

**THE POLITICAL ECONOMY OF TERRORISM IN SUB-SAHARAN AFRICA: AN
EMPIRICAL ANALYSIS FROM THE HORN OF AFRICA**

By

MBITHI, Antony Mwangangi

THESIS

Submitted to

KDI School of Public Policy and Management

In partial fulfillment of the requirements for the degree of

MASTER OF DEVELOPMENT POLICY

(International Development, Global Governance & Political Economy)

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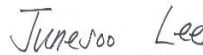
MASTER OF DEVELOPMENT POLICY
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ABSTRACT

THE POLITICAL ECONOMY OF TERRORISM IN SUB-SAHARAN AFRICA: AN EMPIRICAL ANALYSIS FROM THE HORN OF AFRICA

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MBITHI, Antony Mwangangi

This study provides an empirical investigation of the political and economic determinants of terrorism at a regional level. In contrast to previous studies that investigate the subject on a national or global scale, the study carves out the Horn of Africa as a regional security complex worthy of investigation. The study employs Global Terrorism Index that captures both domestic and transnational terrorism; and also macroeconomic and institutional control variables from the seven countries that comprise the Horn of Africa for the period 2002-2013. South Sudan is excluded, for it does not fit the time scale under study. Panel Unobserved Effects Model is run to report robust results and policy implications. Despite the normal rhetoric, the results do not provide evidence that poor conditions of the region are positively correlated with increase in terrorism. However, state political repression is shown to explain the high levels of terrorism in the region. State repression suggest that the populace political grievances and need for political freedom encourage and motivate terrorists in the region. They see their acts as being justifiable when they target political institutions that restrict them to air their grievances peacefully or torture and discriminate them along tribal and religious lines. Hence, state repression produces unintended consequences by hardening the society, and may inadvertently lead to more radicalization. Therefore, this study disputes the poverty thesis and supports Samuel Huntington's argument that countries are not politically unstable because they are poor, and that economic development and political stability are two independent goals and therefore it does not mean that progress in one leads to progress toward the other, and vice versa.

Dedication

To the 147 fallen comrades of the Garissa University terror attack – always in our memory
– 147 is not just a number.

The Political Economy of Terrorism In sub-Saharan Africa: An Empirical Analysis from the Horn of Africa

Acknowledgement

This thesis would not have been completed, or be what it is, without the wisdom and expertise of my committee chair Prof. Park Hun Joo, and supervisor Junesoo Lee. I am grateful to them for seeing a testable hypothesis and patiently helping me, get over the hurdles. Their comments, wit, and intellectual prowess has made me get the best of pearls to adorn these pages. Thank you very much. Secondly, I am grateful to my academic advisor, Prof. Baran Han, her advice helped me stretch myself and seek not to settle for less. My colleagues at KDIS: Samuel Kiprop, for showing me the importance of “numbers” in policy work; Jacinta Gomez for editing my work at the writing center; Seth Opoku Mensah, Ajibola Suara, Sokha Eng, Olu remi, Ha Kyeong Lee, John Akoraebirungi, Patrick Shankara, Jaeyu Yoon, Lashree Senior, Vibeli Hermano, Ingrid Salinas, Jisoo Woo, and Kilton Portugal for your continual encouragement and “scholarly humor” when everything seemed dull. Indeed we can never confuse local cloud cover for general darkness. Thirdly, I would like to thank the KDI School of Public Policy and Management for granting me a scholarship to study one of the best policy programs, and get into the realm of global policy thinkers. Lastly, I am grateful to my family for supporting me and always encouraging me to fulfill my potential. In the same spirit, I am grateful to members of the Sejong, Yuseong, and Dunsan ward of the LDS church, for the whole year, you’ve been a family to me. Though these few lines – to the mentioned and unmentioned – cannot fully express your importance in my intellectual journey, my gratitude to each and every one of you knows no bounds.

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List of Abbreviations

- ADF – Alliance of Democratic Forces
- AIAI – Al Itihad Al Islamiya
- AMISON – African Mission in Somalia
- CJTF-HOA – Combined Joint Task Force-Horn of Africa
- EIJM – The Eritrean Islamic Jihad Movement
- GDP –Gross Domestic Product
- GDPPC – Gross Domestic Product per capita
- GNI – Gross National Product
- IGAD – Intergovernmental Authority on Development
- LRA – Lord’s Resistance Army
- RSC – Regional Security Complex
- US – United States of America
- GTI – Global Terrorism Index

CHAPTER ONE

BACKGROUND ON THE POLITICAL ECONOMY OF TERRORISM IN THE HORN OF AFRICA

1.0 Introduction

The use of terror as a means to achieve political and economic ends is not a new phenomenon, but has gradually transformed. It has acquired different forms, tactics, and methods, but so have counterterrorism responses. Sandler and Enders (1999) argue that terrorism entails the pre-meditated or threatened use of extra-normal violence in order to obtain a political, ideological, or religious objective through intimidation. In some cases, political violence has been as a result of efforts to change regimes to ones that are less authoritarian and ones that share resources equitably.

Arguably, terrorist activities attack the core values on which the United Nations Charter and its accompanying human rights instruments are founded. Therefore, countering this scourge is in the interest of all nations and has been on the agenda of the United Nations, especially after the dreadful terror attacks on the United States of America that left approximately three thousand people dead, with billions of dollars in property and infrastructure damaged.

Terrorist threats in Africa today are orchestrated by Al Qaeda in the Islamic Maghreb, Al Shabaab in the Horn of Africa, the Lord's Resistance Army in East Africa, and Wal Jihad and Boko Haram in West Africa. The increased level of activities, growing links between these groups and their participation in other forms of crimes have greatly affected the social, political and economic conditions of the affected countries.

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The Horn of Africa comprises members of the Inter-governmental Authority on Development (IGAD), which include: Djibouti, Eritrea, Ethiopia, Kenya, Somalia, Sudan, and Uganda. According to Shinn (2006) this region is the most conflict-ridden in the world with widespread human rights violations, high number of refugees, and internally displaced people. Economically, the region is one of the poorest with high adult and child mortality rate. Life expectancy, per capita income, and literacy levels are among the lowest in the world with persistent food insecurity due to deadly droughts. The Human Development Index rank of the countries is: Djibouti at 170; Eritrea at 182; Ethiopia at 173; Kenya at 147; Somalia at 165; Sudan at 166; and Uganda at 164 (UNDP 2015)

The Horn of Africa has been described as an epicenter of terrorism. In response to this alarming state, the US established the Combined Joint Task Force-Horn of Africa (CTJF-HOA) to counter this menace. This has led commentators like Colin Thomas-Jensen and John Prendergast (2007) of the *Foreign Affairs* to conclude that:

stemming the spread of terrorism and extremist ideologies has become such an overwhelming strategic objective for Washington that it has overshadowed U.S. efforts to resolve conflicts and promote good governance; in everything but rhetoric, counterterrorism now consumes U.S. policy in the Greater Horn as totally as anticommunism did a generation ago.

