that remittances increase resources for violent groups, enhance their organizational capabilities, and lead to more terrorist attacks. However, we argue that the effect of remittances depends on the political institutions within a country. In democratic states, remittances can help groups overcome the costs and barriers to legitimate politics, thereby reducing the allure of terrorism or other political violence. In authoritarian regimes, however, there are fewer opportunities for legitimate politics regardless of available resources, and so remittances lead to increases in violent political expression (i.e., more terrorism). Using data from 1971-2013, we find that more remittances are associated with a decrease in domestic terrorism within democracies but an increase in domestic terrorism within autocracies. We explore the mechanisms further by demonstrating that remittances lead to more opposition party success and less terrorism within states with more competitive institutions.

Word Count: 9,977

*Thanks to participants and audiences at Texas A&M, the Peace Science Society's Online Colloquium, and the 2021 International Studies Association's annual meeting for their helpful remarks. All errors are our own.

†Texas A&M University. email: c.crisman-cox@tamu.edu.

‡Texas A&M University. email: yohan.park@tamu.edu.

Do remittances increase domestic terrorism? The recent growth of work on remittances, defined as the money that migrants send to their home states, reflects their importance to economic and political outcomes within many developing countries. Indeed, Escribà-Folch, Meseguer and Wright (2018) note that as of 2015, remittances accounted for hundreds of billions of dollars flowing into developing countries, lagging only foreign direct investment in this respect. While a growing body of research shows that remittances definitely affect various forms of political activity/violence, such as protests, civil conflict, and terrorism, the overall trends remain unclear.

Specifically, competing expectations and results are rife in the literature connecting remittances to political actions/violence. On the one hand, remittances, as a non-labor income like foreign aid, are expected to stabilize governments (Ahmed 2012), build economies, and reduce incentives to engage in violence (including terrorism) against the state (Regan and Frank 2014). On the other hand, remittances are external sources of income that largely accrue to households, which may undermine incumbent support. This reduced support can lead to democratization in authoritarian regimes (Escribà-Folch, Meseguer and Wright 2015) or an increase in the overall likelihood of intrastate violence (Elu and Price 2012; Mascarenhas and Sandler 2014; Miller and Ritter 2014).

In this paper, we reconcile these competing expectations by examining how regime type affects the relationship between remittances and domestic terrorism. We argue that remittances can lead to either more or less terrorism depending on the available outlets for non-violent political expression. Remittances allow groups to build their resource pool, and as such they can increase political activities regardless of regime type (Brady, Verba and Schlozman 1995). However, whether this increased activity results in more violence (terrorism) or not (peaceful/legitimate politics), will depend on the availability and accessibility of legitimate political institutions. While we draw on range of work that applies to various forms of political violence (e.g. riots and protests), our focus is on domestic terrorism. We adopt this focus because terrorism is one of the most significant and devastating forms of political violence. However, little is known about how something as important and prevalent as remittances affects domestic terrorism; we fill this gap.

Within democracies, we start with the common observation that terrorist groups would prefer to use peaceful, legitimate politics over relatively ineffective violent tactics (Dekmejian 2007; Kydd and Walter 2002, 2006; Pape 2003). In weighing the costs needed to succeed at legitimate politics versus the cheapness of terrorism, we suspect that when resources are low (i.e., small levels of remit-

tances) terrorism will be an attractive option for political expression. However, as resources grow (i.e., remittances increase) peaceful politics becomes increasingly attractive and domestic terrorism will decline. This understanding of the trade-off between terrorism and peaceful politics builds on the rich tradition of "political access" theories of terrorism, which has found that enhancing access to peaceful politics tends to reduce domestic terrorism (Aksoy and Carter 2014; Wade and Reiter 2007; Walsh and Piazza 2010). Recently, there has been some push-back to these political access theories. Notably, Foster, Braithwaite and Sobek (2013) find that the presence of accessible institutions is insufficient to alleviate domestic terrorism within democracies, as groups frequently lack the resources to enact policy changes through accessible institutions. However, by focusing on remittances, which vary both within and across states, we provide a new resource-based mechanism to explain differences in domestic terrorism within democracies and across regime types.

Within autocracies, however, we expect the opposite effect. Few, if any, institutional outlets for effective political opposition exist within most autocratic states regardless of a group's resources. This environment makes relatively ineffective, but available, options like terrorism more attractive. As remittances increase to these countries, we still expect an increase in political activity, but in the form of terrorism. This understanding reflects the general scholarly consensus and conventional wisdom about the relationship between remittances and terrorism (as in Mascarenhas and Sandler 2014).

By considering the conditional effect of regime type, we contribute to the study of domestic terrorism by looking at how the relationship between remittances and domestic terrorism changes across democracies and autocracies. We do this by considering an interaction model that estimates how the marginal effect of remittances is different within democracies and autocracies. Within autocracies, we find that a 100 USD/person increase in remittances is associated with an average of about 2.5 additional domestic terrorist attacks within a given year, while in democracies we see an average decrease of nearly 3 domestic terrorist attacks for the same increase in remittances. The differences across regimes are robust to different measurements and modeling strategies. Overall, our findings suggest that there is a significant relationship between terrorism and remittances, but whether that relationship is positive or negative depends on regime type.

Of course, many factors affect the flows of remittances and how migrants use them, and are many possible competing explanations for why remittances are associated with more terrorism

in autocracies, but less terrorism in democracies. Indeed, the connection between remittances, political access, and terrorism that we highlight is almost certainly just one of many pathways through which remittances can affect politics. In order to better highlight the political mechanisms of interest, we conduct several additional tests. First, we demonstrate that the within-democracy trend is driven by the competitive aspects of democracy, rather than the constraints it places on leaders. Second, we show that democratic effect is most pronounced in proportional representation systems, where the costs of entry into legitimate politics are lower than in majoritarian systems. Third, we demonstrate a relationship between remittances and opposition party vote shares within democracies. These three mechanism tests highlight some key components that we believe explain why remittances reduce terrorism in some states but not others.

These results contribute to a growing literature that examines how a country's internal political institutions affect domestic terrorism (Aksoy 2014; Aksoy and Carter 2014; Crisman-Cox 2018; Wade and Reiter 2007; Walsh and Piazza 2010) and have important policy implications. Specifically, we show that liberal political institutions lead to remittances having a pacifying effect on domestic terrorism. We also contribute to the growing literature that looks at how the effects of remittances vary across regime types or other political institutions. Past work has largely focused on non-violent outcomes when assessing the heterogeneous effects of remittances. Notably, Tyburski (2014) finds that remittances tend to exacerbate corruption within autocracies, while improving anti-corruption behavior within democracies. Likewise, Catrinescu et al. (2009) and Easton and Montinola (2017) find that remittances can have disparate effects on growth and public spending based on the presence of certain political institutions. Escribà-Folch, Meseguer and Wright (2018) apply this logic to the link between remittances and protests by focusing on local regime-support as the mitigating political variable. Our focus on domestic terrorism builds on these previous studies and their focus on political institutions as a mediating variable for the effects that remittances have on political and economic outcomes.

1 Remittances and political violence

Little work explicitly links remittances to domestic terrorism, but a broad literature suggests that remittances facilitate various forms of political activity, which can include terrorism. Remittances tend to benefit both peaceful and violent opposition groups by weakening ties between citizens and

the regime. Loosening these ties makes donations to anti-regime groups more likely as individuals become willing and able to express their values, ideologies, or political goals. These shifts build and strengthen the organizational capacity of anti-government groups (Escribà-Folch, Meseguer and Wright 2015; O'Mahony 2013; Pfutze 2014; Piazza 2018). Additionally, emigrants often share and discuss the economic and political conditions of their new location with friends or relatives back home. As Miller and Ritter (2014) note, this communication may highlight relative deprivation within the home country, increase grievances against the incumbent, and raise support for opposition groups (including terrorist groups). This support can take many forms, such as joining a protest or terrorist group or donating (remittance) money. Remittances can be sent either directly to groups, or, more commonly, are spent by individual recipients in ways that benefit a group, such as indirect donations through charities or spending at friendly businesses (Freeman 2011, 469-470).

