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Strategic Interaction of Governments and Terrorist Groups in Times of Economic Hardship

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ABSTRACT
When governments’ ability to maintain power is threatened, they use any tool at their disposal to re-establish or boost their survival. In this paper, we theorize dyadic strategic choices and interactions between governments and domestic terrorist groups in times of economic turmoil. We contend that governments are more likely to increase their targeting of domestic terrorist groups, which provides legitimate opportunities to divert public attention from economic concerns and rally individuals around the flag. Meanwhile, observing such incentives, domestic terrorist groups make strategic decisions similar to those of interstate actors by either decreasing their attacks (strategic conflict avoidance) or increasing them (strategic conflict seeking) to add an inability to provide safety and security to the government’s existing struggles. We test these competing hypotheses by leveraging two recently released event datasets focusing on the Turkey-PKK conflict. Our findings contribute to the terrorism studies literature on decision-making and strategic choices, and broader scholarship about conflict processes by testing conflict dynamics at the domestic level.

Introduction

When governments are confronted by a weakening domestic economy, domestic unrest, or political turmoil, they are incentivized to divert the public’s attention through political uses of force (Clark, Fordham, and Nordstrom 2016; Fordham 1998, 2005; Levy 1989; Meerink 1994). Traditionally theorized at the international level, a growing body of literature shows similar processes occurring at the intrastate level in the form of domestic diversion where the targets tend to be vulnerable minority groups (Klein and Tokdemir 2019; Tir and Jasinski 2008). Complicating a government’s political use of force calculation is that the conditions motivating the use of force are often publicly visible, which allows potential targets to react to these motivations and attempt to strategically avoid conflict by becoming less confrontational (Smith 1996, 1998; Fordham 2005). Recent research suggests potential domestic targets also practice strategic conflict avoidance (Martinez and Rosenberg 2018). This paper builds from the burgeoning domestic diversion literature by analyzing the strategic behavior of a particular type of domestic diversion target – domestic terrorist groups.

Research has increasingly demonstrated terrorist groups’ strategic behavior and decision-making about violence (Enders and Sandler 1993; Klein 2015; Kydd and Walter 2006; Lake 2002; Pape 2003) and distribution of public goods (Stewart 2018). Therefore, we hypothesize that when domestic terrorist groups’ home governments have incentives for diversion, domestic terrorist groups may strategically alter their behavior. We envision two potential manifestations of strategic behavior:
domestic terror groups could ratchet up their violence against a comparatively weakened government, or they could temper their violence to reduce the legitimacy of diversionary counterterrorism, thereby practicing a form of strategic conflict avoidance.

While the theory of domestic diversion has found empirical validation (Klein and Tokdemir 2019; Tir and Jasinski 2008), the yearly and quarterly level of analysis obfuscates shorter-term strategic calculations. Conflict dynamics can change rapidly as geographic distances are shorter and potential targets (i.e., minority out-groups) present a convincing collective threat. To our knowledge, this paper is a rare effort to test the logic of strategic conflict avoidance at the domestic level using disaggregated conflict data. To examine potential strategic interplay between governments and domestic terrorist groups in times of downtrodden economic conditions, we leverage two new micro-level daily event datasets on the Turkey-Kurdistan Workers’ Party (PKK) conflict: The Turkish State – PKK Conflict Event Dataset (TPCONED) (Kibris 2020) and Turkey Terrorism Incidents Database (TTID) (Alptekin 2021). We find that Turkish governments, in line with domestic diversionary expectations, increases the level of conflict with the PKK in times of economic decline. And, the PKK, in line with strategic conflict avoidance expectations, reduces their violence to avoid augmented determination and resolution by the government to end the conflict. The results lend more evidence to the strategic nature of terrorism and lead us to propose that domestic terrorist groups will reduce their violence when it is apropos.

