Terrorism and State Sponsorship in World Politics

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October 11, 2017

Word Count: 8,787

Abstract

The state sponsorship of terrorist groups poses a significant risk to international security. Accordingly, a growing body of scholarship focuses on understanding different aspects of the relationship between the patron state, the beneficiary terrorist group, and the target state. This chapter first reviews the findings and arguments in this literature, exploring both the theoretical and empirical work over the strategic dynamics of and the effects of state support. This work contains numerous insights and provides some counterintuitive advances to our understanding of the different manifestations of sponsorship, the rationale for sponsorship, and the impact of sponsorship on both the terrorist group and the target state. Yet, there is much more work that remains to be done in this field. Specifically, we propose that further study on the connection between sponsorship and other important security issues in world politics is necessary to better understand the broader role that sponsorship plays in international relations. To promote this end we empirically demonstrate the connection between territorial disputes, the state sponsorship of militant groups, and the onset of interstate conflict. This evidence is preliminary but opens a potentially promising new avenue for research on the effects of state sponsorship of terrorist groups.

Introduction

Recent history is replete with cases of states sponsoring terrorist groups. Prominent examples include Pakistani support to groups operating in Kashmir, the Indian Government's connections to the LTTE in Sri Lanka in the 1970s and 1980s, Iran's role in helping create, finance and train Hezbollah in Lebanon, and the Taliban's provision of safe haven to al-Qaeda. State support need not be direct as in these cases, but can also take a "passive" or unintentional form. For example, the United States passively supported the Provisional Irish Republican Army (PIRA) by not taking actions to stop its citizens from donating to such groups. Although the volume of state sponsorship has declined since the Cold War (Enders and Sandler, 1999; Byman, 2005b), many worry its potential impact on international security could be greater given nuclear proliferation in weak states with a history of sponsorship, e.g., Pakistan (Collins, 2014). Accordingly, understanding the causes, types and consequences of state-sponsorship remains an important objective for scholars and policy-makers.

Before proceeding, we define what we mean by "terrorist group." The use of the term "terrorist group" can be misleading, as terrorism, i.e., the deliberate targeting of civilians by groups with political motivations, is just one of many tactics available to violent actors (Shapiro, 2012; Mesquita, 2013; Carter, 2015b). Thus, groups that use terrorism often also use guerrilla tactics or even more conventional military tactics. We do not deeply engage with this specific issue, but rather use the term "terrorist groups" to indicate any group that uses the tactic, even though many if not most groups use a mix of tactics. Thus, non-state groups engaged in civil war with a state government are usually also terrorist groups by our definition, while groups such as the Red Brigades that were not able to escalate conflict to civil war are also terrorist groups.

The literature on state sponsorship of terrorist groups can be split into four main areas. First, scholars have tried to understand the different types of sponsorship available for a state to provide. Sponsorship can come in many forms, where each option yields a different relationship between state and terrorist group. Second, scholars have tried to understand why states would want to sponsor terrorist groups. Motivations vary depending on the type of sponsorship - active, passive, or unintentional. For instance, passive or unintentional support is often not as clearly tied to specific

policy goals as is active sponsorship. Third, scholars have examined the "demand" for sponsorship, exploring why terrorist groups would want state sponsors. While early works emphasized the obvious benefits of sponsorship to groups, recent literature recognizes that groups face difficult trade-offs: they obtain additional resources but at costs such as giving up some autonomy. Finally, aside from the terrorist group and the sponsor, it is important to consider the state targeted by the group. How does state sponsorship complicate dealing with threatening groups? Are there any upsides to fighting groups with a state sponsor? After addressing prominent work on these four aspects of sponsorship, we propose some new avenues for research on sponsorship. Specifically, we empirically demonstrate the intimate connections between state sponsorship and other important security issues in world politics, suggesting that future research can better understand the dynamics of sponsorship by focusing on the policy issues or disputes that drive sponsors and groups together. Such a focus would also help to better connect the fast growing literature on terrorism and political violence with the long-established literature on interstate disputes and violence.

The types of sponsorship

The types of state support to terrorist groups varies in complexity and depth. As (Byman, 2005b) describes, state support can range from simply providing ideological direction to providing a territorial sanctuary for the group. A territorial base is arguably the most significant and complicated form of support as it provides a base for operations and training, while also usually increasing the cost to directly attacking the group for the target state. The fact that the state sponsor exposes itself to potential retaliation by the target state and its allies entails real diplomatic, economic and military risks (Byman, 2005b; Salehyan, 2008; Schultz, 2010). Even within specific types of support, such as arms transfers or training, there is great variation in how much support different sponsors provide. Mickolus (1989) provides a somewhat different typology that focuses on the culpability of state sponsors for group actions more than the specific types of support they provide. He places regimes into different categories that range from least to most culpable in the following order: intimidated governments, ideologically supportive regimes, generally facilitative supporters, direct support in incidents by governments, and official participation. Thus, the idea here is that

some states unwillingly provide sponsorship because they have no choice, i.e., "intimidated governments", while other states enthusiastically back groups and even directly help them carry out specific attacks, i.e., direct support in incidents or official participation. Both of these typologies of sponsorship have informed work on state sponsorship.

One difficulty in understanding patterns of state sponsorship is the fact that governments do not often advertise their support for terrorist groups. Scholars such as Hoffman (1997) and Pluchinsky (1997) try to directly explain why states do not often take credit for attacks. Pluchinsky (1997) even claims that at the time of writing his article, he knew of "no state-sponsored terrorist attack that [had] been explicitly claimed by a state." The reason that these authors and others give is fairly intuitive: state sponsors want to avoid retaliation from the state targeted by the group's attacks and/or its allies. As Byman (2005b) and Carter (2012) note, states typically sponsor a group because they have a dispute or rivalry with the state the group targets. Moreover, sponsorship is an indirect means of challenge that is also not terribly good at achieving decisive outcomes in the short- or medium-term. Accordingly, the states that use sponsorship tend to be states that wish to avoid direct military confrontation with their opponent. Plausible deniability is important in such regard to specific attacks as sponsorship is often either highly suspected or a proven fact. For instance, most countries were almost certain that the Libyan government was highly involved and responsible in the Lockerbie airline bombing, but Gaddafi actually admitting such involvement would have probably resulted in even higher costs than what actually followed.