With terrorist activities affecting citizens of the Horn of Africa, a successful counter terrorism strategy needs to first understand the main determinants of terrorism in this region that breeds and acts as a safe haven for terrorist.

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1.1 Objectives of the Study

The broad objective of this study is to investigate the political and economic causative factors of terrorism in the Horn of Africa. The specific objectives are:

1. Establish if state repression causes terrorism in the Horn of Africa
2. Examine if poverty causes terrorism in the Horn of Africa
3. Investigate if there is a causality between increase in population density and terrorism in the Horn of Africa

1.2 Hypothesis

Following the above objectives, the study will empirically test the following assumptions:

Hypothesis A

H0: Poverty does not cause terrorism in the Horn of Africa

H1: Poverty causes terrorism in the Horn of Africa

Hypothesis B

H0: State political repression does not cause terrorism in the Horn of Africa

H1: State political repression causes terrorism in the Horn of Africa

Hypothesis C

H0: Increased population density is not related to an increase in terrorism in the Horn of Africa

H1: Increased population density is related to an increase in terrorism in the Horn of Africa

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1.3 Statement of the Research Problem

States in the Horn of Africa are grappling with both internal and intra-state conflicts, poverty, and serving as breeding grounds and safe havens for Islamist terrorist organizations. Therefore, the region has fully earned the right of being labeled a regional security complex (Mesfin 2011). This is because each state's security is so closely linked together that no state is immune from its neighbor's problems.

While a lot of studies have been done on the impact of terrorism on Africa's economic growth, there is a lack of literature that highlights the political and economic causative factors of terrorism from one of its epicenter areas – the Horn of Africa – and Africa's bridge to the Middle East. It is in response to this problem that this study seeks to employ economic empiric methodology integrated with political and social analysis to bring out the critical causative factors of terrorism in sub-Saharan Africa with a focus on the Horn of Africa. Therefore this study seeks to use the Horn of Africa to answer the following research questions: Does poverty cause terrorism? Does state repression cause terrorism? Is an increased population density related to an increase in terrorism? And lastly, does economic development lead to political stability?

1.4 Justification

This study is justifiable on three fronts: Firstly, it uses the idea of regional security complex to discuss terrorism from one of its epicenter regions. Secondly, it is the first attempt (Known to the author) to bring out an objective analysis of the Horn of Africa's economic and political causative factors of terrorism through employing empiric methodology. And lastly, the preceding results will be helpful in designing a successful counter terrorism strategy for the region.

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1.5 Theoretical Framework

This study will adopt Barry Buzan's regional security complex theory as postulated in his work, *People, States and Fear* (1991).

1.5.1 Regional Security Complex

Buzan contends that a region is a “distinct and significant subsystem of security relations existing among a set of states whose fate is that they have been locked into a geographical proximity with each other” (Buzan 1991, 188). Buzan uses the example of South Asia as a regional security system that can be seen through the lenses of military standoff between India and Pakistan through the balance of power and enmity of suspicions and fear (Buzan 1991: 190).

Due to this interlink-ages and interdependence, Buzan saw a security complex as, “a group of states whose primary security concerns link together sufficiently closely that, their national securities cannot realistically be considered apart from one another” (Buzan 1991: 190). Therefore, regional security complexes can be used to explain the spillovers of internal conflicts and in relation to this study, how and why transnational terrorist threats and organizations spread in a region. For using a regional analysis, one can be able to obtain a holistic view.

1.5.2 The Horn of Africa as a Regional Security Complex

The states of the Horn of Africa share common religious and cultural practices with strong economic ties. According to Mesfin (2011), each state's political destiny is intertwined with its neighbors and no state is immune from the other states problems. This can be demonstrated by the intra-state conflicts and how different states get involved in each other's conflicts through the support of rebel movements and at times terrorist organizations in the region.

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After the collapse of Said Barre's regime in 1990, Somalia has been a failed state for more than two decades. It acts as safe haven for terrorists for there is no rule of law or a well-functioning central government. Menkhaus (2005) contends that, it is in the orbit of Wahhabist radical Islamic teaching, and its long unpatrolled coastline and unmonitored airstrips makes it a perfect safe haven for foreign Jihadists. He further argues that Al Itihad Al Islamiya (AIAI) which is a radical Islamic organization provide a good partner for Al-Qaida. In recent years, AIAI has been able to partner with Al-Qaida and Al-Shabaab.

Djibouti has been used as a transit point for terrorists coming from the Middle East. This is one of the reasons why the US has established Camp Lemonnier – a naval expeditionary base – and it is also the home to the Combined Joint Task Force-Horn of Africa, the only permanent US military base in Africa. According to Schermerhorn (2005), since 9/11 the US has greatly used Djibouti's geographical advantage in its counter terrorism activities.

With a diverse society of half Muslim, and half Christian, Eritrea is vulnerable to different political ideologies. The Eritrean Islamic Jihad Movement (EIJM) originated from Sudan in 1988 with help from Al-Qaida. According to Gunaratna (2005), by mid-1990s, EIJM had more than five hundred trained fighters and had become part of Majlis A-Fatwa – Al-Qaida's international network's coordinating council. In recent years, Eritrea has been blacklisted as a state that sponsors terrorism by the US and was expelled from IGAD membership until recently.

Sharing a long border with Somalia – a failed state – Ethiopia has experienced terror attacks from Somalia's Al Itihad Al Islamiya (AIAI). However, Ethiopia has been able to thwart these attacks and has been a successful case in counter terrorism activities in the region (Shinn,

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2005). Its troops have taken part in many African Union peace keeping missions in Somalia and is currently part of the UN sponsored African Mission in Somalia (AMISON).

Uganda has suffered from domestic terrorism that comes from the Lord's Resistance Army (LRA) and the Alliance of Democratic Forces (ADF). Their activities have led to more than 5,000 deaths. However, transnational terrorism has also affected Uganda. For example, in July 2010 seventy four football spectators were killed in Kampala bombing. In addition to the bombing of a bus headed to Nairobi in December 2010. Al-Shabaab claimed responsibility for both attacks. Uganda has since had its troops in Somalia under the AMISON umbrella (Kimunguyi, 2011).

Kenya has had a fair share of terror attacks. The 1976 attack on a hotel owned by Israel in Nairobi; 7th of August 1998, the bombing of US embassy in Nairobi which killed 213 and wounded 5,000 with Al-Qaeda claiming responsibility; 28th November 2002, Car bomb detonated at an Israeli-owned hotel killing 12 Kenyans, 3 Israelis and 3 Suicide bombers near the port of Mombasa with Al-Qaeda claiming responsibility; 21st September 2013, Westgate Mall attack killed 67 people with 170 wounded - Al-Shabaab claimed responsibility; and recently on 2nd April 2015, Al-Shabaab attacked Garissa University in North Eastern Kenya killing 150 students (Aljazeera, 2015). Despite these attacks, it remains a key US ally in the war against anti-western extremism in the region. Since 2011, the Kenyan troops intervened in Somalia and are currently part of AMISON forces.