We make several theoretical and empirical contributions to the study of terrorism, conflict processes more broadly, and diversionary conflict. To begin with, we contribute to the burgeoning literature investigating strategic moves and counter moves in conflict process. By focusing on domestic terrorist groups as possible legitimate targets for diversionary use of force and then examining domestic terrorist groups’ strategic response to diversionary attempts of leaders, we demonstrate that political violence is not only an output of long-term interactions but also an outcome of short-term calculations. We also offer an empirical analysis for two alternative mechanisms behind the response of domestic terrorist groups (i.e., strategic conflict avoidance resulting in reduced violence vs. increasing violence to push governments to make a mistake or to display their inabilities). By testing these mechanisms in the Turkish-PKK conflict dyad, a commonly cited case of domestic diversion, we contribute to the existing knowledge about the strategic nature of terrorists’ violence.

The increasing availability of large-N datasets measuring terrorism pre-1970 and increasing the amount of information on terrorist groups (Hou, Gaibulloev, and Sandler 2020; Tschantret 2019), expanding on their foundation (Braithwaite and Cunningham 2020), and coding their actions targeting civilians (Cohen and Nordås 2014; Tokdemir and Akinaroglu 2016) help identify important characteristics and patterns of terrorism and threat. But these valuable and informative large-N datasets can obfuscate the analysis of conflict dynamics that recently released micro-level datasets, like TPCONED (Kibris 2020) and TTID (Alptekin 2021), can illuminate because they provide more precise measures of violence initiation and interactions between multiple actors which provides us with an opportunity to rigorously test our theoretical claims. This paper shows that analyses testing diversionary theories using micro-level or group specific datasets can help clarify and precisely identify strategic calculations and behaviors.

The remainder of the paper proceeds as follows: We first briefly decompose assumptions underlying the diversionary use of force theory and explain why domestic terrorist groups are legitimate targets for domestic diversion. Then, we engage in a theory building process examining the strategic behaviors of domestic terrorist groups in response to governments’ diversionary incentives. In the research design section, we introduce our micro-level analysis focusing on the Turkey-PKK conflict and then implement a series of negative binomial regression models. In the results section, we demonstrate that domestic terrorist groups forecast the risk of being targeted with diversionary violence and strategically avoid conflict-initiating moves in times of poor economic conditions. We supplement our main analysis with a discussion of alternative modeling choices and show that our results remain strong. Last, we conclude with a brief discussion of the findings and policy implications.
Political Use of Force Theory: Why Analyze Domestic Terrorist Groups?

Diversionary, or political use of force, theory argues that when governments are challenged by negative domestic economic conditions, political failures, or controversies, they use coercive force abroad in an effort to divert the public’s attention away from the domestic struggles and toward international success, particularly in cases which are politically burdensome and where directly addressing the problem takes time (Bleichman and Kaplan 1978; Fordham 1998; Jung 2014a, 2014b; Levy 1989; Meernik 1994; Mitchell and Moore 2002; Ostrom and Job 1986; Smith 1996, 1998; Tarar 2006). Political uses of force can also demonstrate competence and capability when the negative domestic conditions suggest otherwise (Downs and Rocke 1994).

Foster (2017) adds domestic terrorism, a specific type of domestic unrest, to the list of diversionary incentives. He shows that increases in domestic terrorism increase democratic governments’ use of force abroad because such aggression satiates some citizens’ desire for retributive violence while balancing other citizens’ concerns about a strong domestic counterterrorism response violating civil liberties. His argument rests upon three critical factors motivating international rather than domestic political use of force – executive constraints, respect for freedom, and military capabilities. These factors, in particular the lack of military capabilities and thus a restricted menu of possible foreign targets, also form the basis for why leaders deploy domestic rather than foreign political use of force. In this paper, we flip Foster’s (2017) theorized relationship. We argue that domestic terrorist groups are suitable targets for domestic diversion, but because a government’s diversionary incentives are publicly observable, these targets can strategically alter their behavior to avoid or seek confrontation with the embattled government.

In the case of domestic diversion, leaders try to build (or rebuild) support or assure public confidence by demonstrating national or homeland security success (i.e., public benefits) that outweigh the failures signaled by poor economic conditions. To maximize the psychological effect on the public’s assessment, the targets of domestic diversion tend to represent a threat to the majority population (Klein and Tokdemir 2019; Tir and Jasinski 2008). Put simply, diversion is a battle over the public psyche.