The ties between a terrorist group and a sponsoring government are often fairly weak. A number of scholars suggest that the fact that sponsors are quite fickle reflects both the import of plausible deniability in many cases as well as the fact that the core interests of groups and sponsors are often divergent. According to McCormick and Owen (2009, p. 292), "the average life-span of a state-terrorist coalition is less than eight years, with a median life cycle of six years." The authors explain this structural weakness by the fact that the interests of both partners in this relationship do not completely overlap and are sometimes at odds with each other, a point also made by Byman (2005b) and Carter (2012).

The current work on the types and nature of sponsorship has been useful and has provided

interesting theoretical discussions. However, this area of the research field is still in need of further development. The typologies provide a helpful way to organize and rank the depth of sponsorship but more theoretical work needs to be done to explain the change from one type of support to another with accompanying rigorous empirical work to support these theories. Moreover, connection between these typologies of support and the motivations for sponsoring states, e.g., the type of policy dispute motivating its sponsorship, would clarify the conditions under which states choose more or less active forms of support for groups.

Why sponsor terrorism?

We anchor our discussion of the motivations for state sponsorship of terrorism by distinguishing among three broad classes of sponsorship: active, passive and unintentional. These three classes of sponsorship vary in the amount and type of support provided by the state to the group (Byman, 2005b). Accordingly, it is worthwhile to consider each separately in order to better illustrate the different dynamics behind the motivations for the first two types and the necessary and sufficient conditions for the third type to exist.

Active sponsorship

The motivations for a state to actively sponsor terrorism cover a fairly wide spectrum. Byman (2005b) lists three broad categories that each motivation can be placed under - strategic concerns, ideology, and domestic politics. Even though there is some evidence (for example, see Salehyan, Gleditsch and Cunningham (2011)) that bonds of affinity through a shared culture, religion or ethnicity can be the main motivation behind a state's decision to sponsor violent organizations in other countries, Byman (2005b, p. 32) states that "strategic motivations are the most common." In fact, even if the initial impetus for a state is non-strategic, strategic concerns eventually come to the forefront of the sponsorship question. For example, Iran might have initially supported Hezbollah out of ideological reasons to spread the Islamic revolution, but eventually strategic considerations drove Iran to use their proxy to attack and intimidate states such as the United States, Israel, and

Iraq.

State-sponsorship is thus an attractive tool as it allows a state to engage in "coercive diplomacy" against a rival in a less costly way than conventional military conflict (Bapat, 2007, 2012). A state can use a terrorist group to improve their bargaining position vis-á-vis a rival while not directly engaging their opponent's military forces. This logic seems to be empirically supported. Salehyan, Gleditsch and Cunningham (2011) and Maoz and San-Akca (2012) show that the presence of an interstate rivalry increases the chances of cooperation between a state and non-state armed group. Similarly, Findley, Piazza and Young (2012) find that interstate rivalries are positively associated with transnational terrorism. The case of Pakistan and India helps to illustrate this dynamic. Their disagreement over the status of Kashmir initially led to direct military confrontation in the early post-independence years. However, since the 1970s, Pakistan has financed and actively created and managed Kashmiri terrorist groups to put pressure on India to concede.

There can be other motivations for a state to delegate violence to a terrorist group. Byman and Kreps (2010) use a standard principal-agent framework to study why a state, the principal, would want to sponsor (i.e. delegate conflict) a terrorist group, the agent. The authors suggest three reasons to explain this delegation. First, delegation allows states to exploit the assets of terrorist groups who are more knowledgable about unconventional tactics. This specialization and niche skill set gives terrorist groups a comparative advantage. Second, a state might choose to delegate in order to increase the credibility of their commitment to a particular cause. Terrorist groups will have fewer incentives than states to renege on their commitment and it is also harder for a state to control their proxy's fighters than their own military forces. Finally, delegation allows a principal's preferences to be acted upon beyond the fixed tenure of a leader. A current leader thus might delegate responsibilities to a terrorist group in order to ensure that their preferred policies are still followed even after they leave their post. Salehyan (2010) also uses principal-agent theory to assess group-state alliances, noting that states are able to forego costs of direct engagement with an adversary, but must also be willing to cede some foreign policy-making autonomy.

Passive sponsorship

States might be supporting terrorist groups through their inaction as well. Byman (2005a) characterizes passive support as the situation where actors within a country (but not the government itself) aid a terrorist group, and the country chooses not to stop this support even though it has the capacity to do so. Before 9/11, citizens in Saudi Arabia financially supported Islamic terrorist groups and the Saudi government chose not to intervene to stop these transactions. In the 1970s, it was known that the Provisional Irish Republican Army (PIRA) was receiving financial support from American citizens, but the American government chose not to block these transfers.

Byman (2005a) explains how this passivity can be explained by domestic considerations. The deeply religious Saudi society and the intertwining of religion and politics at the elite level meant that any intervention could end up offending powerful actors. Groups like al-Qaeda were not considered a serious threat to the Saudi monarchy at that time, so any direct confrontation might have had little benefit and could have created the opportunity for an unwanted costly response by the group and its supporters. Similarly, in the United States, Irish Americans made up a sizable political constituency so it would not have been electorally advantageous for many politicians to go after the funding of the PIRA at that time. Empirical evidence over passive sponsorship is relatively sparse, as it is by definition more difficult to reliably observe and measure than active sponsorship. Thus, empirical studies of sponsorship such as Salehyan, Gleditsch and Cunningham (2011) or Carter (2012) focus on forms of active sponsorship, leaving more ambiguous passive relationships for future work.