Sudan became the first African nation on US list that sponsors terrorism. Al-Qaida and Bin Laden found a safe haven in Sudan in the early period of 1990s. In July 2006, Al-Qaida claimed that it had established Al-Qaida in Sudan and Africa, and claimed responsibility for beheading Al-Wifaq, the chief editor of Sudanese Independent daily. Sudan has also been

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accused of maintaining links with Hamas and the Palestinian Islamic Jihad. This is one of the reasons why Israel has often militarily targeted Sudanese weapons from Iran destined for Gaza (Timothy, 2005).

According to Shinn (2005), the Horn of Africa is ‘interlinked to an even greater extent than in the case of other regions in Africa, thereby creating a security complex that if looked into, will shape the next generations’ future perspective of the region.

Based on Huntington’s (1968) argument that countries are not politically unstable because they are poor, and that economic development and political stability are two independent goals and therefore it does not mean that progress in one leads to progress toward the other, and vice versa. This study empirically assesses the political and economic determinants of terrorism in the Horn of Africa region to ascertain the best counter terrorism strategy that needs to be employed as most international donors have focused on the poverty thesis as the key determinant. This has meant that most of the counter terrorism resources have been injected in reducing poverty in a bid to counter terrorism, with less emphasis on the political spectrum. If the results are not statistically significant that poverty is not positively correlated with increase in terrorism, then the research will disapprove the poverty thesis, and call for a more balanced counter terrorism strategy.

The rest of the study is organized as follows. Chapter two will review literature that addresses terrorism from a political economic perspective. This will entail examining the political and economic determinants of terrorism. Chapter three will introduce the study’s data characteristics, and econometric specifications. The fourth chapter will present the study’s empirical findings and limitations, while the last chapter will wrap up the study and give policy implications and recommendations.

CHAPTER TWO
LITERATURE REVIEW

This chapter will review literature that addresses terrorism from a political economic perspective. This will entail examining the political and economic determinants of terrorism.

2.0 Economic Determinants of Terrorism

After 9/11 most of the literature concurred that poverty was a major cause of terrorism (Kahn and Weiner 2002, 3). This was in agreement with previous studies on the economics of conflicts. For example, Alesina et al (1996) contend that there is a correlation between political instability and GDP growth, as the probability of coups happening is always associated with with poor economic conditions. However, Krueger and Laitin (2003) empirical findings using data from the U.S State Department on transnational terrorist attacks found no causal relationship between poverty and terrorism.

Alberto Abadie (2005) refutes such results and argues that Krueger and Laitin (2003) findings have some shortcomings. Their use of the U.S. State Department data, he argues, is limiting for such data only covers events of international terrorism which only represents a small percentage of terrorist activities. Abadie (2005) gives the example of the 2003 Memorial Institute for the Prevention of Terrorism Knowledge Base Report that recorded 1,536 events of domestic terrorism compared to 240 events of international terrorism.

Oino and Sorre (2003) through their qualitative study cite high poverty levels and socio-economic deprivation of some of the parts of the Kenyan society and the Horn of Africa as the reason behind the rise in terror attacks in the country and the region in large. This was supported by another qualitative study by David Shinn (2005) who contends that the U.S.

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counter terrorism policy in Ethiopia would be successful if it addresses poverty and supports the government in equitably sharing resources.

On the contrary, Abadie's (2005) empiric study focuses on transnational terrorism and uses a measure that includes both domestic and transnational terrorism through the use of the World Market Research Center's Global Terrorism Index (WMRGTI). He also uses landlocked status of a country as an instrumental variable to address any endogeneity that may arise between the economic state of a country and its level of terrorism risk. His results validate Piazza (2004) and Krueger and Laitin (2003) findings that in poor countries, terrorism risk is not significantly higher especially when specific country characteristics such as political freedom are taken into account. Krueger and Maleckova (2004) study Hezbollah and Hamas and posit that terrorist groups are not poor or poorly educated. Therefore, they proceed to conclude that economic conditions and educational level are poor determinants of terrorism.

Mesquita (2005) refutes the above findings and posits that one cannot come to a conclusion that poverty does not determine terrorist mobilization just by the mere fact that such recruits are better educated. Recruits can be well educated and still be poor, especially in developing countries where employment opportunities are few. This is because economic downturns increase mobilization through decreasing opportunity costs. Therefore economic factors determine the level of terrorism risk.

Tavares (2004) posits that richer countries have a more probability of experiencing terror attacks; however democratic countries are less likely to experience such attacks. Kis-Katos, Liebert, and Schulze (2005) argue that terrorism decreases with an increase in income levels. They find that an increase in GDP per capita does increase terrorism, thereby implying that poverty does cause terrorism.

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Burgon (2006) empirical findings show a positive correlation between terrorism and population density. These findings are supported by Bandyopadhyay and Younas (2001) who use population density in their study to assess if densely populated countries are more vulnerable to terrorism. Their results indicate that a more densely populated country brings a limitation in the fight against terrorism.

2.1 Political Determinants of Terrorism

Bruce Hoffman (2001: 40) defines terrorism as “the deliberate creation and exploitation of fear through violence or the threat of violence in the pursuit of political change” Rosendorff and Sandler (2005) posit that domestic terrorism is homegrown and home-directed, unlike transnational terrorism. Drakos and Gofas (2006) see the cause of domestic terrorism as being grievances that arise from political, social, and economic conditions which encourage and motivate terrorists. Therefore, as Crenshaw (1981) observed, terrorists end up using violence in order to achieve their political goals due to the absence of feasible alternatives. Aksoy and Carter (2011) argue that terrorists see their acts as being justifiable because the targeted political institutions restricted them to air their grievances peacefully.

Savun and Philips (2009) argue that politically open and democratic regimes ensure that the citizens freely participate in civil and political activities of a country. In return they are able to use nonviolent means of political participation to air their grievances and pursue their interests. However, Polo (2012) observes that even though fully democratic regimes may less likely be affected by terrorism, highly authoritarian regimes may make dissident political violent action impossible to conduct through crack downs. The study concludes that regimes undergoing political transitions and those countries with intermediate levels of political rights and civil liberties are more prone to domestic terrorism.

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Though electoral institutions are meant to bring about inclusive representations, Polo (2012) sees the degree of inclusiveness of a political system through elections as not being enough in accessing the presence of discriminatory policies that deny certain groups access to power. Therefore, domestic political institutions, however democratic they may be, may be seen by a part of the population as not having inclusive representation. This leads to calls for self-determination. In non-homogenous political environment, one not only needs to look at national level characteristics but more on specific groups of the population.

Indridason (2008) posits that terrorism has far much more political effect than just placing national security on the political agenda. He sees it as an influence to government formation. This is because terrorism calls for rallying around the flag, thereby overcoming internal disagreements and forming inclusive coalitions. On the other hand, he sees terrorism as an influence on the government's survival as the voters seek for a government that can provide security for them.