Because diversionary actions are a strategic game and leaders must optimize the benefits of risky conflict behavior, decisions around timing and target selection are crucial if diversionary attempts are to serve their purpose. For example, leaders choose rival states as possible targets to maximize the ‘rally around the flag’ effect (Mitchell and Prins 2004). Jung (2014a, 2014b) contends that challenging fear-producing targets and engaging in actions that minimize the risk of further escalation is preferable for diversion-seeking leaders. Targets with poor human rights practices can also help leaders justify their aggression (Tokdemir and Mark 2018). Together these findings suggest that if governments exaggerate the target’s threat or lack reasonable cause for the use of force, at home or abroad, the attempt to divert attention may backfire and enrage the public. Navigating this fine line between legitimate motivation, timing, and target choice can be quite challenging, as demonstrated by the quick criticism from political opponents and media framing of Operations Infinite Reach and Desert Fox during President Clinton’s impeachment hearings.

Within the domestic diversion literature, governments are theorized to solve this calculation by targeting ethnic minority out-groups (Martinez and Rosenberg 2018; Tir and Jasinski 2008). Yet, there is significant variation within and across such groups that impacts the frequency and intensity of domestic diversion (Klein and Tokdemir 2019). We narrow the classification of potential targets of domestic diversion, and therefore reduce heterogeneity in the population under study, and focus on domestic terrorist groups. These groups offer a pre-existing threat to governance and society, which can be highlighted to legitimize the political, or diversionary, use of force.

Historical conflict and violence between, and by, the domestic terrorist group and the government can be a sufficient condition for governments’ public rationalizing or ‘selling’ use of force. This means recent or proximate terrorist violence is not a necessary condition for governments’ turning diversionary incentives into domestic diversion. Domestic terrorist groups’ pre-existing
threats make them credible targets for domestic diversion, as use of force against them can satisfy the public psyche and desires for retribution. These same public desires are theorized to motivate the political use of force abroad (by the U.S. and other major powers) following domestic terror attacks (Foster 2017). But for governments that have a limited capability to divert internationally, satisfying these public preferences and diverting public attention away from troubling domestic conditions may find diversionary counterterrorism a logical option.

Moreover, domestic terrorist groups are legitimate targets as their activities are illegal and challenge the legitimacy and monopoly of use of force by governments, and therefore, leaders are already responsible for fighting them. By targeting domestic terrorist groups instead of foreign states, leaders may also reduce the risk of antagonizing the international community.

For governments, targeting a domestic terrorist group in times of diversionary incentives could also ensure public approval for use of force actions that squarely serve a national security benefit. Targeting domestic terrorist groups can augment counterterrorism rhetoric and show competence in combatting a group that challenges societal stability thereby rallying the public around a leader who is fighting a source of violence against and fear among civilians. Therefore, we hypothesize the following:

_Hypothesis 1: During times of economic decline, governments increase the intensity and frequency of counterterrorism operations against domestic terrorist groups._

**Strategic Response of Domestic Terror Groups**

One reason the opportunity for diversion is nonconstant is that motivations for diversionary use of force are observed by both the weakened government and potential targets of force, and thus, potential targets may change their behavior to reduce the opportunity, or legitimacy, of political use of force (Clark 2003; Fordham 2005; Smith 1996, 1998). In other words, potential targets practice strategic conflict avoidance when rivals have diversionary incentives (Fordham 2005).