Unintentional sponsorship

Aside from active and passive sponsorship which is conditioned on the state having a certain level of capacity, weak states might just not be able to prevent terrorist groups from exploiting their resources. The state is not "motivated" to support terrorist groups but its weakness leaves it unable to project authority or establish legitimacy which enables terrorist groups to operate without substantial interference. Although the link between weak states and unintentional sponsorship is

theoretically plausible, additional factors might need to be considered. In other words, a weak state might be a necessary condition but not a sufficient condition to be an unintentional host for a terrorist group. Although we can point to some well-known examples such as Afghanistan and Sudan, Newman (2007) found that a substantial amount of weak states (where weakness was measured by a country's score on certain capacity measures) are not havens for transnational terrorist groups. Newman (2007) argues that scholars should focus on finding the decisive factors that can help us better understand the link between weak states and sponsorship. Moreover, Carter (2012) does not even consider cases in which groups are based within a weak state that cannot prevent it as indicative of sponsorship. Carter (2012) also shows that active sponsorship has quite distinct effect on group health relative to groups with safe haven a state that is not an active sponsor, i.e., an "unintentional sponsor". Specifically, safe havens in states that are not active sponsors are helpful to group survival prospects, whereas safe haven provided by active sponsors is often not helpful to groups.

Kittner (2007) potentially provides us with some additional variables by arguing that three other factors, aside from weak governance, have allowed groups to establish safe havens in other countries. First, geographic features such as rugged terrain makes it difficult for a state to govern and disseminate power. Terrorist groups can thus take advantage of the inaccessibility of such an area (see also Carter, Shaver and Wright (2015)). However, Krueger fails to find any systematic connection between terrain and patterns of terrorism, which draws this idea into question (Krueger, 2007). Second, a history of corruption and violence that so often characterizes developing countries can attract terrorist groups. The ability to raise money in the illegal economy and the ease with which members can be recruited and weapons can be purchased will not only attract terrorist groups but make it more difficult for the state to control their territory and expel such groups (Piazza, 2011). Finally, poverty - which tends to be endemic in weak states - can plausibly make it easier for terrorist groups to recruit members and establish a safe haven. However, it is important to note that the empirical evidence in support of the connection between poverty and terrorism is relatively weak, e.g., Piazza (2006).

Why accept sponsorship?

The preceding section looked at the supply side of the equation - a state choosing to sponsor a terrorist group. Here we consider the demand side of the equation, or why terrorist groups choose to accept state sponsorship. Although sponsorship can obviously bring benefits in increased funds and resources, a number of scholars point out that groups face trade-offs in accepting sponsorship (Byman, 2005b; Salehyan, 2010; Salehyan, Gleditsch and Cunningham, 2011; Carter, 2012). Specifically, while groups gain essential resources, they also take on risk by giving up a degree of control to their sponsor.

Obtaining resources to improve capability and encourage cohesion

Cronin (2009, p. 18) claimed that there were two ways for terrorist groups to end - target elimination or internal dissolution. State sponsorship brings resources - both material and ideological - that can help improve the capabilities and strengths of a terrorist group to help avoid elimination. Salehyan (2007) found that civil wars tended to last longer when rebels had access to external bases, so it would be intuitive to think that this dynamic works with terrorist groups as well. In fact, "many theorists have suggested that external support by governments is necessary to ensure the survival of terrorist bands, whose limited self-generated resources would otherwise cause these organizations to whither over time" (Mickolus, 1989, p.287). Consistent with this argument, Siqueira and Sandler (2006) show theoretically that with state-sponsorship, a terrorist group does not need to rely on popular support and that allows them to focus on their mission which augments violence, although this argument might underemphasize the connection between popular support and group help in many cases.[1] Likewise, Byman (2008) explains how state sponsorship can help turn small terrorist groups into full blown insurgencies. States offer a safe haven to operate, provide technology and training, can hinder the ability of a target state to enact effective counter-terrorism measures, and can even legitimize the group. Foreign sanctuaries can thus decrease the likelihood that a terrorist group's campaign ends (Bapat, 2007; Carter, 2012). There is some empirical evidence to support Bapat's (2007) theoretical model, as Gaibulloev and Sandler

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[1]See Mesquita (2013) for a theory that connects the use of terrorism to building public support.

(2014) were able to show that state sponsorship decreases the likelihood that a terrorist group ends.

Additionally, more resources can also translate into improved cohesion. Simply put, internal dissolution occurs if members leave because then the group ends. Members of a group usually have outside options, and in order for them to be willing to participate in terrorist activities they need to be compensated with at least as much as they would get if they left (Mesquita, 2005). As Carter (2012) explains, given this participation constraint, increased resources through state sponsorship should help the terrorist group provide the necessary benefits to attract and keep members[2].

Loss of control

Leaders of terrorist groups might gain resources through finding a state sponsor but it often comes at the cost of organizational control. States are often walking a fine line when they sponsor terrorist groups. They want to inflict damage a rival but wish to avoid costly retaliations. As a result, Byman (2008) describes how states often want to limit the scope and actions of sponsored groups and in some cases even forcefully impose such limits. Syria's tumultuous relationship with Palestinian groups, especially the PLO, illustrates this desire for control. At times Syria worked with the PLO, but at other times jailed Yasser Arafat and supported his rivals when the group behaved too independently. Terrorist groups would thus prefer to raise their finances independently rather than rely on a patron who will give them "conditional aid." On the other side, rational states should be careful in picking their partners - they want a group that is organized and that they can easily control. Corroborating this theorized calculus, (Salehyan, Gleditsch and Cunningham, 2011) find that rebel groups that are neither too weak (such that they are poorly organized) nor too rich (such that they do not need to be dependent on the state for vital resources) are more likely to receive external support. From a prospective sponsor's point of view, picking a relatively poor and desperate group might give maximum control. However, a poor group desperate for resources is also less able to inflict significant damage on the target state and is likely to exhibit more internal problems, i.e., be a poor investment.

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[2]Note that Carter (2012) goes on to test this hypothesis and finds no real empirical support for it.