Huntington (1968) sees economic growth and modernization as forces that eventually cause social and political decay, finally leading to coups, political violence and failed states. He sees economic growth as a condition that forces itself to the society without waiting for any stable political institutions to be in place. Therefore according to Huntington, the stability of a society is not dependent upon modernization or economic growth, for both are independent entities and a progress in one does not guarantee progress toward the other. He sees a political gap between governments of US, USSR, and Great Britain as compared to those of Latin America, Africa and Asia where those of the first cohort, the people shared a common vision and have a consensus on the legitimacy of those in powers. On the second cohort, the political community is disintegrated and the institutions have little power. He also points out the

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existence of economic gap, however, he posits that the political and economic gaps are not identical for there are underdeveloped economies that have highly developed political systems and vice versa.

While overseas development assistance is more focused on economic development as they presume that economic development leads to political stability, Huntington's argument is that they two are not connected. He sees the preoccupation of promoting democracy through free elections by Western powers in modernizing countries as one of the reasons that exacerbates and destroys the structure of public authority in these countries. For Huntington, "the primary problem is not liberty but the creation of a legitimate public order. Men may of course have order without liberty but they cannot have liberty without order" (Huntington, 1968: 7-8)

Lastly, Huntington (1968) observes that modernization which entails industrialization, urbanization, and increase in Gross National Product, among others, does not mean political modernization as shown by the Latin American experience lead toward democracy. This is because traditional authority is undermined with local chieftaincy being replaced by elite bureaucrats. This leads to resource competition, inequality in resource distribution and economic development and finally leading to conflicts. Therefore his argument rejects the poverty thesis that countries are politically unstable because they are poor. This he sums up by contending that, "it is not the absence of modernity but the efforts to achieve it which produce political disorder. If poor countries appear to be unstable it is not because they are poor, but because they are trying to be rich. A purely traditional society would be ignorant, poor and stable" (Huntington, 1968: 41)

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2.2 Literature Gap

With most research on the interplay between the economy and terrorism being in the area of economic consequences of terrorist attacks, the available literature on the economic determinants of terrorism shows a lot of contending debates with no clear answer especially on a country or regional level. This means that every country or region may have its own determinants. However, despite the talk that poverty is to blame for the increase in terrorism in the Horn of Africa; the outlined literature shows a sharp contrast on this issue especially on the poverty thesis that countries are politically unstable because they are poor. Therefore this study will employ empirical methodology to discover the political and economic determinants of terrorism in one of its epicenter regions of Africa, in a bid to fill the literature gap.

CHAPTER THREE
METHODOLOGY
DATA AND MODEL SPECIFICATIONS

3.0 Introduction

Given the emergence a regional security complex (RSC) in the Horn of Africa – which has been labeled as a safe haven and breeding ground of terrorism in Africa – the study will analyze the seven countries that comprise the RSC. Therefore, the empirical work seeks to test three main hypotheses: poverty causes terrorism in the Horn of Africa; state repression causes terrorism; and lastly, rapid population growth is not related to an increase in terrorism.

3.1 Model Specification

In this function, a measure of terrorism risk is taken as the dependent variable with GDP per capita, Political Terror Scale, population, polity2, Rule of Law, Political Stability, and Voice and Accountability, Government Effectiveness, and Youth Labor Force Participation, being expressed as the independent/explanatory variable. The main objective of this specification is to find out if poverty or the society's welfare (GDP per capita), state repression (Political Terror Scale), and increase in population have a positive or negative impact on terrorism in the Horn of Africa.

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The specification is as follows:

$$\text{Terr_risk} = \text{Terr_risk} (\text{Gdp_pc}, \text{Pol_ts}, \text{Popln}, \text{polity2}, \text{Pol_Stab}, \text{R_Law}, \text{gvt_effc}, \text{Voice_Acc}, \text{Ifp_youth})$$

Where:

Terr_risk = Terrorism risk

Gdp_pc = Gross Domestic Product per capita

Pol_ts = Political Terror Scale

Popln = Population

polity2 = Political Freedom

Ifp_youth = Youth Labor Force Participation

R_Law = Rule of Law

Pol_Stab = Political Stability

Voice_Acc = Voice and Accountability

3.2 Variable Explanation and Data Source

The choice of the control variables was based on existing literature wherein most of them were robust determinants of terrorism.

3.2.1 Terrorism Risk

Terrorism risk (*Terr_Risk*) covers the amount of terrorist risk a country faces at a particular year. The Institute for Economics and Peace Global Terrorism Index (WMRC-GTI 2014) for the period 2002-2013 will be used. It looks at terrorism through the lens of motivation, scale,

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presence, prevention, and efficacy. Its range is 0-10 with higher values denoting higher levels of terrorism exposure.

3.2.2 Poverty

Poverty will be measured using *GDP per capita (Gdp_pc)* which measures the average income of every person in a country. This will come from the World Bank (2015). This is in line with the fact that consumption is a good proxy of the people's welfare and wellbeing. It is expected that the coefficient sign will be negative.

3.2.3 State Repression

State Repression (Gibney et al, 2015) will be measured using *Political Terror Scale (Pol_ts)*. It measures state repression on a scale of 1-5 with high levels of state repression where incidences of torture, state-sanctioned killings, disappearances, police brutality, political murders, and imprisonment are very common. The coefficient sign is expected to be positive.

3.2.4 Population

Population measures (*Popln*) from the World Bank (2015) will entail the total population of every country in a bid to access the effect of a growing population in relation to terrorism risk. A growing population in unstable countries makes it difficult to provide for its security, manage and satisfy its needs. The coefficient sign is expected to be positive, since increase in population density makes it difficult for a government to provide security especially in developing countries which have few resources.

3.2.5 Democratic Score

Political freedom comes from Marshall and Jaggers (2015) *Polity2* Index (*Polity2*). The index ranges from 1-7 with high values signifying the presence of democratic institutions. The response of governments to the demands of their citizenry is a determinant of terrorism.

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Democracies provide peaceful ways for conflict resolution. However, it depends on the countries under study, as Abadie (2005) found out that terrorism and political freedom have a non-monotonic relationship, meaning that countries transitioning from autocracy to democracy tend to experience more terrorism.

3.2.6 Youth Labour Force Participation

Youth labor force participation (Y_lfp) data will come from the World Bank (2015) and it measures the number of youth people between the ages of 15-24 that are economically active. An increase in youth labor force participation is associated with a reduction in terrorism as the youth engage in more meaningful activities, and thus are less expected to be involved in political violence and groups.