Strategic conflict avoidance theory has been widely analyzed at the international level (Brulé, Marshall, and Prins 2010; Clark 2003; Clark, Fordham, and Nordstrom 2016; Davies 2007; Enterline and Gleditsch 2000; Fordham 2005; Foster 2006; Keller and Foster 2016; Leeds and Davis 1997; Smith 1996, 1998) but has been less frequently studied at the domestic level. Fordham (2005) posits that strategic conflict avoidance manifests in two behavioral modifications. Potential targets can signal less belligerence and more cooperation with the diversion incentivized rival to minimize opportunity to rationalize use of force. And potential targets can become less belligerent in overall foreign policy in an effort to minimize a diversion-seeking leader’s excuse to use force to protect an ally or country under attack. Both of these behaviors are conditioned by diverter-target dyadic history. Because our argument and analysis are restricted to domestic diversion against domestic terrorist groups, we focus strictly on domestic terrorist groups’ behavior that is directed at their home governments. We envision less confrontation initiated by domestic terrorist groups when their home government has incentive for diversionary or political use of force. Cooperation is not an expected relationship given the likely divergent goals and preferences of governments and domestic terrorists groups. Because we are interested in analyzing domestic relations, we do not consider these groups’ transnational behaviors or actions.

Martinez and Rosenberg (2018) provide some of the clearest evidence that strategic conflict avoidance may be practiced at the domestic level as ethnic minorities reduce dissidence behaviors when their government is challenged by diversionary incentives. While the logic of dissidents’ conflict avoidance when governments are arguably weakened may be counterintuitive, reducing confrontation when governments are looking for justification to engage in repression against them’ (Martinez and Rosenberg 2018, 433) may present better long-term survival (i.e., the dissidents shrink into the weeds to reduce the risk of conflict with a government that cannot afford compounding the
costs of insufficient or failed domestic political use of force with the existing diversionary motivations that already threaten political capital.

At the interstate level, strategic conflict avoidance could be a viable behavior for potential diversion target states because government leaders control military engagement and can curb or accelerate conflict behaviors or policies. On the domestic side, potential targets could also exercise enough control and agency over their conflict behaviors. This is likely to be true of well-organized violent nonstate actors such as domestic terrorist groups. As a matter of fact, strategic conflict avoidance could effectively be a tool of self-preservation for domestic terrorist groups to minimize politically opportune counterterrorism aimed against them. By reducing terrorism, the public’s focus stays on the declining economy rather on the domestic terrorist group’s violence. Governments facing a deteriorating economy or weakening economy already try to highlight the threat of domestic out-groups, such as domestic terrorist groups, and thus, any proximate violence by these group heightens the government’s claim of threat, thereby making it easier for the government to divert the public’s attention (through the use of force) against the terrorist group. This leads to Hypothesis 2a:

Hypothesis 2a: During times of economic decline, domestic terrorist groups reduce the intensity and frequency of their attacks at home as a strategic means of conflict avoidance.

The economic decline underlying a government’s diversionary incentives may spur membership in extremist organizations without the group investing in the recruitment costs of attacking (Blazak 2001; Piazza 2011, 2017). Economic decline could also create new opportunities to provide public goods and thereby allow one to recruit through positive (instead of negative) reputation building (Akcinaroglu and Tokdemir 2020).

Yet, domestic terrorist groups may interpret a government’s diversionary incentives as an opportunity to increase terrorism in an effort to demonstrate the inability and incapacity of governments to protect the civilians as well as to poke the beleaguered government into miscalculated or indiscriminate repression and violence (which generates blowback and opportunities for recruitment and mobilization). Diversionary attempts appear when governments are handling public unrest weakly, and an increased level of violence initiated by domestic terrorist groups would add to the government’s list of problems. A domestic terrorist group could ‘seize the opportunity’ to put another nail in the government’s coffin by increasing the level of violence. Doing so could achieve two objectives. First, it demonstrates the government’s inability to prevent atrocities against its constituency. Second, if the government retaliates by increasing the level of conflict, particularly if it is an overzealous or indiscriminate response, it may cause harm to the civilians as a result of collateral damages and therefore hurt its constituency and help the targeted terrorist group strengthen or enlarge its constituency.