Controlling an illegal organization like a terrorist group is usually not straightforward. In By-man and Kreps's (2010) principal-agent framework, the state-terrorist group relationship is fraught with such inefficiencies where the autonomy of the agent (the terrorist group) allows it to sometimes act against the interest of the principal (the sponsoring state). As explained above, sponsorship is a way for a state to improve its bargaining position against rivals. However, there can be considerable trade-offs involved. The improved bargaining power comes at the potential cost that the empowered terrorist group cannot be controlled and could punish the sponsor if it negotiates an unpalatable deal. In light of this trade-off, Bapat (2012) models how states can tie their hands at the negotiating table by sponsoring such groups and corroborates these predictions with empirical evidence. Anecdotally, Pakistan's relationship with Kashmiri militant groups depicts this trade-off fairly well. Even though Pakistan had been supportive of Kashmiri militant groups in the past, this changed after the December 2001 militant attacks in India. After this attack, Pervez Musharraf (the then Pakistani leader) promised to cooperate with India in punishing those responsible which led the militant groups to focus their violence on Musharraf's government instead.

The target state: impacts and reactions

Finally, after studying the sponsoring state and the terrorist group, some of the literature has analyzed state-sponsored terror from the perspective of the target state. Aside from examination of the impact of the sponsorship on terrorist attacks in the target state, scholars have also looked into the reaction and retaliatory policies that follow such attacks. Understanding target states' incentives and behavior are of clear importance, as any theory in which a group and (potential) sponsor make decisions needs to somehow account for the anticipated reactions of the target.

Is sponsorship actually a blessing?

From the preceding section, the theoretical and empirical evidence (Siqueira and Sandler, 2006; Bapat, 2007; Byman, 2008; Gaibulloev and Sandler, 2014) could lead one to logically conjecture that state sponsorship, through the mechanism of increasing the capacity of a terrorist group, is

likely to lead to more frequent and more deadly attacks. Yet, such sponsorship might actually not worsen things for the target country. In fact, according to Carter (2012), sponsorship can be a "blessing" as the sponsoring country often has incentives to strategically disclose intelligence on the terrorist group in order to avoid costly military operations. Theoretically, we would expect sponsoring states to be especially sensitive to the threat of military retaliation by the target as the decision to sponsor (with all the noted trade-offs) rather than more directly coerce one's adversary is reflective of a strong desire to avoid military confrontation. Empirically, this logic is supported by evidence that the likelihood a terrorist group is eliminated by their target country increases when they rely on safe haven in a sponsoring state. Furthermore, Carter (2012) also found that sponsorship did not significantly affect whether a group ended due to internal dissolution. Thus, counter-intuitively, a target state would prefer "to have an active sponsor with some degree of power over a group relative to a weak host that cannot do much about a group" (Carter, 2012, p. 149). There is additional empirical evidence to support the assertion that sponsorship might not actually be a boon for a terrorist group. Contrary to Gaibulloev and Sandler (2014), Phillips (2014) found that state sponsorship had no significant effect on the survival rate of terrorist groups, and Asal and Rethemeyer (2008) found that state sponsorship did not significantly influence the lethality of a terrorist organization.

Retaliation and its effects

Target governments do sometimes react to terrorist activity by enacting policies - militarily and economically - aimed at punishing sponsoring states. Empirically, Maoz and San-Akca (2012) find that state-terrorist coalitions increase the likelihood of rivalry escalation. Similarly, Salehyan (2008) and Gleditsch, Salehyan and Schultz (2008) find that rebel sanctuaries and external support increased the probability of a militarized interstate dispute between the host and the target country. Schultz (2010) explains the link between sponsorship and international conflict as a form of bargaining failure between the sponsor and the target. It would be costly for both the target country and the host country if the former initiated military operations so a mutually peaceful compromise should theoretically exist. However, if agreements cannot be monitored and enforced then military

retaliation can be the best option for the target country.

Yet, the target state's retaliatory policies can actually have a harmful impact on both the sponsoring state and the retaliating state. Although sanctions and military force can compel a host state to halt or lessen their support, the use of compellent punishments might actually end up severely weakening the host state's capabilities to control the terrorist group and could incentivize the terrorist group to be more aggressive. Carter (2015a) characterizes this trade-off as the "compellence dilemma" and argues that the downstream costs of compellent punishments make them ineffective and rare. However, Carter (2015a) suggests that the dilemma is less pernicious when the host state is also a sponsor, as the probability that a sponsor can effectively act against a group is significantly higher than it is for an unwilling host. This is also consistent with the findings of Carter (2012), as safe havens from non-sponsoring states are associated with group health, while safe havens from sponsors are not.

Clearly, identifying the optimal retaliatory policies across different cases of sponsorship, active, passive and otherwise, is difficult and an area in need of much more study. In at least in one successful case, an important element seemed to be having a multilateral coalition putting pressure on a sponsor. The United States enacted unilateral economic sanctions and conducted military operations against Libya in 1986. However, according to Collins (2004) and Byman (2005b), Libya only dismantled it's "sponsorship" program after the 1992 UN multilateral sanctions. In a general sense this is consistent with Lake (2002), who conjectures that multilateral responses to terrorism are relatively effective, but more theoretical and empirical work is needed on this front. Interesting cases such as the Libyan one could motivate other theoretical and empirical questions about what types of policies are best at dealing with state-support for terrorism in its varying guises.

Inter-state Conflict, Terrorism and State Sponsorship

One aspect of state sponsorship in need of more analysis is the relationship between inter-state disputes and patterns of sponsorship. Much of the theory that relates to why states choose to sponsor violent groups emphasizes that sponsorship is often a policy tool aimed at furthering

more typical security aims (Byman, 2005b; Carter, 2012). These connections have been developed empirically in some domains, as studies such as Findley, Piazza and Young (2012) and Maoz and San-Akca (2012) show the relationships between terrorism and interstate rivalry. We suggest here that our understanding of state sponsorship can benefit from connection to the large and well-established literature on territorial disputes.