3.2.7 Rule of Law

Rule of Law (R_Law) from the World Bank Governance Indicator (2015) will be used as a control variable as most states in the region fail in the observance of the rule of law. This indicator measures how much confidence the public have on the rules of the society and how they obey them through institutions such as the police and the courts. Increase in rule of law is expected to reduce terrorism, meaning that a negative sign in the coefficient is expected

3.2.8 Political Stability

With most of the states in the Horn of Africa facing or being faced with political instability through internal conflicts, *Political Stability (Pol_Stab)* from the World Bank Governance Indicator (2015) will be employed. This indicator looks at the perceptions of the likelihood that violence may be used to topple the government through unconstitutional means. An increase in political stability is expected to reduce terrorism. Therefore a negative sign in the coefficient is expected.

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3.2.9 Voice and Accountability

Voice and accountability (Voice_Acc) from the World Bank Governance Indicators (2015) will be used as a control. This indicator looks at the citizen's freedom of expression, free media, freedom of association, and right to choose their own governments. A negative sign in the coefficient is expected as voice and accountability is associated with a reduction in terrorism.

3.2.10 Government Effectiveness

Government effectiveness (govt_effc) from the World Bank Governance Indicators (2015) will be used as an institutional control variable. This indicator looks at how independent the civil service is from political pressures as well as the quality of the public services that it offers. The coefficient sign is expected to be negative for effectiveness in the government should generally reduce terrorism.

3.3 Econometric Specifications

In determining the political and economic determinants of terrorism in the Horn of Africa, $N=1\dots7$, countries are observed for $T = 1\dots11$, time. Therefore, panel data estimation technique is the best approach to undertake the study. Panel data analysis has the ability of bringing out the complexity that is present in human behavior than time series data (Cheng 2006). By pooling data together, one is able to more accurately predict individual outcomes, and learn an individual behavior through observing the behavior of others (Cheng et al, 2006).

Using country level data of seven countries that comprise the Horn of Africa for the period 2002-2013, I estimate the following terrorism model:

$$Terr_risk_{it} = \beta_0 + [(\beta_1 \ln Gdp_pc_{it})] + [(\beta_2 Pol_{Ts_{it}})] + [(\beta_3 \ln Poln_{it})] + \beta_4 Polity2_{it} \\ + \beta_5 R_{Law_{it}} + \beta_6 Govt_effc_{it} + \beta_7 Pol_{Stab_{it}} + \beta_8 Voice_{Acc_{it}} + \beta_8 lfp_{yth_{it}} + \varepsilon_{it}$$

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**CHAPTER FOUR
EMPIRICAL RESULTS AND ANALYSIS**

4.0 Empirical Results

Political and Economic Determinants of Terrorism

Dependent Variable: Terrorism Risk

VARIABLES	(1) fe1 Terr_Risk	(2) fe2 Terr_Risk	(3) fe3 Terr_Risk	(4) fe4 Terr_Risk	(5) fe5 Terr_Risk	(6) fe6 Terr_Risk
lngdp_pc	-0.447 (0.365)	-0.748 (0.574)	-0.595 (0.656)	-0.922 (0.790)	-0.610 (0.493)	-0.339 (0.577)
pol_ts	0.945** (0.368)	0.926** (0.350)	0.737** (0.266)	1.002** (0.339)	0.709* (0.292)	0.927** (0.292)
lnpopln	5.266 (3.653)	6.034* (2.779)	5.762* (2.644)	7.007** (2.170)	6.825*** (1.821)	7.966* (3.871)
polity2		-0.247 (0.270)	-0.157 (0.292)	-0.110 (0.255)	-0.0386 (0.207)	0.0689 (0.127)
Pol_Stab			-1.110 (0.920)	-1.007 (0.994)	-0.652 (0.770)	-0.927 (1.098)
govt_effc				1.854* (0.924)	3.502*** (0.535)	4.098*** (0.774)
R_Law					-3.047** (1.030)	-2.288** (0.729)
lfp_youth						0.255 (0.331)
Voice_Acc						-2.153 (1.456)
Constant	-83.72 (60.94)	-94.62* (47.67)	-91.86* (45.23)	-109.3** (37.80)	-108.1** (31.02)	-149.0 (78.19)
Observations	84	84	84	84	84	72
R-squared	0.292	0.343	0.392	0.429	0.523	0.654
Number of country code	7	7	7	7	7	6

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Note: Djibouti is excluded from specification (6) due to lack of data on youth labor force participation

Terr_risk = terrorism risk; **Pol_ts** = Political terror scale; **Lngdp_pc** = Log of GDP per capita; **lnPopln** = Log of Population; **Polity2** = democratic score; **gvt_effc**=government effectiveness; **Pol_stab**= Political stability and lack of violence/terrorism; **Voice_acc** = Voice and accountability; **lfp_youth** = Youth Labor force participation; **R_Law** = Rule of law

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One year Lag

Political and Economic Determinants of Terrorism

Dependent Variable: Terrorism Risk

VARIABLES	(1)	(2)	(3)	(4)	(5)	(6)
	fe1	fe2	fe3	fe4	fe5	fe6
	Terr_Risk	Terr_Risk	Terr_Risk	Terr_Risk	Terr_Risk	Terr_Risk
lnLaggdppc	-0.556 (0.409)	-0.764 (0.642)	-0.696 (0.685)	-0.739 (0.756)	-0.265 (0.570)	-0.0584 (0.263)
pol_ts	1.075** (0.419)	1.065** (0.404)	0.866** (0.342)	1.152** (0.391)	0.884** (0.286)	1.126*** (0.195)
lnpopln	6.206 (3.770)	6.890* (3.037)	6.836* (2.968)	7.880** (2.554)	7.606** (2.068)	8.575** (3.207)
polity2		-0.195 (0.255)	-0.117 (0.267)	-0.0753 (0.241)	0.00403 (0.198)	0.0766 (0.0923)
Pol_Stab			-1.101 (0.785)	-0.881 (0.815)	-0.605 (0.676)	-0.853 (0.818)
govt_effc				2.073* (0.891)	3.659*** (0.690)	3.872*** (0.886)
R_Law					-3.241** (1.011)	-2.282** (0.849)
lfp_youth						0.392 (0.257)
Voice_Acc						-3.147* (1.450)
Constant	-99.09 (63.34)	-109.2* (52.01)	-109.5* (50.60)	-125.0** (44.00)	-123.7** (35.20)	-170.9** (64.05)
Observations	77	77	77	77	77	66
R-squared	0.322	0.354	0.403	0.445	0.550	0.712
Number of country code	7	7	7	7	7	6

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Terr_risk = terrorism risk; **Pol_ts** = Political terror scale; **Lngdp_pc** = Log of GDP per capita; **lnPopln** = Log of Population; **Polity2** = democratic score; **gvt_effc**=government effectiveness; **Pol_stab**= Political stability and lack of violence/terrorism; **Voice_acc** = Voice and accountability; **lfp_youth** = Youth Labor force participation; **R_Law** = Rule of law

Note: Djibouti is excluded from specification (6) due to lack of data on youth labor force participation

Source: Authors calculations using Stata

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This chapter presents -fixed effects robust- findings, from panel data estimations of the seven Horn of Africa countries from the years 2002 to 2013. The results of the regression analysis are presented in the above tables and in table 3 and 4 in the appendix. The summary statistics and pairwise correlation are presented in table (1) and (2) respectively in the appendix.