Turning to domestic terrorist groups, it is well known that successful groups often rely on local populations for legitimacy, support, and financing (Kydd and Walter 2006), and remittances provide locals with more resources that they can invest in groups. Indeed, scholars who look specifically at terrorist funding frequently describe remittances as a key financial resource for terrorists, as individuals convert their income into violent political action (Clarke 2015; Freeman 2011; Passas and Maimbo 2008). However, the overall evidence linking remittances to levels of terrorism has been relatively scant, with only a few studies showing any connection between remittances and terrorist group survival or attacks (e.g. Elu and Price 2012; Mascarenhas and Sandler 2014).

1.1 Remittances and terrorist attacks in democracies

While recent work and conventional wisdom suggest a link between remittances and increased domestic terrorism (e.g., Mascarenhas and Sandler 2014), it is unclear that terrorism is the best political use for these incoming resources. Specifically, while terrorism may be an appealing political outlet within some states, in other states a group's political goals may be better served by working within the system. In seminal work, Crenshaw (1981) argues that terrorism is an attractive political tool primarily in situations where actors lack the opportunities to express or address their grievances through peaceful means. This political access argument can be found across a range of work on democracy and terrorism, which has found that democracies with more permissive electoral institutions have fewer terrorist groups, fewer instances of political violence or terrorist attacks,

and a lower likelihood of terrorist group formation (Aksoy and Carter 2014; Powell 1982).

These points are supported by Abrahms (2007) and Richardson (2006) who argue that many instances of terrorism are best understood as an alternative to legitimate, peaceful politics. Continuing these arguments, Walsh and Piazza (2010) conclude that a combination of liberal institutions and constraints on harsh counterterrorism policies make democracies less prone to terrorism than other regime types because there are better outlets for political engagement. Additionally, theoretical work by Bueno de Mesquita (2008) demonstrates that institutional openness can lead to a decrease in terrorist group recruitment and mobilization efforts. Recent empirical work supports this understanding; Gleditsch and Polo (2016) and Ghatak, Gold and Prins (2019) find strong links between increased domestic terrorism and ethnic/minority political exclusion. In contrast, when individuals or groups find themselves shut out of political institutions, terrorism becomes an attractive means to influence politics.

This exclusion argument also matches several of the best known cases of domestic terrorism within democracies. In the case of Northern Ireland, the Provisional Irish Republican Army (PIRA) became a major actor in the late 1960s in response to decades of economic and political discrimination against the Catholic population. In the face of this exclusion, the PIRA offered a political outlet for Republican expression that was not feasible through legitimate channels at the time. Likewise, the Tupamaros in Uruguay acted as a far-left guerrilla group in 1960s and 1970s, before transitioning into a political party after the collapse of military dictatorship and beginning of democracy in mid-1980s (Weinberg and Eubank 1990).[1] Similar stories that relate political exclusions to domestic terrorism can be found for Tamils in Sri Lanka and the rural poor in Peru in the form of the Tamil Tigers and Shining Path, respectively (Dekmejian 2007, 43-4, 50-1).

However, just because institutional political access is available, does not mean that it is always feasible. To achieve their political goals in legitimate ways, groups need to organize and obtain representation through elections. These processes require resources, which make it difficult for marginalized groups to effectively engage in party politics (Tavits 2008). In addition, fundraising abilities and campaign spending are positively associated with electoral success, with many scholars noting that poor fundraising makes it increasingly difficult for groups to achieve their desired

[1]This is a similar trajectory to Hezbollah in Lebanon, where the group transitions from only using terrorism to a combined terrorist and electoral strategy when elections became available.

outcome through elections (e.g., Shin et al. 2005). This lack of resources and capability means that many marginalized groups remain poorly represented in democracies and fail to draw public attention to their grievances. The barriers to enter legitimate politics constrain *de facto* opportunities for them to participate in politics and thus encourage them to express their voices through violence, even when democratic institutions provide them with *de jure* opportunities.

This split between access and ability to affect change is highlighted by Foster, Braithwaite and Sobek (2013), who argue against political access theories of domestic terrorism by noting that marginalized groups struggle to have a political impact even when institutions are open. Specifically, they argue that more representative governments can actually increase domestic terrorism when the underlying society is very fractionalized. Within highly fractionalized societies, expansive political access can further marginalize the smallest and politically weakest groups by diluting their influence through forcing them to compete against too many other political actors. This access effectively locks them out of the political process despite their presence in it.

Remittances can help such groups overcome these barriers to enter and succeed at legitimate politics. As additional funding sources, remittances allow them to increase their organizational capacity (Burgess 2014; O'Mahony 2013). In particular, the external funding can make a group more competitive in elections, as relatively small increases in campaign spending can be particularly helpful for non-incumbent parties (Moon 2006). As such, the probability that groups can meaningfully participate and affect legitimate politics will increase as more external funding, such as remittances, becomes available.[2]

As institutional politics becomes more feasible, terrorism may become a less attractive political tool. After all, terrorism is an overall ineffective tool for obtaining meaningful policy changes (Fortna 2015; Jones and Libicki 2008), and thus switching to legitimate outlets makes sense so

[2]A competing line of thought comes from **?** who find that remittances can reduce voter turn out, while simultaneously boosting other forms of political engagement like contacting elected officials and protesting. However, their measure of remittances is an indicator for whether a particular household received any remittances. This binary scale makes it difficult to know whether the remittances represent essential sustenance income or excess income to invest in politics. This distinction matters as we suspect that only the latter will produce the effect we describe here. Likewise, these past works include countries where political efficacy is low (e.g., participatory anocracies), where our expectations are inherently unclear. Still others have found that remittances can have mixed effect on turnout (e.g., Pfutze 2014).

long as groups have the resources to compete effectively. Additionally, opposition groups are better protected from adverse policies when they have access to and participate in the official decision-making processes (Alonso and Ruiz-Rufino 2007; Saideman et al. 2002).

Overall, these relationships between resources and political access lead us to expect that remittances will decrease the incidence of domestic terrorist attacks within democracies. As an external funding source, remittances help groups strengthen their organizational capacity and thus increase the probability that they can address their grievances through the electoral process. This process can occur either by terrorist groups adjusting their tactics and promoting their political wings (if available) or by individuals reallocating their donations to political groups that are seen as more viable as remittances increase. As Weinberg (1991) notes, a primary motivation for terrorism stems from a gap between a group's goals and the perceived prospect of achieving these goals. Remittances help reduce this gap by increasing the group's ability to engage in legitimate politics and leads to our first hypothesis.

Hypothesis 1. *Within democracies, an increase in remittances will be associated with a decrease in the average number of domestic terrorist attacks.*

Returning to the PIRA example, some aspects of the case are consistent with this logic. Early in the conflict, the PIRA largely drew resources from the local, economically and politically disadvantaged Catholic population, and Republicans found violence to be the only reasonable outlet for their political message. However, with the growth of organizations like the Irish Northern Aid Committee (NORAID), which funneled money from Irish immigrants in the United States to Northern Ireland, the PIRA's resource base grew dramatically (Wilson 1994).