Territorial disputes are known to be responsible for a large share of violent interstate conflict and war. A large body of work convincingly links the presence of border disputes to the outbreak of inter-state war (Luard, 1986; Holsti, 1991; Vasquez, 1993; Vasquez and Henehan, 2001; Hensel, 2000). Disputes over territory that escalate to war are also associated with conflicts that take longer to resolve and produce more casualties. This set of facts in conjunction with the observation that sponsors tend to be states in dispute with adversaries makes examination of connections between territorial disputes and state sponsorship of terrorist groups a worthwhile enterprise. Moreover, a number of the more prominent cases of state sponsorship are clearly tied to border disputes. For instance, the support provided by Pakistan and its intelligence agency, ISI, to Kashmiri groups targeting India is clearly tied to its long-standing dispute with India over the status of Kashmir. Syrian support for a number of Palestinian groups targeting Israel during much of the 1970s and 1980s also fits this pattern, as this behavior is not hard to link to the dispute over the Golan Heights. In short, there are numerous reasons to think that states in contentious territorial disputes might provide support to groups that carry out attacks on their territorial target.

To probe whether the dynamic present in the Pakistan-India dispute is present across a large number of territorial disputes, we provide a preliminary exploration with data. To explore the connection between territorial disputes and patterns of state sponsorship, we use the most comprehensive data currently available. For territorial disputes we use data collected by Huth (1996) and extended by Huth and Allee (2002) and Huth, Croco and Appel (2011), which covers all border disputes globally from 1945–2010. For data on state sponsorship patterns, we use the recently compiled Non-State Armed Groups (NAGs) data collected by San-Akca (2016) and used in studies such as Maoz and San-Akca (2012). While there are alternative sources of sponsorship data such as Cunningham, Gleditsch and Salehyan (2013) or Carter (2012), the San-Akca data covers a broader

range of groups relative to the Cunningham et al data, which only measures patterns in civil wars identified by the UCDP-PRIO data, and has greater temporal coverage relative to Carter's data, which only covers post-1968 patterns in sponsorship.

The first thing we demonstrate with this data is that states in territorial disputes are also especially likely to be state sponsors of terrorism. Table 1 provides a simple cross-tabulation of whether a given state is embroiled in a territorial dispute or not and also whether it is a sponsor of terrorism or not. The numbers in bold are the actual cell values, meaning that out of all post-1945 country-years, the modal category is being neither in a territorial dispute nor a sponsor of terrorism, i.e., 4,691 country-years. The numbers in parentheses below the bold entries indicate the values that would be in the cells if we assume the two variables are independent of one another. About 45% of all country-years involve a territorial dispute, which is not overly rare, while state sponsorship is much less common with almost 12% of state-years being sponsorship years. Of particular interest is the fact that there are significantly more cases of sponsorship in years where a state is embroiled in a territorial dispute than would be expected if the two variables were independent of one another. In fact, the Chi-square test statistic is very large, i.e., over 200, which indicates that these two variables are independent with probability very close to zero. Examination of the raw numbers suggests that independence implies around 534 years of sponsorship and territorial dispute in the sample while the actual number of such years is 764, which constitutes about two-thirds of all sponsorship country-years.

The idea that states in territorial disputes are especially likely to be state sponsors of terrorist groups also suggests that this set of states are very likely targets of sponsored groups. In other words, if the statistical association between sponsorship and territorial disputes is in fact driven by states using sponsorship to harm a territorial foe, we should also find a strong association between being the target of a sponsored terrorist group and having a border dispute. Table 2 shows the relationship between territorial disputes and being targeted by a state sponsored terrorist group in a given year. The raw data suggest that there is a strong connection between being embroiled in a territorial dispute and being targeted by a sponsored group. Specifically, under an assumption of independence between the two variables we would expect around 379 country-years in which a

Table 1: State Sponsorship and Territorial Disputes

	No Territorial Dispute	Territorial Dispute	Row Sum
No Sponsorship	**4,691** (4,461.3)	**3,705** (3,934.7)	**8,396**
Sponsorship	**376** (605.7)	**764** (534.3)	**1,140**
Column Sum	**5,067**	**4,469**	**9,536**

(Observed values in bold, expected values in parentheses.)

state is both targeted by a sponsored group and embroiled in a dispute, while we actually observe 575 such cases. Thus, over 70% of all cases in which a state is targeted by a non-state group that is sponsored by a state also involve territorial dispute. Statistically, these two variables are easily shown to not be independent of one another as the Chi-square test statistic again takes a value of more than 200, which implies independence with probability arbitrarily close to zero.

Table 2: Targets of State Sponsored Groups and Territorial Disputes

	No Territorial Dispute	Territorial Dispute	Row Sum
Not Targeted	**4,833** (4,637.1)	**3,894** (4,089.9)	**8,727**
Targeted	**234** (429.9)	**575** (379.1)	**809**
Column Sum	**5,067**	**4,469**	**9,536**

(Observed values in bold, expected values in parentheses.)

Theoretically, there should be important distinctions between territorial targets and territorial challengers. Challengers in territorial disputes are the revisionist party, claiming a portion of the target state's territory. Thus, challenger states are typically the aggressors in these disputes, and both escalation to war and peaceful moves towards resolution tend to be initiated by them (Huth, 1996). Accordingly, we expect territorial challengers to be more likely to choose sponsorship of a sub-state violent group that attacks its own territorial target. The target is (usually) satisfied with the territorial status quo relative to its neighbor, and thus is less aggressive absent major provocations by the challenger state. This makes target states less probable sponsors of terrorist groups relative to the challenger state.