In testing if a country's wellbeing causes terrorism, a measure of GDP per capita was employed. GDP per capita is a good proxy of the consumption possibilities of the populace. The theoretical presumption behind GDP per capita connection to terrorism is that in a developing country context, increases in a society's wellbeing is expected to reduce probability for individuals to be radicalized, and hence, reduce terrorism. People would be more inclined to radicalization in situations of low income than in high income situations. A poor cross-section of a population is faced with a tradeoff between pay offs from engaging in terrorism and being idle and disenfranchised.

In Table 3, the results indicate that there is no statically significant causality between society's wellbeing and terrorism. We can see that although the coefficient of GDP per capita (society's wellbeing) is negative, its insignificance is robust to alternative specifications.

Therefore, we can infer that national income and wellbeing of the countries in the Horn of Africa is not significantly associated with terrorism. This result refutes David Shinn (2005) qualitative argument that poverty leads to terrorism, and that a good U.S. counter terrorism strategy towards the Horn of Africa should be geared towards addressing poverty. However, the findings validate the empirical work by Piazza (2004) and Krueger and Laitin (2003) whose findings indicate that in poor countries, terrorism risk is not significantly higher especially when specific country characteristics such as political freedom are taken into account.

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While previous studies have only looked at authoritarian regimes using the Freedom House political rights index to suggest that authoritarian regimes are able to put off political dissent, and therefore experience less terrorism, this study employs a unique measure of authoritarianism – state repression – through the use of the *Political Terror Scale* (Gibney et al, 2015) that measures levels of state repression where incidences of torture, state-sanctioned killings, disappearances, police brutality political murders, and imprisonment are practiced; as it is common in states in the Horn of Africa.

In a bid to ascertain if state political repression is associated with terrorism, after employing a robust check on the regression, it can be inferred that state repression increases terrorism. A one standard deviation change in state repression leads to approximately one unit increase in terrorism risk. For example the coefficient is 0.945 in specification 1, table 3. This result remains significantly different from zero across alternative model specifications with the coefficient only marginally changed.

It is evident that through a regional analysis and especially the Horn of Africa these findings discredit Kis-Katos, Liebert, and Schulze (2005) findings that strong autocratic regimes do not breed more terrorism and that terrorism increases with an increase in democracy. However, it validates Aksoy and Carter (2011) argument that terrorists see their acts as being justifiable because the targeted political institutions restricted them to air their grievances peacefully. Arguably, the results have theoretical reasoning, because state repression produces unintended consequences by hardening the society and may in advertently lead to more radicalization. This may be a good reason behind the fact that most youth in the region and continent – where most regimes are repressive – are being radicalized as opposed to the normal rhetoric of poverty as a cause of radicalization.

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The Horn of Africa as many parts of Africa, is experiencing high population growth and youth bulge. In order to ascertain if population density is significantly associated with terrorism, the results from the regression show that an increase in population increases terrorism. The coefficient for population is positive and significant at 1%. The result is robust when other variables are introduced in the regression specifications (2) – (6). A 1% increase in population leads to approximately 5 unit increase in terrorism risk. The results conform to both Burgon (2006) and Bandyopadhyay and Younas (2001) findings that densely populated countries are vulnerable to terrorism. This makes sense in the context of developing countries which have limited income and capability to manage growing populations.

Government effectiveness was not a main independent variable; however, the results show that an increase in government effectiveness leads to an increase in terrorism. In normal circumstances this is unexpected, and might seem a mistaken idea. However, this is very evident in transitional regimes as explained by Hjedts (2008) who posits that in transitional regimes, the market system replaces planned economy systems. Therefore, the problem is not transforming the institutions, but getting them adopted and having people acting according to them by trusting them. This, according to Hjedts (2008), has been done with different results in transition countries, and as a result, has led to economic inequality, corruption, ethnic hatred, gender inequality, crime, and terrorism.

The World Bank government effectiveness indicator measures how the civil service is independent from political pressures. From the preceding results we can infer that the civil service in the Horn of Africa is in transitional period and has misused the independence they have been given. This is evident in most countries where the civil service is in transition. For

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example, the provision of public services has been skewed along tribal lines thereby generating hatred, inequality, and ultimately increasing the risk of terrorism.

In order to look if the society's wellbeing in the current is affected by the wellbeing in the previous years, the study employed a lagged GDP per capita $t-1$ in order to remove any potential endogeneity problems. From the results in table (4) in the appendix, after applying a one year lag, the results robustly remain the same and do not alter the previous findings.

The rest of the control variables, conform to stylized findings. Looking at the rule of law, we can infer that an increase in the rule of law reduces terrorism, as is the case for voice and accountability. This is because the citizenry have a high confidence in the police service, and the courts to resolve their grievances.

4.1 Limitations of the Study

This study has two limitations. Firstly, GDP per capita is a rough proxy for the wellbeing of the society. A better alternative to capture a people's wellbeing would be proxy measures such as Gini coefficient. However, the study could not use this due to measurement error for the observations on Gini coefficient are not readily available for the most of the years of interest of the sample of countries under study.

The use of total population as a measure for population density is relatively a good proxy. However, with most of the states in the region facing youth bulge, a variable for measuring total youth population through the years 15-24 would be a good measure as youth bulges make for low opportunity costs for those who can be recruited as terrorists as argued by Urdal (2006). However, this measurement could not be used as observations for the years and countries under study are unavailable.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.0 Conclusion

This study analyzed the political and economic determinants in the Horn of Africa's regional security complex through a panel regression analysis. The study first mapped out the importance of the Horn of Africa as a regional security complex in its own right. The empirical analysis employed the Institute for Economics and Peace Global Terrorism Index for the period 2002-2013 to measure terrorism in the region; GDP per capita to measure poverty; Political Terror Scale to measure state repression; total country population to measure population density; Polity2 to measure democratic score; and World Bank's governance indicators that included: government effectiveness; rule of law; political stability; and voice and accountability.

The results indicate that poverty is not significantly associated with terrorism. This goes against the widely held belief that poverty is a major root cause of terrorism in the Horn of Africa. However, using the state political terror scale, we infer that state political repression does highly contribute to terrorism. It is evident that even though some countries in the Horn of Africa do hold elections, this does not fully mean that they are completely democratic as political assassinations, imprisonment, torture, and disappearances among the members of the opposition abound. Therefore, state repression produces unintended consequences by hardening the society and may inadvertently lead to more radicalization. A transition to more open and democratic societies in the region is needful.

With most countries in Africa experiencing an increase in population which also includes a youth bulge, a measure of population density was included in the equation. The results indicated that an increase in population does indeed increase terrorism. This can be attributed to

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an increase in competition of scarce resources especially with most countries hosting high number of refugees and governments being unable to control and manage these growing populations, especially youth bulges that clamor for more democratic space in these authoritarian states.