As resources grew, Republicans experimented with legitimate politics more, and the allocation of resources within the Republican movement shifted to match. Notably, as funds grew throughout the 1980s, Sinn Fein, the PIRA's political wing, withdrew its prohibition on contesting elections, and there was a growing acceptance among Republican leadership that engaging in elections had to be a key component of their strategy.[3] Over this time, the violent campaign waged by the

[3]Some guesses place the PIRA's income in 1978 and 1990 at about 1 and 5 million GBP, respectively (Horgan and Taylor 1999). A five-fold increase over the decade. Likewise, many of the same people handled finances for both Sinn Fein and the PIRA (Horgan and Taylor 2003), and thus the monetary distribution between terrorism and electoral politics was subject to at least some central planning.

PIRA became increasing controlled and subordinate to Republican electoral ambitions (Neumann 2005, 964). Given that the internal decisions of terrorist groups are largely unknown, it is difficult to say how much we can ascribe the PIRA fundraising success to their transition to the dual strategy of armed struggle and political engagement. For example, the attention brought on by the hunger strikes of the early 1980s appears to have been key to both increased funding and the decision to engage in more legitimate politics. However, this simplified timeline highlights some key mechanisms laid out above. Specifically, when they were unable to effectively compete in elections (by discrimination and lack of resources), Republican strategy overwhelmingly favored violence over legitimate politics. As resources increased, more effort was channeled into electoral politics, which was regarded as more effective way at advancing Republican policy goals (conditional on having the resources to compete).

Note that in the PIRA example, it is the overarching Republican leadership making the shift to more electoral engagement and allocating their growing resources accordingly. In this particular case, the overlap between the PIRA and Sinn Fein means that money moves to the same people who make allocation decisions. However, the reasoning still holds if it is instead individual remittance recipients deciding to donate money differently as remittances increase. When remittances are low, violent engagement still provides a cheap (if ineffective) way to engage in politics; as remittances increase, donations to political parties may become more attractive to individual donors.

1.2 Remittances and terrorist attacks in authoritarian regimes

Remittances may help groups enhance their organizational capacity and promote their political activity within non-democracies too. Material support from a diaspora or other community living abroad is generally known to augment resources of opposition groups (Asal, Conrad and White 2014, 952; Piazza 2018). Following resource models of political engagement (e.g. Brady, Verba and Schlozman 1995), we expect that more resources lead to increased political activity. From this point of view, remittances to both democracies and autocracies are designed to be a form of "political investment" by external actors (Escribà-Folch, Meseguer and Wright 2018; O'Mahony 2013).

Building on this political investment argument, past work finds that within autocracies, remittances can diminish citizens' reliance on the state's public spending (Adida and Girod 2011) and loosen the clientelistic ties between citizens and the regime (Escribà-Folch, Meseguer and Wright

2015, 2018). This effect is sometimes referred to as a liberating effect, wherein citizens become less economically dependent on the regime and more willing to invest in their own political preferences and ideological goals. This effect implies that remittances can undermine regime support and facilitate an opposition group's political mobilization.[4] However, within autocracies, these increases in political ability may not easily translate into increased participation in institutional politics.

Because most authoritarian regimes provide few, if any, institutional channels for political change, the liberating effect of remittances means that regime opponents are more likely to express their views through unconventional political activity. Indeed, political protests become more likely in non-democracies as the inflow of remittances grows, implying that opposition groups with external funding sources enhance their mobilization capacity and express their grievances outside available within-state political institutions (Escribà-Folch, Meseguer and Wright 2018). Violent mobilization is also more likely when the regime blocks opportunities for non-violent mobilization or legitimate participation in the political process (Asal, Conrad and White 2014; Cunningham et al. 2017). Remittances can thus be used to promote violent politics like terrorism.

Indeed, terrorism can be a very attractive non-institutional option, when there are few opportunities to address grievances legitimately. In these cases, groups can pursue policy changes through terrorism. This explanation matches arguments by Aksoy, Carter and Wright (2012) who show that terrorist groups are more likely to emerge in non-democracies without an official political arena (e.g. a competitive legislature). An increase in terrorist attacks can be thus a possible consequence of the increase in remittances within non-democracies where opposition groups cannot

[4]Despite the possibility that remittances promote domestic political competition, most authoritarian regimes are reluctant to regulate remittance inflows as they also find it beneficial to receive migrants' remittances. Remittances serve as external income for households in many developing countries, thus alleviating poverty and promoting consumption and investment (Adida and Girod 2011). Moreover, remittances may mitigate the governments' burden for public spending. As remittances enable households to get public services on their own which should be otherwise provided by the governments, authoritarian leaders can divert resources to private goods such as patronage spending (Adida and Girod 2011; Ahmed 2012). Regulating remittances can also have side effects. For example, remittances are often non-taxable because taxing remittances can induce remitters to evade formal controls and use informal channels (Eckstein 2010). Rather, authoritarian governments have focused on making policies to redirect remittances from private channels into public domain in which governments can monitor the flows, thereby encouraging remitters to contribute to the home country's economic development (Hansen 2012).

access the political process through non-violent, institutional means.

Additionally, the institutional variation across non-democracies has been found to be a significant predictor of within-autocracy terrorism. Specifically, Wilson and Piazza (2013) find that party-based autocracies experience less terrorism than other types of autocracies. This difference emerges, they argue, because the party system allows some room for opposition groups to coerce or co-opt the peaceful political institutions. In other words, when groups have a small non-violent outlet to address policy goals, they adopt it as a substitute for violence. In contrast, the most closed autocratic systems (military regimes) have higher rates of domestic terrorism.

The above suggests that groups are more willing to exert themselves as their capacity grows. Remittances increase capacity and thus encourage more political action. Authoritarian regimes, however, offer few institutional outlets for groups to pursue peaceful policy changes. Therefore, groups will use more terrorism as it is one of the few feasible options. As such, we expect that an increase in remittances will enhance both the ability and desire to commit terrorism within autocracies.

Hypothesis 2. *Within autocracies, an increase in remittances will be associated with an increase the average number of domestic terrorist attacks.*

As an alternative to the above hypotheses, there is a large body of work finding that terrorist attacks are, in general, more prevalent in democracies. Human rights and civil rights protection often make it difficult for governments to repress those conducting terrorist activities and thus help discontented people more easily recruit and operate terrorist organizations in liberal societies (Chenoweth 2013; Li 2005). In addition, a free press can serve to amplify an attack, making democracies a more attractive target, as terrorist groups aim to intimidate a larger audience within society and foster social pressures for policy changes (Enders and Sandler 2012; Mascarenhas and Sandler 2014). As such, we may find that remittances have either the same effects across regimes or that they lead to even more violence within democracies.

2 Data and methods

The main dependent variable comes from the Global Terrorism Database (GTD), where we count the number of domestic terrorist attacks within a given country-year. To identify domestic attacks we use a relatively new variable within the GTD that records whether the perpetrator nationality

matches the attack location. While this is not the only way to identify domestic terrorism it correlates very highly with other efforts to code only domestic attacks and has enjoyed increased use in recent years (e.g. Davis and Zhang 2019).[5]

Our primary independent variables are remittances and regime type. As O'Mahony (2013) notes, the ideal data would distinguish among politically motivated remittances and be able to pinpoint the exact actors receiving them. Unfortunately, such detailed remittance data do not exist. Following her and others, we rely on remittance data from the World Bank's World Development Indicators (WDI). However, she demonstrates that distinctly political attributes of remittances are captured these aggregate level data. For example, even at the aggregate level remittances rise in response to and affect elections (2013, 812-820).