Nicely for our purposes the Huth territorial dispute data distinguish between territorial targets and challengers while the San-Akca data distinguishes between sponsors of groups and states targeted by sponsored groups. We assess this conjecture by examining the raw data as we did in tables 1 and 2. Table 3 shows the cross-tabulation for whether a given state is the challenger in a territorial dispute and also the sponsor of a terrorist group. There is a significant statistical association between these two variables as there are many more instances of a territorial challenger also sponsoring a terrorist group than we would expect if these two variables were independent of one another. Again, the statistical association is significant as the Chi-square statistic is over 45, which implies a probability of independence close to zero

Table 4 shows the cross-tabulations for targets of sponsored groups and territorial claims. Again there are significantly more country-years in which a state is both a target of a territorial claim and also targeted by a sponsored group than we would expect if the two were independent. Specifically, we would expect around 204 cases of coincidence if the two processes were independent, while there are actually 369 such cases of coincidence. The Chi-square statistic is again statistically significant, taking a value close to 200, which implies an arbitrarily small chance that these two variables are actually independent.

One of the reasons that scholars have focused so much attention on territorial disputes is because of their positive correlation with military conflict and war. A quick glance at militarized interstate dispute (MID) incidence for states in territorial dispute and without territorial dispute confirm this

Table 3: State Sponsorship and Territorial Challengers

	Not Territorial Challenger	Territorial Challenger	Row Sum
No Sponsorship	**5,826** (5,726.5)	**2,570** (2,669.5)	**8,396**
Sponsorship	**678** (777.5)	**462** (362.5)	**1,140**
Column Sum	**6,504**	**3,032**	**9,536**

(Observed values in bold, expected values in parentheses.)

Table 4: Targets of State Sponsored Groups and Territorial Targets

	Not Territorial Target	Territorial Target	Row Sum
Not Targeted	**6,688** (6,523.3)	**2,039** (2,203.7)	**8,727**
Targeted	**440** (604.7)	**369** (204.3)	**809**
Column Sum	**7,128**	**2,408**	**9,536**

(Observed values in bold, expected values in parentheses.)

pattern: the mean number of MIDs experienced in country-years with a territorial dispute is 1.19, while the mean number of MIDs is only 0.19 for country-years without a territorial dispute. This is a large difference, as MIDs are fairly rare events. A natural question to ask is whether the incidence of militarized conflict in territorial disputes is similar, lesser, or worse when state sponsorship of terrorist groups is also present.

To sum all of this up, these simple cross-tabulations suggest that the states embroiled in territorial disputes also tend to disproportionately be implicated in state sponsorship of terrorist groups. Moreover, while much additional analysis is needed, the basic patterns that one would expect if the relationship between border disputes and state sponsorship was systematic are born out in the data. For instance, territorial targets also tend to be targets of state sponsored groups, while state sponsors tend to be revisionist territorial challengers.

Although we leave full assessment of the relationship between sponsorship and to future research, we provide a preliminary assessment of one of the more basic ideas suggested but not tested in the extant literature. Specifically, scholars such as Findley, Piazza and Young (2012) and Carter (2012) suggest that sponsors of terrorism that have traditional policy ends in mind, such as imposing costs on a territorial rival, tend to be in positions of military weakness relative to their opponent. The basic logic behind this idea is that states that turn to (risky) proxies to pursue major strategic goals must find the use of more direct means such as militarily force relatively unattractive. For example, after the unsuccessful 1973 war with Israel, the Syrian regime turned to funding and assisting proxies and largely refrained from any more direct military confrontations or threats. This view suggests that sponsorship is something of a substitute for disadvantaged challenger states relative to directly using their own military forces. Accordingly, while we know that territorial disputes are associated with MIDs, we might expect territorial disputes where the challenger state is a state sponsor to be associated with less inter-state military violence than other territorial disputes. Given that the posited relation between inter-state military conflict, territorial disputes and sponsorship involves three variables and interactions between two of them, we explore these patterns with regression models rather than cross-tabulations.

Table 5 contains twelve regression models that explore the patterns between sponsorship, territorial dispute and the onset of militarized inter-state disputes. The unit of analysis is again country-year to facilitate comparability to the cross-tabulations in tables 1–4. All models are logit models with a time trend, and Huber-White standard errors clustered by country. The key difference between models 1–6 and models 7–12 is that models 1–6 are pooled models of MID onset while models 7–12 are conditional logit models of MID onset with country-fixed effects. The country-fixed

effects help us pick up any time-invariant traits of each state that make them more or less prone to inter-state violence that are not captured by our key variables. Given that our dependent variable, MID onset, is binary, inclusion of fixed effects also eliminates all countries that never experience a MID onset from the sample. The logged time trend ensures that we measure any changes in MID onset activity that are correlated with time.[3] We can also include a number of other regressors that are common in such models without changing our conclusions, e.g., regime type or military capabilities, but choose to keep our specification as simple as possible and to avoid losing data from missingness.

We examine three sets of variables related to sponsorship and territorial dispute and their connections to MID onset. First, in models 1 and 2, we examine the connections between being involved in any way in a sponsorship relationship, whether the target of a sponsored group or the sponsoring state, and being involved in a territorial dispute, whether the challenger state or the target state. Model 1 includes *Any Sponsorship Activity* and *Territorial Dispute* without an interaction between them, while model 2 also includes the interaction between these two variables. Second, in models 3 and 4 we explore the connections between MID onset and being a sponsor of a group and/or a territorial challenger (the same two variables as in table 3), with model 3 including these two variables without interaction and model 4 interacting them. Finally, models 5 and 6 estimate the connections between MID onset and being a target state in territorial dispute and the target of a non-state group that is sponsored by another state (the same variables as in table 4). Model 5 includes these two variables without interaction while model 6 also includes their interaction. Exploration of these three sets of variables allows us to probe whether it seems that sponsorship and the direct use of inter-state military force are substitutes for states in contentious territorial disputes. We expect similar patterns across all three sets of variables, as being involved in the onset of a MID can be the result of being targeted or being the aggressor, i.e., the territorial target or the territorial challenger. Models 7–12 contain the exact same specifications but also include country-fixed effects.