The independence of the public service has shown that the institutions are not fully transformed to serve the citizenry better but they have contributed to economic inequality, corruption, ethnic hatred, and ultimately, terrorism. Therefore, even if the state needs to make the civil service independent from political pressures, the intervening transitional period needs to be well managed, for it can bring negative results.

From the above analysis, it is evident that the crucial political and economic determinants of terrorism in the Horn of Africa are state political repression, an increase in population density, and problems of governance transitions. A realization of these causative factors will be of help to policy makers in designing a successful counter terrorism strategy to one of the epicenters and breeding grounds of terrorism.

5.1 Policy Recommendations

Following the results from the panel regressions, this study recommends the following policies to the involved stakeholders of the region.

5.1.1 Inter Governmental Authority on Development (IGAD)

IGAD's Political Affairs Program which comes under the Peace and Security Division is responsible for using preventive diplomacy through the promotion of democracy, governance, and human rights observance to counter conflicts in the region. In light of the fact that state political repression highly contributes to the increase in terrorism in the region, this study proposes a more active and well-funded Political Affairs Program that would undertake the

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bringing out of annual reports of human rights observance among the member states in relation to the ensuing security threats, and have them addressed in IGAD's meetings. The United Nations Charter on Human Rights and the African People and Human Rights Charter (Banjul Charter) should be used as their gold standard in pursuit of this policy.

5.1.2 United States Counter Terrorism Policy for the Horn of Africa

The presence of Camp Lemonnier – a naval expeditionary base in Djibouti – and home to the Combined Joint Task Force-Horn of Africa (CJTF-HOA), the only permanent US military base in Africa, calls for a look at one of the global hegemon's counter terrorism policies towards the region. Burgess (2013) of the *US Air War College* points out the importance of the CJTFHOA efforts to win the hearts and minds of the people of the region in a bid to prevent the communities from joining and sympathizing with extremist groups. This according to Burgess (2013) should be done through an indirect strategy as opposed to the direct strategy employed in Afghanistan and Iraq. They have been able to use IGAD member states' military forces (AMISON) to fight the terror groups.

Despite this good arrangement, AMISON and other African forces have not been able to win the hearts and minds of the communities in the region. They have been accused of violating human rights of the communities by being involved in widespread sexual violence in Somalia through raping of local women and girls (Amnesty International 2013), with victims being as young as twelve years old as reported in the outskirts of Baidoa, where a Ugandan soldier allegedly raped a twelve year girl (Human Rights Watch 2008). The Kenyan military forces have also been accused of human rights violation both at home – through violent actions against minority Somali communities – and abroad in Somalia where they have been accused of

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colluding with Al-Shabaab in illegal charcoal and sugar trade that funds the terror group (The Telegraph 2015)

From the above reports; it is quite clear that acts of state repression that involve the abuse of human rights through the state's armed forces are key causative factors of terrorism as shown in the regression reports Table (3) and (4)). With most of the funding and counter terrorism training coming from the United States, this study proposes the following to the global hegemon: providing conditions – human rights observance – while offering military aid to the governments of the region; and training the local militaries on strategies of winning the hearts and minds of the people in the region through human rights observance; and encouraging the promotion of democratic values in the region through the US Civil Affairs team.

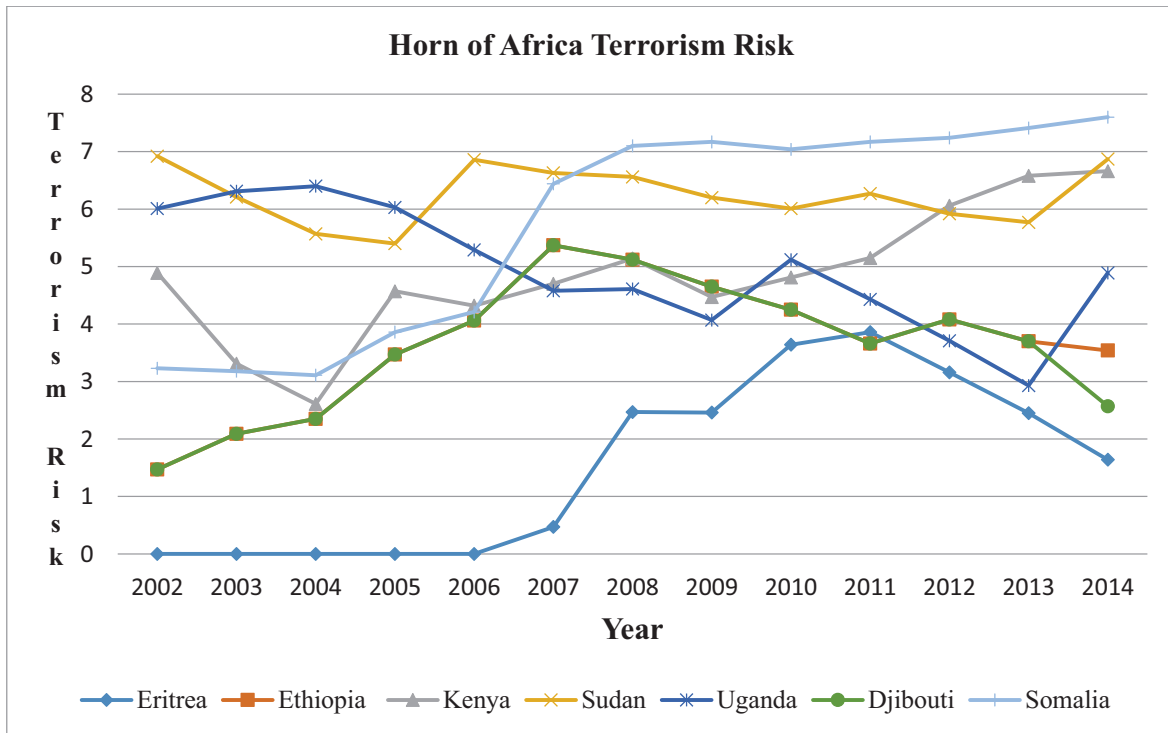
5.1.3 Member States

The governments in the region should ensure their counter-terrorism laws are not discriminative, especially along tribal and religious lines. Coast-line and border surveillance should be strengthened through sharing of intelligence, as the region serves as the African bridge to the Middle East. In addition, the governments of the region must create economic opportunities for a growing youth population and promote democratic values, while ensuring that presidential term limits are obeyed. Lastly, they should support Somalia's Government in its bid to stabilize the country. In doing this, the Horn of Africa will cease to be one of the epicenters of terrorism.