Indeed, a similar logic has been argued at the international level. Leaders of nations who can politically benefit from being the target of U.S. aggression correspondingly increase their challenges and belligerence toward the U.S. when it has diversionary incentives (Fordham 2005; Kisangani and Pickering 2007). And, when Israel has diversionary incentives, Arab states appear to practice strategic conflict seeking by being less cooperative with Israel (DeRouen and Sprecher 2006). Leaders who practice strategic conflict seeking behaviors are instigating or increasing hostilities to generate their own political capital through belligerence because their rival is ‘ripe for exploitation’ (DeRouen and Sprecher 2006, 549; Fordham 2005). Domestic terrorist groups may act similarly and increase violent confrontation because miscalculated or excessive counterterrorism can further their narrative of the repressive nature and illegitimacy of the status quo government. This leads to the following hypothesis:

Hypothesis 2b: During times of economic decline, domestic terrorist groups increase the intensity and frequency of their attacks at home as a strategic means of eliciting excessive government counterterrorism repression.
Our argument generates competing hypotheses about how diversionary incentives in a country influence domestic terrorist groups’ strategic decision making. We test our hypotheses using a micro-level empirical analysis of the Turkey-PKK conflict.

From Theory to Practice: The Turkey-PKK Case

We think that the conflict between Turkey and the PKK is an ideal case study to test our hypotheses. First, a salient ethnic cleavage between Turks and Kurds and the presence of a violent non-state actor exploiting this cleavage via domestic terrorism makes Turkey an appropriate case. Second, the three factors that Foster (2017) demonstrates motivate foreign use of force instead of domestic counter-terrorism are not present. Turkey has a pretty weak record of human rights, is not a major world power, and has recently taken significant steps to reduce executive constraints. Third, in international relations, for states to practice strategic conflict avoidance, the potential initiator needs to have the legitimate capability to attack, and the potential diverter and target are enduring rivals (Fordham 2005). Turkey-PKK is unquestionably an enduring conflict in which Turkish state consistently has the capability to attack.

Beginning in the early republican era, the Turkish–Kurdish cleavage has been a major issue in Turkish politics. Following the foundation of the PKK in 1984, the salient political cleavage turned into an active conflict, which has so far claimed approximately 50,000 lives. The intensity has dramatically varied during the conflict; violence increased in the early 1990s following the Gulf War (and continued until the capture of the PKK leader Ocalan), again in the second half of the 2000s following the U.S. invasion of Iraq (until the ‘Kurdish Opening Process’), and most recently in the second half of the 2010s following the collapse of the opening process. During the conflict period, Turkey underwent numerous political and economic crises, including hyperinflation periods and the constant devaluation of the Turkish Lira, which had major impacts on the tenure of governments across all ideologies of the spectrum. Among the 66 cabinets formed in the modern history of Turkey, 22 of them have inherited the conflict while dealing with subsequent economic turmoil difficult to address through austerity regimes and while attempting to survive for upcoming elections.

And, while domestic diversion literature often uses the Turkey-PKK conflict as an anecdote, it does not provide detailed empirical analysis. But now we do. The recent release of two micro-level event datasets focusing on Turkey-PKK conflict dynamics, TPCONED (Kibris 2020) and TTID (Alptekin 2021), allows us to empirically test our hypotheses on governments’ domestic political uses of force and domestic terrorist groups’ strategic behavior.

Research Design

Combining the two datasets provides an opportunity to test our hypotheses on the Turkey-PKK conflict behaviors and identify patterns of strategic calculations. TPCONED collects event data, displaying the casualties of the Turkey-PKK conflict from 1984–2019 (Kibris 2020). TTID provides information on the initiator of conflict as well as the casualties from 2004–2018 (Alptekin 2021). Having both datasets available at the micro-level increases the reliability of the analysis; the former was collected as a result of an academic effort, while the latter benefits from state sources as it was collected by a think tank with close ties to the government bureaucracy.

Dependent Variables

In the first set of analyses, our dependent variables measure the intensity and frequency of violence during the conflict in three ways: 1) the number of Turkish Armed Forces (TAF) personnel casualties, 2) the number of PKK members killed, and 3) the number of conflict events. We generate these variables as weekly counts using TPCONED (Kibris 2020) and as monthly counts using the TTID
In the second set of analyses, as a more direct and robust measure, we use another count variable that focuses on which party initiated the conflict as our dependent variable. Using TTID we generate monthly counts of 1) Turkish Armed Forces initiated operations, and 2) PKK-initiated attacks. While the total count of PKK and TAF conflict initiations is a more precise indicator of diversion and strategic conflict avoidance mechanism, the limited temporal coverage of the data prevents us from drawing a generalized pattern across the different stages of the 40 year-long conflict.