The results across all specifications suggest some initial support for the idea that state sponsor-

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[3]Again, it does not matter for our coefficients of interest if we exclude this variable.

ship is a substitute for the more direct use of military force. Across all three sets of variables the coefficients on the sponsorship and territorial dispute variables are positive when individually included. The coefficients are statistically significant at the .05 level when we include all sponsorship and territorial dispute activity regardless of who is the target or challenger, i.e., model 1, while the coefficients are significant at the .10 level when we include only sponsoring states and territorial challengers, i.e., model 3. In model 5, where we include territorial target and target of sponsorship we find that being a territorial target is associated with MID onset at the 0.10 level of significance, while the target of sponsorship variable falls short of statistical significance at conventional levels. However, when we include an interaction between the sponsorship and territorial dispute variables in models 2, 4 and 6 we consistently find a negative and statistically significant relationship, while the individual variables remain positive. This suggests that states experiencing both sponsorship and territorial dispute are *less likely* to experience MID onset relative to the excluded category of states that have neither any sponsorship activity or territorial dispute (but do experience at least one MID from 1945–2010, per the country-fixed effects). However, the positive and significant coefficients on the individual sponsorship and territorial dispute variables suggest that when a state has only a territorial dispute or only is only a state sponsor, it is more likely to experience MID onset, which is quite consistent with extant findings (e.g., Vasquez (1993) and Maoz and San-Akca (2012)).

It is well known that interaction effects from non-linear models such as logit can be difficult to interpret from simply examining the coefficients.[4] Accordingly, we plot an interaction in Figure 1, which shows the interaction between being a territorial target and the target of a state sponsored group from model 6 in table 5. The plot shows the effect of being targeted in a territorial dispute in both the absence and presence of being targeted by a state-sponsored non-state armed group. The effect of being a target in a territorial dispute alone is unsurprisingly positive and significant, i.e., the left-hand plot in the figure. This accords with a long-standing literature on territorial disputes and interstate military conflict. In contrast, the effect of being the target in a territorial dispute becomes negative when the state in question is also targeted by a state sponsored non-state armed

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[4]See, for example Brambor, Clark and Golder (2006).

Figure 1: Plot of Interaction Effect: Territorial Targets that are also Targeted by Sponsored Groups
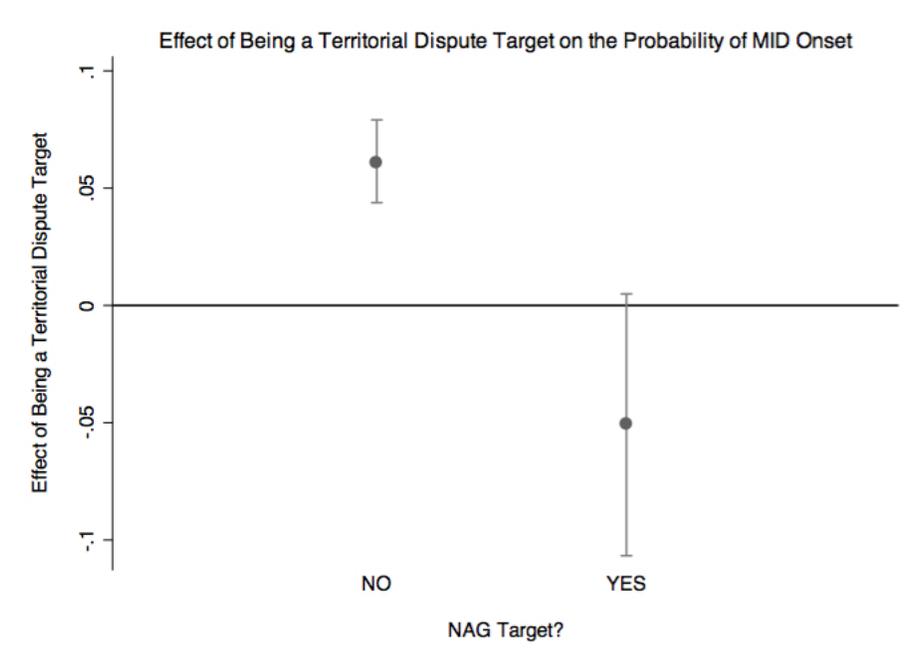
group. While the coefficient just misses the .05 level of significance, it easily attains significance at the .10 level. Whether the coefficient is considered negative and significant or insignificant, the finding is quite intriguing given the status of territorial disputes as a well-known and robust predictor of conflict (e.g., Vasquez (1993); Hensel (2000); Huth (1996)).

The strong yet nuanced connections between state sponsorship and territorial disputes outlined above suggest that there is much to gain from further exploration, both theoretical and empirical. Theoretically, the strategic dynamics behind the choice to empower a proxy group, i.e., to sponsor a violent non-state group, both in a contentious inter-state territorial dispute as well as when there is no such dispute are in need of better specification. While the basic intuition is noted in the extant literature, the devil is often in the details and the details are not well-specified yet. Empirically, we view the cross-tabulations and regression models reported above as a first-cut, as there is undoubtedly much more to uncover and learn about the connections between territorial disputes and state sponsorship. Moreover, we think empirical work will benefit from engaging with theoretical developments as theory often clarifies the particular relationships in the data that need to be explored. We hope that this chapter provides a nice start to this important area.

Conclusions and Suggestions for Future Research

Although the literature on state sponsorship of violent groups that use terrorist tactics is not the most well-developed of work on political violence, there are important theoretical and empirical works on most aspects of sponsorship. We survey this body of work in this chapter, highlighting connections among the different studies and frameworks and also highlighting areas in need of improvement and future work. We highlight the key tradeoffs theoretically for states, groups and targets of sponsored groups here to clarify the key moving parts in need of study theoretically. Finally, we suggest an area that scholars interested in state sponsorship of violent groups should think more about moving forward: the connections between sponsorship and inter-state disputes over territory. We conclude here by surveying the main ideas and findings in the existing literature that we discuss in the article, also highlighting the empirical evidence we introduce showing the connections between sponsorship and territorial disputes.