Following Escribà-Folch, Meseguer and Wright (2015), we focus on per capita remittances (in hundreds of 2010 U.S. dollars per person) received by a particular country in a given year. As they point out, this measure is preferred to remittances as a percentage of GDP when we want to separately identify the effect of increased remittances and the effect of GDP growth (2015, 577). For example, sustained GDP growth would decrease the value of remittances as a percentage of GDP while (perhaps) simultaneously making terrorism against the state less attractive (either because of reduced grievances or increased job opportunities/wages). As they point out, such a setup makes identifying the effect of remittances increasingly tricky and increases the chance of spurious correlations. We consider an alternative approach based on remittances as a share of GDP in the online appendix.[6]

Regime types are measured using polity2 scores, where for ease of interpretation we construct regime-type dummies for democracy (polity2 ≥ 7) and anocracy (polity2 $\in (-6, 6)$). This leaves autocracy (polity2 ≤ -7) as the reference category across all the models. We interact the democracy and anocracy dummies with remittances, which means that the baseline coefficient on remittances

[5]Formerly, the most commonly used data project for identifying domestic terrorism in the GTD was Enders, Sandler and Gaibulloev (2011), but those data end in 2007. Our approach correlates with their data at 0.86 for the overlapping years. As a robustness check, we also test our hypotheses with their data in the online appendix. Additionally, we linearly interpolate missing terrorism data in 1993.

[6]We also check various transformations of the remittances per capita measure, including logged, square root, and quadratic detrending. The untransformed variable has the best model fit in terms of AIC and as such we report that in the main text. The signs and significance of the main results largely hold under the various transformations.

reflects the effect that remittances have within autocracies. The dummy variable setup also accommodates recent findings that there tends to be more terrorism in anocratic regimes and that a linear democracy measure may be inappropriate for studying domestic terrorism (Gaibulloev, Piazza and Sandler 2017).[7] Enough institutional variation exists across anocracies that it is thoroughly unclear what effect we would expect remittances to have within these states. Further, our primary interest is on the differences between democracies (open, competitive institutions) and autocracies (closed, uncompetitive institutions), which makes anocracies an absolutely important, but not inherently interesting, control variable.

Our baseline model also includes a host of standard control variables. To proxy for the state's ability to fight terrorism we include logged measures of military personnel and GDP per capita from the Correlates of War's National Materials and Capabilities (NMC) index and WDI, respectively. We also include standard controls for logged population and economic growth from the WDI. Additionally, terrorism is long thought to be associated with media coverage, which is definitely related to the main treatment of democracy, and as such we include a dummy variable for a free press based on Li (2005) with missing values filled-in using Freedom House data.

Additionally, we also consider models that included the number of domestic terrorist attacks in the previous year and for the number of ongoing civil conflicts. Both of these variables are very likely to affect the amount of ongoing terrorism within a country. To code an ongoing civil conflict we count the number of active internal conflict as recorded by the Uppsala Conflict Data program. We also consider models with year fixed-effects to account for changes in the international security dynamics. For example, it is often noted that global terrorism levels declined after the Cold War (e.g. Li 2005), the time dummies prior to the 1990s will account for this shift.

Following almost all past work on terrorist attacks, we use negative binomial regression to model the number of domestic terrorist attacks. Additionally, we employ country fixed effects in all models to account for any country-level heterogeneity that affects the baseline level of domestic terrorism within each country.[8] The main independent variables and controls are lagged one year

[7]We also consider alternative measurements based on the V-Dem dataset and a quadratic polity score in the online appendix.

[8]These country dummies account for any (observable and unobservable) time-invariant factors that explain why any given country experiences more or less domestic terrorism than another and provide important credibility to

to reduce concerns about reverse causation or simultaneity bias. Overall, we have an unbalanced panel that consists of 106 countries from the years 1971-2013.[9] Summary statistics are reported in Table 1.

Table 1: Summary statistics for main variables

Variable	Min	Mean	St. Dev.	Max	Source/Measurement
Domestic attacks	0.00	13.23	45.20	570.00	GTD
Remittances per capita	0.00	0.98	1.69	15.96	World Bank
Democracy	0.00	0.45	0.50	1.00	Polity IV
Anocracy	0.00	0.37	0.48	1.00	Polity IV
Mil. per. pc (logged)	0.00	0.36	0.28	1.89	COW-NMC
Population (logged)	12.79	16.51	1.50	21.02	World Bank
Economic growth	−50.25	3.87	4.74	35.22	World Bank
GDP per capita (logged)	4.90	8.18	1.53	11.24	World Bank
Free press	0.00	0.36	0.48	1.00	Li (2005)/Freedom House
# of ongoing civil conflicts	0.00	0.30	0.70	6.00	UCDP

3 Results

Estimates from main models are reported in Table 2. Across all four models we see that the coefficients on remittances and the coefficients on the interaction between remittances and democracy are statistically significant. The former reflects the effect of remittances within autocracies (when democracy and anocracy both equal 0). Here, the effect is positive and significant at conventional levels across the four specifications. These results offer support for Hypothesis 2; within autocracies an increase in remittances is associated with an increase in the average number of domestic terrorist attacks, holding all the other covariates constant.

The interaction coefficient for democracy and remittances tells us that remittances have different effects in democracy and autocracies. However, what we are really interested in is the combined estimate of $\hat{\beta}_{\text{Remittances}} + \hat{\beta}_{\text{Remittances} \times \text{Democracy}}$. Across the four models in Table 2 this combined estimate is negative and statistically significant at conventional levels, which supports Hypothesis 1. Overall, this result means that not only does the effect of remittances change with regime type, but the conditional effect is such that remittances have *opposite* effects based on regime type.

regression results based on time-series-cross-sectional data.

[9] Countries that never experience terrorism are not included as the maximum likelihood estimate of their country-specific constant is $-\infty$. We also consider pooled, random effects, and a correlated random effects estimator (as in Crisman-Cox 2021) in the online appendix, which all allow for these all-zero countries to be included.

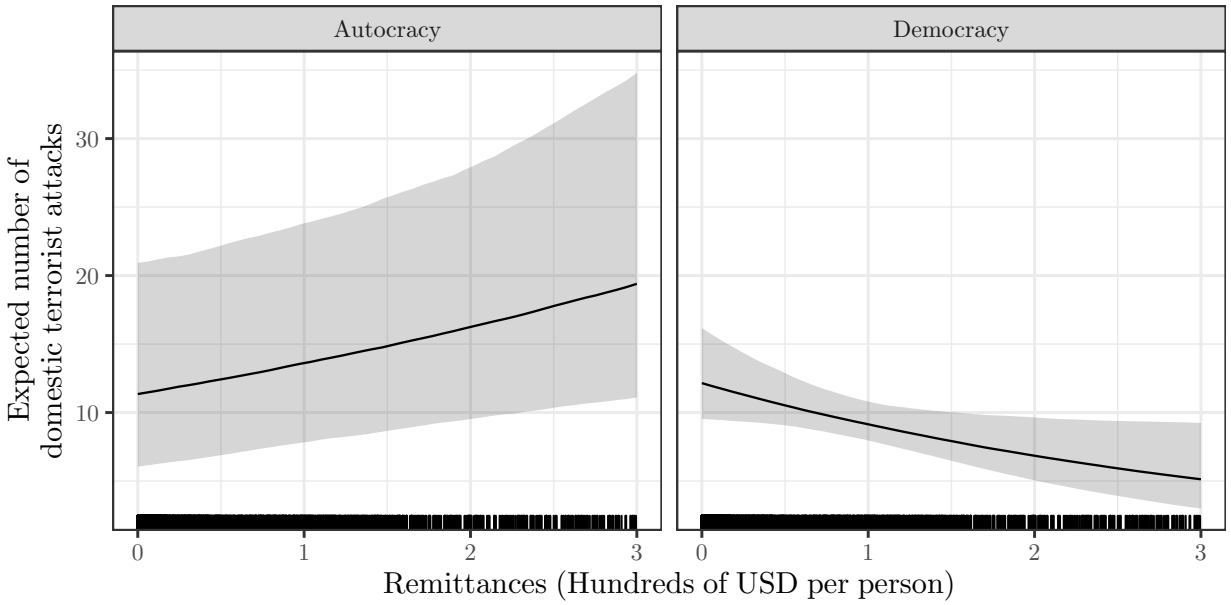
Table 2: Regression results for the conditional effect of remittances on domestic terrorism