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APPENDIX

Figure 1: Horn of Africa Terrorism Risk



Source: Author's construction using data from the Institute for Economics and Peace Global Terrorism Index

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Table 1: Summary Statistics, 2002-2013, Annual Data

Variable	Observ	Mean	Std. Dev.	Min	Max
Terr_risk	84	3.839524	2.364276	0	7.41
Pol_ts	84	3.833333	.8335341	2	5
Lnggdp_pc	84	5.996216	.6414478	4.679558	7.085043
lnPopln	84	16.44988	1.484236	13.52176	18.36473
Polity2	83	-.5662651	4.612266	-7	9
Gvt_eff	84	-1.038718	.5809922	-2.450037	-.3435738
Pol_stab	84	-1.421987	.9070071	-3.323905	.5006028
Voice_acc	84	-1.267712	.6493777	-2.233534	-.1375531
lfp_youth	72	56.27917	17.28483	35.1	79.5
R_law	84	-1.09272	.6160051	-2.668873	-.3359891

Terr_risk = terrorism risk; **Pol_ts** = Political terror scale; **Lnggdp_pc** = Log of GDP per capita; **lnPopln** = Log of Population; **Polity2** = democratic score; **gvt_effc**=government effectiveness; **Pol_stab**= Political stability and lack of violence/terrorism; **Voice_acc** = Voice and accountability; **lfp_youth** = Youth Labor force participation; **R_law** = Rule of law

Source: *Authors calculations using Stata*

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Table 2: Pairwise Correlation

	terr_r~k	lngdp_pc	pol_ts	lnpopln	polity2	pol_stab	gvt_effc
terr_risk	1.0000						
lngdp_pc	-0.1376	1.0000					
pol_ts	0.7645	-0.1706	1.0000				
lnpopln	0.6654	-0.3247	0.5682	1.0000			
polity2	0.0572	0.2981	-0.2044	0.0203	1.0000		
pol_stab	-0.7533	0.3275	-0.7057	-0.4646	0.0610	1.0000	
gvt_effc	-0.1944	0.2224	-0.3343	0.2924	0.1754	0.6003	1.0000
r_law	-0.3963	0.2361	-0.4373	0.1047	-0.0090	0.7498	0.9266
lfp_youth	-0.6418	-0.6755	-0.5304	-0.1203	-0.5150	0.5483	0.2875
voice_acc	0.0199	0.3044	-0.2247	0.2938	0.6458	0.3414	0.7666

Terr_risk = terrorism risk; **Pol_ts** = Political terror scale; **Lngdp_pc** = Log of GDP per capita; **lnPopln** = Log of Population; **Polity2** = democratic score; **gvt_effc**=government effectiveness; **Pol_stab**= Political stability and lack of violence/terrorism; **Voice_acc** = Voice and accountability; **lfp_youth** = Youth Labor force participation; **R_law** = Rule of law

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Table 3: Political and Economic Determinants of Terrorism

Dependent Variable: Terrorism Risk

VARIABLES	(1)	(2)	(3)	(4)	(5)	(6)
	fe1	fe2	fe3	fe4	fe5	fe6
	Terr_Risk	Terr_Risk	Terr_Risk	Terr_Risk	Terr_Risk	Terr_Risk
lngdp_pc	-0.447 (0.365)	-0.748 (0.574)	-0.595 (0.656)	-0.922 (0.790)	-0.610 (0.493)	-0.339 (0.577)
pol_ts	0.945** (0.368)	0.926** (0.350)	0.737** (0.266)	1.002** (0.339)	0.709* (0.292)	0.927** (0.292)
lnpopln	5.266 (3.653)	6.034* (2.779)	5.762* (2.644)	7.007** (2.170)	6.825*** (1.821)	7.966* (3.871)
polity2		-0.247 (0.270)	-0.157 (0.292)	-0.110 (0.255)	-0.0386 (0.207)	0.0689 (0.127)
Pol_Stab			-1.110 (0.920)	-1.007 (0.994)	-0.652 (0.770)	-0.927 (1.098)
govt_effc				1.854* (0.924)	3.502*** (0.535)	4.098*** (0.774)
R_Law					-3.047** (1.030)	-2.288** (0.729)
lfp_youth						0.255 (0.331)
Voice_Acc						-2.153 (1.456)
Constant	-83.72 (60.94)	-94.62* (47.67)	-91.86* (45.23)	-109.3** (37.80)	-108.1** (31.02)	-149.0 (78.19)
Observations	84	84	84	84	84	72
R-squared	0.292	0.343	0.392	0.429	0.523	0.654
Number of country code	7	7	7	7	7	6

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Terr_risk = terrorism risk; **Pol_ts** = Political terror scale; **Lngdp_pc** = Log of GDP per capita; **lnPopln** = Log of Population; **Polity2** = democratic score; **govt_effc**=government effectiveness; **Pol_stab**= Political stability and lack of violence/terrorism; **Voice_acc** = Voice and accountability; **lfp_youth** = Youth Labor force participation; **R_law** = Rule of law

Note: Djibouti is excluded from specification (6) due to lack of data on youth labor force participation

Source: Authors calculations using Stata

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Table 4: Political and Economic Determinants of Terrorism – One year Lag

Dependent Variable: Terrorism Risk						
VARIABLES	(1) fe1 Terr_Risk	(2) fe2 Terr_Risk	(3) fe3 Terr_Risk	(4) fe4 Terr_Risk	(5) fe5 Terr_Risk	(6) fe6 Terr_Risk
lnLaggdppc	-0.556 (0.409)	-0.764 (0.642)	-0.696 (0.685)	-0.739 (0.756)	-0.265 (0.570)	-0.0584 (0.263)
pol_ts	1.075** (0.419)	1.065** (0.404)	0.866** (0.342)	1.152** (0.391)	0.884** (0.286)	1.126*** (0.195)
lnpopln	6.206 (3.770)	6.890* (3.037)	6.836* (2.968)	7.880** (2.554)	7.606** (2.068)	8.575** (3.207)
polity2		-0.195 (0.255)	-0.117 (0.267)	-0.0753 (0.241)	0.00403 (0.198)	0.0766 (0.0923)
Pol_Stab			-1.101 (0.785)	-0.881 (0.815)	-0.605 (0.676)	-0.853 (0.818)
govt_effc				2.073* (0.891)	3.659*** (0.690)	3.872*** (0.886)
R_Law					-3.241** (1.011)	-2.282** (0.849)
lfp_youth						0.392 (0.257)
Voice_Acc						-3.147* (1.450)
Constant	-99.09 (63.34)	-109.2* (52.01)	-109.5* (50.60)	-125.0** (44.00)	-123.7** (35.20)	-170.9** (64.05)
Observations	77	77	77	77	77	66
R-squared	0.322	0.354	0.403	0.445	0.550	0.712
Number of country code	7	7	7	7	7	6

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Terr_risk = terrorism risk; **Pol_ts** = Political terror scale; **lnLaggdppc** = Log of Lagged GDP per capita; **lnPopln** = Log of Population; **Polity2** = democratic score; **gvt_effc**=government effectiveness; **Pol_stab**= Political stability and lack of violence/terrorism; **Voice_acc** = Voice and accountability; **lfp_youth** = Youth Labor force participation; **R law** = Rule of law

Note: Djibouti is excluded from specification (6) due to lack of data on youth labor force participation

Source: Authors calculations using Stata

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