We start the article by surveying the types of sponsorship available to states as well as the typical motivations for sponsorship identified in the literature. Sponsorship ranges from active, to passive or unintentional. While active sponsorship implies a state is directly aiding a violent group by providing resources of some type or a territorial base, passive and unintentional sponsorship are more varied and in the latter category often has more to do with a lack of capacity to prevent a group from operating within one's borders as it does with using a proxy to further a policy goal. Accordingly, while it is useful to distinguish among these types of sponsorship to provide a big-picture overview of the phenomenon, future research would likely benefit from developing distinct theory over active and passive sponsorship as opposed to unintentional sponsorship if the goal is to more fully specify and understand the underlying strategic dynamics. The key trade-off for state sponsors, either active or passive, is between obtaining firepower on the cheap and the possibility of blowback from one's state target or losing control of a sponsored group.

The question of why groups choose to accept state help is also in need of further research. The potential benefits are fairly obvious, as resource-hungry groups can gain access to funds, weapons, training, increased security from a territorial base, among other potential benefits. It is well-known that sub-state groups usually suffer a resource imbalance relative to the states that they target, e.g., Fearon and Laitin (2003). However, there are real trade-offs to accepting sponsorship for groups, as they usually lose some control or autonomy to states that usually do not fully share their interests. Moreover, being viewed as a "tool" of a state might also cause a group to lose radical appeal among the rank and file, a problem identified by Byman (2005b) in his seminal treatment.

Target states also face a difficult set of issues in formulating a response to being targeted by violent groups supported by another state. Using force or police work to eliminate the threat from a violent group is very difficult even if the group is solely domestic. However, when the group has ties to another state, usually a rival or opponent, this often further complicates counter-terrorism efforts. First, using force to retaliate usually becomes a much more costly option if one has to attack another state or violate another state's sovereignty. The trade-offs and uncertainties here are considerable. For example, Bapat (2007) suggests that states that host a violent non-state group can help enforce bargains, which may facilitate negotiated settlements with a group. However, hosts

that are also sponsors are usually not all that interested in being helpful, and threatening to impose costs if they do not assist in dealing with a violent group are often incredible because imposition of these costs can weaken the host and empower the violent group (Carter, 2015a). However, as argued by Carter (2012), active sponsors who are also hosts might have more credible levels of control over a group in addition to also having a known interest in avoiding military conflict; thus, perhaps Bapat's suggestion that host states can help target states deal with groups is correct, even if it is more conditional than originally thought. All in all, this last area is perhaps the least researched and most "ripe" in terms of the potential insights to be uncovered by future research.

We view more research on the connections between inter-state disputes, such as territorial disputes, and state sponsorship to be essential to better understanding all of these tradeoffs, and think particular light will be shed on target state policy options and tradeoffs. The most prominent and durable motivation for sponsoring a violent non-state group is strategic (Byman, 2005b) and most scholars suggest that sponsorship is a policy instrument for states that have some kind of strategic goal in mind. While this is a point with fairly wide recognition, there has not been a lot of research into exactly what connections there are between contentious and salient inter-state disputes, such as territorial disputes, and patterns in state sponsorship. We argue that territorial disputes are likely to be highly relevant for understanding state sponsorship patterns as a large literature demonstrates them to be highly salient, prone to violence, and relatively difficult to resolve. Thus, if contentious inter-state disputes are connected to sponsorship, territorial disputes seem a fruitful place to start exploring. Using the best available data, we demonstrate a strong empirical connection between territorial disputes and state sponsorship. Moreover, we demonstrate that the patterns are nuanced and consistent with theory in a way that suggests the connections go beyond "problems correlating with problems." For instance, while both state sponsorship and territorial dispute are individually associated with a greater probability of militarized dispute onset, the presence of both territorial dispute and sponsorship imply a significantly lower probability of MID onset. While the evidence is preliminary, this does suggest that states with territorial disputes who also sponsor terrorist groups are supporting proxies as a substitute for directly attacking their territorial foe. These sorts of dynamics are also likely present in other kinds of contentious inter-

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state policy disputes. We think this set of connections, which we have shed some light on, are a very fruitful direction for future research.

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Table 5: Conditional Logit Models with Country-Fixed Effects:
Territorial Disputes, Sponsorship and MID Onset

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
Any Sponsorship Activity	1.180** (0.17)	1.598** (0.26)					0.429** (0.22)	0.893** (0.30)				
Territorial Dispute	1.156** (0.20)	1.285** (0.22)					1.232** (0.27)	1.380** (0.28)				
Any Sponsorship Activity x Territorial Dispute		-0.618** (0.30)						-0.702* (0.39)				
Territorial Challenger			0.959** (0.20)	1.110** (0.23)					0.591* (0.31)	0.778** (0.34)		
Sponsor			1.225** (0.19)	1.555** (0.24)					0.459* (0.25)	0.830** (0.30)		
Territorial Challenger x Sponsor				-0.770** (0.35)						-0.919** (0.45)		
Territorial Target					1.185** (0.22)	1.404** (0.23)					0.752* (0.46)	0.886* (0.46)
Target of Sponsorship					1.136** (0.22)	1.741** (0.27)					0.383 (0.24)	0.818** (0.33)
Territorial Target x Target of Sponsorship						-1.349** (0.36)						-1.157** (0.42)
Logged Year	7.053** (0.43)	7.054** (0.43)	6.352** (0.34)	6.379** (0.35)	6.241** (0.35)	6.287** (0.36)	7.667** (0.53)	7.670** (0.53)	7.199** (0.47)	7.212** (0.47)	7.173** (0.49)	7.174**
Constant	-30.362** (1.79)	-30.426** (1.79)	-27.263** (1.37)	-27.424** (1.41)	-26.769** (1.39)	-27.016** (1.45)						
Country Fixed Effects	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes
N =	9,412	9,412	9,412	9,412	9,412	9,412	7,601	7,601	7,601	7,601	7,601	7,601
Psuedo R^2	0.3043	0.3059	0.2821	0.2845	0.2865	0.2922	0.3983	0.3998	0.3912	0.3935	0.3914	0.3941

Standard errors clustered
by state in parentheses
** $p < .05$; * $p < .10$