	Dependent variable:			
	Domestic terrorist attacks			
	(1)	(2)	(3)	(4)
Remittances	0.21**	0.18**	0.19**	0.18**
	(0.07)	(0.09)	(0.07)	(0.07)
Remittances × Democracy	−0.52**	−0.47**	−0.47**	−0.42**
	(0.15)	(0.13)	(0.12)	(0.11)
Remittances × Anocracy	−0.15	−0.31**	−0.29**	−0.26**
	(0.10)	(0.10)	(0.09)	(0.09)
Democracy	−0.17	0.08	0.36	0.33
	(0.36)	(0.33)	(0.29)	(0.28)
Anocracy	0.97**	1.27**	1.25**	1.16**
	(0.28)	(0.31)	(0.26)	(0.26)
Military personnel	3.12**	1.91**	1.82**	1.38**
	(0.64)	(0.64)	(0.55)	(0.57)
Population	1.38**	4.08**	3.62**	2.80**
	(0.50)	(0.99)	(0.88)	(0.82)
GDP growth	−0.04**	−0.03**	−0.02*	−0.01
	(0.01)	(0.01)	(0.01)	(0.01)
GDP per capita	−0.31	0.99**	0.78*	0.67
	(0.39)	(0.49)	(0.42)	(0.42)
Free Press	0.46**	0.12	0.34*	0.34*
	(0.21)	(0.21)	(0.19)	(0.18)
# of ongoing civil conflicts			1.12**	0.82**
			(0.15)	(0.13)
Lag attacks				0.01**
				(0.001)
$\hat{\beta}_{\text{Remittances}} + \hat{\beta}_{\text{Remittances} \times \text{Democracy}}$	−0.31**	−0.29**	−0.28**	−0.24**
	(0.14)	(0.13)	(0.12)	(0.11)
Country Fixed Effects	Yes	Yes	Yes	Yes
Year Fixed Effects	No	Yes	Yes	Yes
Observations	3,127	3,127	3,127	3,127
Log Likelihood	-6,046.87	-5,899.73	-5,799.78	-5,737.92
θ	0.39	0.48	0.55	0.61

*$p < 0.1$, **$p < 0.05$. Coefficients from negative binomial models. Standard errors in parentheses clustered on country.

As mentioned above, we do not focus on anocracies here (they are an important control variable, but theoretical expectations are unclear). However, there are a few interesting things to point out. First, we find that, holding everything else constant, anocracies have a higher baseline rate of domestic terrorism than democracies and autocracies. This finding matches results from Gaibul-

Figure 1: Expected number domestic terrorist attacks by remittances and regime (Model 2)



Caption: Shaded areas represent 95% confidence intervals from a parametric bootstrap. The changes from moving from 0 to 100 USD/person are statistically significant at the 0.05 level in both regimes and roughly match the effect sizes reported in Table 3.

loev, Piazza and Sandler (2017) and provides some face validity to the models. Second, across these models the combined estimate $\hat{\beta}_{\text{Remittances}} + \hat{\beta}_{\text{Remittances} \times \text{ Anocracy}}$ is not distinguishable from zero. This null result is not unexpected as access to legitimate politics is mixed within the set of anocracies, making the effect of remittances difficult to pin down within these states and further demonstrating the limited interest of this relevant control variable.

While identifying the direction of these differing trends is of interest, we are also interested in how different the effect of remittances is across regime types. We explore this in two different ways using the two-way fixed effects estimates from Model 2. The first is to graph the expected number of terrorist attacks as a function of remittances for both autocracies and democracies holding all the other variables fixed at a mean or median value to create an "average case." These results are presented in Figure 1.

The first thing we note in Figure 1 is that the trend lines are moving in opposite directions. As the level of remittances climbs from 0 to 300 USD/person we see that expected number of terrorist attacks within an autocracy is rises by an average of just under 10 attacks per year, although this is a very noisy estimate with large confidence intervals. Given the damage and destruction associated

Table 3: Average marginal effect of remittances on domestic terrorist attacks (Model 2)

	Autocracy	Democracy
Change in attacks	2.53	−2.85
	(0.32, 5.46)	(−5.57, −0.29)

95% confidence intervals from a parametric bootstrap in parentheses.

with a single attack, increases of this magnitude represent substantial change. In contrast, the same increase in remittances across democracies results in a decrease of about 7 fewer attacks; an effect that is much more precisely estimated. Interestingly, at the lowest levels of remittances, democracies experience more terrorist attacks on average than autocracies, but as remittances increase, we see that democracies experience fewer attacks on average.

The second way to explore the differences across regime types is to consider the average marginal effect (AME). We estimate the marginal effect of a 100 USD/per person increase for each individual observation in the data and then compute the average. The advantage of this observed values approach over the average case approach used in Figure 1 is that it includes the information from all the individual cases in the data rather than relying on a made-up "average case." The estimated AMEs for each regime type are reported in Table 3. For each additional 100 USD/per person in remittances sent to autocracies we see an average increase of 2.5 domestic terrorist attacks, holding the other covariates fixed to their observed values. In contrast, within democracies an additional 100 USD/person in remittances is associated with an average decrease of about 2.9 attacks, holding the other covariates fixed to their observed values. These two marginal trends roughly match the increases shown in Figure 1.

Overall, these differing trends support the hypotheses laid out above. The relationship between democracy and terrorism has a long scholarly history, with many arguments to support both sides of the conjecture that democracies may be more or less likely to experience terrorism than other regime types. Political access theories maintain that democracies should be less susceptible to terrorism because they provide more non-violent outlets for addressing policy goals, but this line of thought has been questioned in recent years, with Foster, Braithwaite and Sobek (2013) arguing that accessible institutions in and of themselves do not reduce the incidence of terrorism within democracies. However, we find new support to political access theories of terrorism by focusing on how resources can allow groups to be effective at using accessible political institutions that accounts

for their critique. Remittances can help would-be terrorists transition to legitimate politics in places where these institutions exist. Without these resources, groups may find violence to be more effective for expressing their politics. This finding supports several recent studies on domestic terrorism (e.g. Aksoy and Carter 2014; Wade and Reiter 2007), which increasingly suggests that improved access to legitimate politics will decrease the incidence of domestic terrorism. We build on these studies by highlighting the importance of resources in using these institutions. Furthermore, our results provide a new mechanism for this line of thought where remittances can have a pacifying effect when they bolster a group's ability to participate in legitimate politics.

Additionally, these results align with past work finding a violent effect of remittances, and provide some important face validity. Past work on civil conflict has suggested that financial support from migrant diaspora increases the likelihood that rebel groups mobilize and engage in violent insurgencies (e.g. Miller and Ritter 2014; Salehyan 2007) and terrorism (Mascarenhas and Sandler 2014). Further, this relationship matches qualitative studies that consider the effect of remittances in specific intrastate disputes such as Kosovo and Somalia (Adamson 2006; Horst 2008). However, where we differ from past works is that we *only* find this trend within autocratic regimes. This split result contributes to a wider body of literature that focuses on how political institutions, like regime type, mediate the effects that remittances have on economic growth (Catrinescu et al. 2009) and corruption (Tyburski 2014).

3.1 Exploring the mechanisms

Having established that remittances have different effects on the incidence of domestic terrorism across regime types, we now want to further explore the mechanism we proposed to explain these trends. Specifically, we argue that the competitive aspects of democracy and the openness of the political system are what lead to remittances having a pacifying effect on domestic terrorism. To better highlight this mechanism we adjust Model 2 to focus on the competitive aspects of democracy. Instead of looking at democracy and anocracy dummies, we first consider the competitiveness of executive recruitment within each state, measured on a 0-3 scale.[10] We use this variable as a proxy

[10]We recode the competition variable to better match how it maps into polity scores, specifically we switch levels 0 and 1 such that 0 now reflects a closed system (polity score decreases toward -10) and 1 reflects a poorly regulated system (does not enter a state's polity score in either direction). Levels 2 and 3 still reflect increasing competition (polity score increases toward 10). This rearranging means that the average, minimum, and maximum polity2 scores

for access to and ability to succeed at legitimate politics.

Additionally, we consider a model that includes both competition and the polity variable for executive constraints on a 0-6 scale.[11] The constraints variable is included to highlight our lack of theoretical expectation about the interaction between remittances and constraints. Including them in a combined model allows us to see which of these two aspects of democracy acts as the conditioning variable. In this sense the constraints variable acts as a type of placebo test where we just want to be sure that the interaction between remittances and competition is still negative and statistically significant even when other aspects of democracy are introduced. The results are presented in Table 4.[12]

Some interesting results appear in this table. First, in the true autocracies (executives are selected without elections; the competition variable is 0) we see that an increase in per capita remittances is still associated with an increase in domestic terrorist attacks. Second, the pacifying effect still emerges in more democratic states. In states that are competitive or in a transition to competitive (levels 2-3), the combined regression coefficients from Model 5 are negative, and in the case of competitive states, the result is statistically significant. Third, when we add in the executive constraints variable, which reflects a notably different aspect of democracy, the relationships from Model 5 remain intact. Once again we find that remittances are associated with more domestic terrorism in noncompetitive states, while in the most competitive states remittances are associated with less domestic terrorism. These results provide support for our proposed mechanism, which is that the competitive aspects of democracy are the main pathway that conditions the effect that remittances have on domestic terrorism. Additionally, this mechanism is supported by results from O'Mahony (2013) who finds that remittances within democracies tend to increase as elections draw near.

We can continue to explore the underlying mechanisms by considering some of the relation-

are increasing across the four levels.

[11] We subtract 1 from the original 1-7 constraint coding so that the coefficient on remittances is still reflects the effect in the truest autocracies (i.e., competition and constraints are both zero).

[12] Colinearity may be a concern in the encompassing model as the constraints and competition variables correlate at about 0.85. An alternative approach to testing the competition mechanism is to consider a model with only executive constraints and compare it against the competition-only model. The competition model has a better AIC than the constraints model, and a Vuong test provides suggestive evidence that the competition model is preferred.

Table 4: Exploring the political competition mechanism

	Dependent variable:	
	Domestic terrorist attacks	
	(5)	(6)
Remittances	0.19*	0.19
	(0.10)	(0.15)
Remittances × Executive Competition	−0.18**	−0.30**
	(0.05)	(0.11)
Remittances × Executive Constraints		0.07
		(0.06)
Executive Compeititon	−0.04	−0.08
	(0.12)	(0.18)
Executive Constraints		0.06
		(0.10)
Military personnel	2.24**	2.23**
	(0.74)	(0.74)
Population	4.78**	4.78**
	(1.11)	(1.11)
GDP Growth	−0.02*	−0.02*
	(0.01)	(0.01)
GDP per capita	0.96*	0.98*
	(0.52)	(0.52)
Free Press	0.004	−0.05
	(0.23)	(0.24)
Country Fixed Effects	Yes	Yes
Year Fixed Effects	Yes	Yes
Observations	3,040	3,040
Log Likelihood	-5,706.00	-5,702.15
θ	0.45	0.46

*$p < 0.1$, **$p < 0.05$. Coefficients from negative binomial models. Standard errors in parentheses, clustered on country. A linear hypothesis test does not reject the null that the two additional parameters in Model 6 are both 0.

ships that connect remittances, democratic competition, and domestic terrorism. As mentioned, O'Mahony (2013) demonstrates a link between remittances and election timing and finds that remittances flows rise during campaign seasons. This result provides us with a baseline that we build on here. Specifically, we consider two additional regressions that focus only on strong and weak democracies.[13] In the first, we fit a negative binomial model that looks at how remittances affect

[13]To retain more observations, we follow Crisman-Cox (2018) and slightly expand our democracy coding when moving to a democracy-only subset by including all country-years with a polity score of five or above. This includes

domestic terrorism in states with and without proportional representation (PR). PR is typically thought of as a more inclusive form of democracy with lower startup costs and more access to representation (e.g. Powell 1982). As such, we expect that the mitigating effect of remittances on terrorism to be more pronounced in PR systems. Controls variables match those from Model 2.

In the second, we fit a linear model that regresses opposition vote share on remittances. The data on opposition vote share comes from the Database of Political Institutions (DPI) and records the total vote share for all opposition parties. Here, we are looking for whether remittances have an effect on opposition politics. Specifically, if marginalized recipients are using remittances as a means of advancing their politics, then we expect that opposition parties will do better in legislative elections. This is a coarse measure, but it still helps us look for a link between remittances and effect political activity. This model is fit to only the democratic-country-years where a legislative election is held with two-way fixed effects. Controls variables are based on Models 1 and 2. Some variables are removed to reflect the fact that this is a very different outcome variable. Results of these two models are reported in Table 5.

There are two results of interest in Table 5. First, we see that within proportional representation systems, remittances lead to fewer terrorist attacks and the combined coefficient remains statistically significant. This result is consistent with our argument that recipients of remittances will use them for legitimate politics when such institutions are more accessible and further supports the main finding of the paper. Second, within democracies we see that remittances tend to increase the proportion of votes that opposition parties receive, which builds on O'Mahony's (2013) finding that remittances increase as elections approach. Indeed, ours results demonstrate the motive for this relationship by showing that remittances can have a positive effect on opposition performance in legislative elections, with each 100 USD/person increase in remittances raising the opposition vote share by about 1.8 percentage points on average (all else equal). Overall, these models provide two distinct tests of the mechanisms we posited for the relationship between remittances and terrorism within democracies. Specifically, these tests establish that in more open regimes, remittances lead to less terrorism and that remittances benefit opposition parties within democracies. These two trends highlight the way in which remittances can lead to a shift away from violent politics and

some democratic-leaning anocracies with legislative elections.

Table 5: Political competition within democracies

	Dependent variable:	
	Domestic terrorist attacks	Opposition party vote share
	Negative binomial	Linear regression
	(7)	(8)
Remittances	0.21	1.84**
	(0.25)	(0.69)
Remittances × PR	−0.58*	
	(0.31)	
PR	2.08**	1.19
	(0.69)	(6.22)
Military personnel	1.67**	
	(0.83)	
Population	4.50**	31.12**
	(1.36)	(12.32)
GDP Growth	−0.01	−0.28
	(0.02)	(0.28)
GDP per capita	1.69	13.39
	(1.07)	(8.33)
Free Press	−0.21	3.32
	(0.21)	(4.07)
$\hat{\beta}_{\text{Remittances}} + \hat{\beta}_{\text{Remittances} \times \text{PR}}$	−0.37**	
	(0.16)	
Country Fixed Effects	Yes	Yes
Year Fixed Effects	Yes	Yes
Observations	1,615	704
Log Likelihood	-3,450.50	
θ	0.74	
R^2		0.86

*$p < 0.1$, **$p < 0.05$. Regression coefficients. Standard errors in parentheses, clustered on country

into legitimate politics.

Both the main results and the mechanism tests provide a new way to think about what political access means when studying domestic terrorism. Specifically, the presence of electoral opportunity is probably insufficient to discourage terrorism. This finding supports the critique from Foster, Braithwaite and Sobek (2013). Likewise, as Ghatak, Gold and Prins (2019) argue, mitigating domestic terrorism appears to require not just electoral institutions, but also minority protections that promote their abilities to both access and achieve their goals through these institutions.

In the online appendix, we subject our analysis to a host of robustness and specification checks.

First, we consider several alternative ways to measure or transform remittances, as we want to be sure that are results to not arise from arbitrary measurement choices. The main model uses remittances per capita, we also consider the log and square root of this measure to control for diminishing returns on large values of remittances. Likewise, we also consider a cubic detrending to ensure that time trends in remittance flows do not drive the main result, as well as a measure based on remittances as a share of GDP. Model fit statistics suggest that the main model is preferred to all of these alternatives. Second, we consider alternative measures of democracy by considering a model that use polity and polity-squared rather than the binary variables we use in the main analysis and a model that uses the Varieties of Democracy (V-DEM) to measure democracy. Third, we try using the measure of domestic terrorism from Enders, Sandler and Gaibulloev (2011). Finally, we consider a set of alternative modeling choices to the negative binomial with country-fixed effects presented in the main text. Specifically, we look at a zero-inflated negative binomial; pooled and random effects negative binomials; and specifications based on a Poisson quasi-maximum likelihood estimator.

In all of these checks, we find that the regression coefficients are signed in the ways that we expect and the within-democracy relationship is statistically significant at conventional levels. In nearly all of these checks, the within-autocracy relationship is statistically significant, although this relationship appears to be slightly less robust than the finding within democracies. We speculate that the difference in robustness stems from heterogeneity within autocratic regimes regarding the ability to influence politics. This heterogeneity is consistent with Wilson and Piazza (2013) who find notable variations in baseline rates of domestic terrorism across autocratic regimes types. Future work should further disentangle the differences among different types of autocratic institutions and explore why the autocratic trend toward more terrorism is less robust than the democratic trend toward less terrorism.

4 Conclusion

In this paper we asked: What effect do remittances have on domestic terrorism, and are these effects different across regimes? While previous work has considered the first question, it has not looked at how regime type influences the effect of remittances. We find that within autocratic state remittances are associated with an increase in the average number of domestic terrorist attacks.

This result matches both previous work and the conventional wisdom on the relationship between remittances and terrorism. However, within democracies the effect of remittances is the exact opposite: more remittances are associated with a decrease in the incidence of domestic terrorism. These opposite effects are a novel finding in the study of domestic terrorism and provide new insight into when remittances might encourage or discourage political violence.

What explains these different effects across regime? Remittances to both regimes represent additional resources and income that can go towards political activity. However, what that political activity looks like varies by regime type. Within democracies, legitimate politics is a more available option, but it is often an expensive undertaking. When groups do not have the resources to compete with peaceful politics, terrorism is an attractive option. This dynamic is relatively common among terrorist groups that grew out from politically marginalized groups within democracies (e.g. the PIRA was an outgrowth of the economic and political marginalization Catholics in Northern Ireland). However, as remittances increase, peaceful politics becomes an increasing viable option within democracies and violence can become a less attractive political strategy.

In contrast, within autocracies there are fewer opportunities for peaceful, anti-incumbent political activity. Without these institutional outlets, the trade-off between peaceful and violent politics does not come into play. Thus, as remittances increase, they support alternative political outlets such as terrorism. This matches previous work that looks at the destabilizing effect of remittance to autocracies (e.g. Escribà-Folch, Meseguer and Wright 2018). While this particular result matches the conventional wisdom regarding the relationship between remittances and terrorism, it is only part of the larger story. By looking at autocracies and democracies within a single interaction model we are able to produce a new result about the differing effects that remittances can have across regime types.

Our contribution to the study of domestic terrorism is to demonstrate that while remittances are sometimes associated with an increase in domestic terrorism (confirming results from Mascarenhas and Sandler 2014), this effect only appears within autocratic states. Within democracies, we find robust evidence to suggest that an increase in remittances tends to reduce the incidence of domestic terrorism. This result addresses recent criticism of political access theories of terrorism (e.g. Foster, Braithwaite and Sobek 2013) by highlighting the role that resources play in using accessible institutions and has some relevant policy implications. Specifically, while counterterrorism experts

sometimes view remittances suspiciously, our results suggest that this focus may be over broad. Indeed, in countries with open political institution, remittances may actually lead to a decrease in domestic terrorism and as such democratic states should carefully consider any policy that looks to restrict remittances in the name of counterterrorism. To the extent that additional resources may improve the ability of discontent or otherwise marginalized groups to shape political outcomes peacefully, an increase in remittances may improve the security situation. Future work can better consider this mechanism by collecting micro-level data on remittances and migrant networks. Additionally, scholars should look for and identify other institutional barriers within democracies that limit access to legitimate politics. These mitigating variables can help identify and remedy situations where political access theories of terrorism appear to break down.

References

Abrahms, Max. 2007. "Why Democracies make Superior Counterterrorists." *Security Studies* 16(2):223–253.

Adamson, Fiona B. 2006. "Crossing borders: International migration and national security." *International security* 31(1):165–199.

Adida, Claire L. and Desha M. Girod. 2011. "Do Migrants Improve Their Hometowns? Remittances and Access to Public Services in Mexico, 1995-2000." *Comparative Political Studies* 44(1):3–27.

Ahmed, Faisal Z. 2012. "The perils of unearned foreign income: Aid, remittances, and government survival." *American Political Science Review* pp. 146–165.

Aksoy, Deniz. 2014. "Elections and the timing of terrorist attacks." *The Journal of Politics* 76(4):899–913.

Aksoy, Deniz and David B. Carter. 2014. "Electoral Institutions and the Emergence of Terrorist Groups." *British Journal of Political Science* 44(1):181–204.

Aksoy, Deniz, David B Carter and Joseph Wright. 2012. "Terrorism in dictatorships." *The Journal of Politics* 74(3):810–826.

Alonso, Sonia and Rubén Ruiz-Rufino. 2007. "Political representation and ethnic conflict in new democracies." *European Journal of Political Research* 46(2):237–267.

Asal, Victor, Justin Conrad and Peter White. 2014. "Going abroad: Transnational solicitation and contention by ethnopolitical organizations." *International organization* 68(4):945–978.

Brady, Henry E., Sidney Verba and Kay Lehman Schlozman. 1995. "Beyond SES: A Resource Model of Political Participation." *American Political Science Review* 89(2):271–294.

Bueno de Mesquita, Ethan. 2008. "Terrorist Factions." *Quarterly Journal of Political Science* 3:399–418.

Burgess, Katrina. 2014. "Unpacking the Diaspora Channel in New Democracies: When Do Migrants Act Politically Back Home?" *Studies in Comparative International Development* 49(1):13–43.

Catrinescu, Natalia, Miguel Leon-Ledesma, Matloob Piracha and Bryce Quillin. 2009. "Remittances, Institutions, and Economic Growth." *World Development* 37(1):81–92.

Chenoweth, Erica. 2013. "Terrorism and democracy." *Annual Review of Political Science* 16:355–378.

Clarke, Colin P. 2015. *Terrorism, Inc. : The Financing of Terrorism, Insurgency, and Irregular Warfare*. Santa Barbara, California: Praeger.

Crenshaw, Martha. 1981. "The Causes of Terrorism." *Comparative Politics* 13(4):379–399.

Crisman-Cox, Casey. 2018. "Enemies Within: Interactions Between Terrorists and Democracies." *Journal of Conflict Resolution* 62(8):1661–1685.

Crisman-Cox, Casey. 2021. "Estimating Substantive Effects in Binary Outcome Panel Models: A Comparison." *Journal of Politics* 83(2).

Cunningham, David E, Kristian Skrede Gleditsch, Belén González, Dragana Vidović and Peter B White. 2017. "Words and deeds: From incompatibilities to outcomes in anti-government disputes." *Journal of Peace Research* 54(4):468–483.

Davis, Andrew P. and Yongjun Zhang. 2019. "Civil Society and Exposure to Domestic Terrorist Attacks: Evidence from a Cross-national Quantitative Analysis, 1970–2010." *International Journal of Comparative Sociology* .

Dekmejian, R. Hrair. 2007. *Spectrum of Terror*. Washington DC: CQ Press.

Easton, Malcom R. and Gabriella R. Montinola. 2017. "Remittances, Regime Type, and Government Spending Priorities." *Studies in Comparative International Development* 52:349–371.

Eckstein, Susan. 2010. "Remittances and Their Unintended Consequences in Cuba." *World Development* 38(7):1047–1055.

Elu, Juliet U. and Gregory N. Price. 2012. "Remittances and the Financing of Terrorism In Sub-Saharan Africa: 1974 - 2006." *Peace Economics, Peace Science and Public Policy* 18(1):1–40.

Enders, Walter and Todd Sandler. 2012. *The Political Economy of Terrorism*. 2 ed. Cambridge: Cambridge University Press.

Enders, Walter, Todd Sandler and Khusrav Gaibulloev. 2011. "Domestic versus transnational terrorism: Data, decomposition, and dynamics." *Journal of Peace Research* 48(3):319–337.

Escribà-Folch, Abel, Covadonga Meseguer and Joseph Wright. 2015. "Remittances and Democratization." *International Studies Quarterly* 59(3):571–586.

Escribà-Folch, Abel, Covadonga Meseguer and Joseph Wright. 2018. "Remittances and Protest in Dictatorships." *American Journal of Political Science* 62(4):889–904.

Fortna, Virginia Page. 2015. "Do Terrorists Win? Rebels' Use of Terrorism and Civil War Outcomes." *International Organization* 69(3):519556.

Foster, Dennis M., Alex Braithwaite and David Sobek. 2013. "There can be no Compromise: Institutional Fractionalization and Domestic Terrorism." *British Journal of Political Science* 43(3):541–557.

Freeman, Michael. 2011. "The Sources of Terrorist Financing: Theory and Typology." *Studies in Conflict & Terrorism* 34(6):461–475.

Gaibulloev, Khusrav, James A. Piazza and Todd Sandler. 2017. "Regime Types and Terrorism." *International Organization* 71(3):491–522.

Ghatak, Sambuddha, Aaron Gold and Brandon C. Prins. 2019. "Domestic Terrorism in Democratic States: Understanding and Addressing Minority Grievances." *Journal of Conflict Resolution* 63(2):439–467.

Gleditsch, Kristian Skrede and Sarah M.T. Polo. 2016. "Ethnic Inclusion, Democracy, and Terrorism." *Public Choice* 168:207–229.

Hansen, Peter. 2012. "Revisiting the Remittance Mantra: A Study of Migration–Development Policy Formation in Tanzania." *International Migration* 50(3):77–90.

Horgan, John and Max Taylor. 1999. "Playing the 'Green Card' – Financing the Provision IRA: Part 1." *Terrorism and Political Violence* 11(2):1–38.

Horgan, John and Max Taylor. 2003. "Playing the 'Green Card' – Financing the Provision IRA: Part 2." *Terrorism and Political Violence* 15(2):1–60.

Horst, Cindy. 2008. "The transnational political engagements of refugees: Remittance sending practices amongst Somalis in Norway: Analysis." *Conflict, Security & Development* 8(3):317–339.

Jones, Seth G. and Martin C. Libicki. 2008. *How Terrorist Groups End: Lessons for Countering Al Qa'ida.* Santa Monica, CA: Rand.

Kydd, Andrew and Barbara F. Walter. 2002. "Sabotaging the Peace: The Politics of Extremist Violence." *International Organization* 56(2):263–296.

Kydd, Andrew H. and Barbara F. Walter. 2006. "The Strategies of Terrorism." *International Security* 31(1):49–80.

Li, Quan. 2005. "Does Democracy Promote or Reduce Transnational Terrorist Incidents?" *Journal of Conflict Resolution* 49(2):278–297.

Mascarenhas, Raechelle and Todd Sandler. 2014. "Remittances and terrorism: A global analysis." *Defence and Peace Economics* 25(4):331–347.

Miller, Gina Lei and Emily Hencken Ritter. 2014. "Emigrants and the Onset of Civil War." *Journal of Peace Research* 51(1):51–64.

Moon, Woojin. 2006. "The paradox of less effective incumbent spending: Theory and tests." *British Journal of Political Science* 36(4):705–721.

Neumann, Peter R. 2005. "The Bullet and the Ballot Box: The Case of the IRA." *Journal of Strategic Studies* 28(6):941–975.

O'Mahony, Angela. 2013. "Political Investment: Remittances and Elections." *British Journal of Political Science* 43(4):799–820.

Pape, Robert A. 2003. "The Strategic Logic of Suicide Terrorism." *American Political Science Review* 97(3):343–361.

Passas, Nikos and Samuel Munzele Maimbo. 2008. The design, development, and implementation of regulatory and supervisory frameworks for informal funds transfer systems. In *Countering the Financing of Terrorism*, ed. Thomas J. Biersteker and Sue E. Eckert. New York: Routledge pp. 174–192.

Pfutze, Tobias. 2014. "Clientelism vs. Social Learning: The Electoral Effects of International Migration." *International Studies Quarterly* 58(2):295–307.

Piazza, James A. 2018. "Transnational Ethnic Diasporas and the Survival of Terrorist Organizations." *Security Studies* 27(4):607–632.

Powell, G. Bingham. 1982. *Contemporary Democracies: Participation, Stability, and Violence*. Cambridge, MA: Harvard University Press.

Regan, Patrick M and Richard W Frank. 2014. "Migrant remittances and the onset of civil war." *Conflict Management and Peace Science* 31(5):502–520.

Richardson, Louise. 2006. *What Terrorists Want*. New York: Random House.

Saideman, Stephen M, David J Lanoue, Michael Campenni and Samuel Stanton. 2002. "Democratization, political institutions, and ethnic conflict: A pooled time-series analysis, 1985-1998." *Comparative Political Studies* 35(1):103–129.

Salehyan, Idean. 2007. "Transnational Rebels: Neighboring States as Sanctuary for Rebel Groups." *World Politics* 59(2):217–242.

Shin, Myungsoon, Youngjae Jin, Donald A Gross and Kihong Eom. 2005. "Money matters in party-centered politics: campaign spending in Korean congressional elections." *Electoral Studies* 24(1):85–101.

Tavits, Margit. 2008. "Party systems in the making: The emergence and success of new parties in new democracies." *British journal of political science* 38(1):113–133.

Tyburski, Michael D. 2014. "Curse or Cure? Migrant Remittance and Corruption." *Journal of Politics* 76(3):814–824.

Wade, Sara Jackson and Dan Reiter. 2007. "Does Democracy Matter?" *Journal of Conflict Resolution* 51(2):329–348.

Walsh, James I. and James A. Piazza. 2010. "Why Respecting Physical Integrity Rights Reduces Terrorism." *Comparative Political Studies* 43(5):551–577.

Weinberg, Leonard. 1991. "Turning to terror: The conditions under which political parties turn to terrorist activities." *Comparative Politics* 23(4):423–438.

Weinberg, Leonard and William Eubank. 1990. "Political parties and the formation of terrorist groups." *Terrorism and Political Violence* 2(2):125–144.

Wilson, Andrew J. 1994. "The Conflict between Noraid and the Friends of Irish Freedom." *The Irish Review (Cork)* 15:40–50.

Wilson, Matthew C. and James A. Piazza. 2013. "Autocracies and Terrorism: Conditioning Effects of Authoritarian Regime Type on Terrorist Attacks." *American Journal of Political Science* 57(4):941–955.