**Independent Variables**

In the first set of analyses, we examine the impact of weekly and monthly exchange rate changes and monthly inflation rates as our main explanatory variables of the conflict dynamics. Whatever inflation does to the U.S. economy (which many diversion studies focus on), exchange rate does even more to foreign economies. This is because a declining exchange rate negatively affects the purchase power of foreign countries’ citizens in the heavily globalized economy. Therefore, we introduce *Exchange Rate Change* as a diversionary behavior explanatory variable because it may better measure within country economic pressures as it directly measures fluctuations of currency valuations. Extracting daily exchange rate data from the Central Bank of Turkey and calculating the change ratio of weekly and monthly average exchange rates between the Turkish Lira and USD, we measure economic problems at the weekly and monthly level. In the weekly data format, we add one-week lagged values of change in exchange rate to check the robustness of the findings to reaction time. We also include a traditional diversionary literature explanatory variable, *Inflation Rate*, to measure economic distress. We do not include a measure of the unemployment rate, which is contrary to many studies of diversionary literature, but the Turkish Statistics Agency (TSA) kept unemployment records at the quarterly level until 2005 so it would be a mismatch in the unit of observation.

Then, in the second set of analyses, where we focus on the perpetrator identity to examine the strategic responses of Turkish governments and the PKK, we include *Unemployment Rate* along with *Change in Exchange Rate* and *Inflation Rate*, as we extract the conflict initiator identity data from TTID (Alptekin 2021). In this analysis, we are able to include the unemployment rate because TSA enhanced their data collection and reporting to include monthly measures. Overall, while change in exchange rate is operationalized at the weekly and monthly levels, inflation and unemployment rates are only available at the monthly level.

**Control Variables**

We include a set of control variables. First, given that one actor’s conflict actions could automatically trigger a reaction by the other side, we control for the adversaries’ casualties and conflict behaviors by including the number of TAF and PKK *Casualties and Initiations* across all models. Second, winter accounts for the seasonality dynamics of the conflict, as the operations of both actors in mountainous regions are heavily interrupted in the winter (November–March coded as 1). Upcoming *Elections* is coded as 1 in the month prior to elections to account for extra urgency in threats to, and the rebuilding of, political capital. In 2010, a constitutional referendum and trials involving alleged coup perpetrators were watersheds in Turkish politics which limited the military’s role. To account for this critical juncture, we include *Post-2010* as a binary variable equal to 1 after 2010. We report the summary statistics for the variables used in the models in Table 1.

**Results**

We report results of negative binomial regressions. Post estimation analyses of the alternative models reveal that due to over dispersion in the dependent variables (weekly and monthly counts of TAF and PKK casualties as well as monthly counts of TAF and PKK conflict initiations), negative
binomial regression is a better fit compared to poisson estimators. 4 Another concern is autocorrelation on the dependent variables, or the number of TAF and PKK casualties or conflict initiation at t-1 affecting t; we have predicted all the models and obtained the Pearson residuals to check whether the covariance of residuals equals zero. We graphed the acplots in STATA to detect autocorrelation. Our postestimation analysis shows that the autocorrelation is not an empirical concern to tackle. 5

In Table 2, Models 1 and 2, we demonstrate that the positive change in the weekly exchange ratio is associated with higher TAF and PKK casualties. We replicate the analysis using one-week lagged exchange ratio change in Models 3 and 4, and the results hold both statistically and substantively. Conflict casualties could be influenced by multiple other factors, such as action type, geography, or location; therefore, in Models 5 and 6, we strengthen our test of the effect of deteriorating economic conditions on conflict behavior by measuring the number of total events per week. These models show a significant impact of increases in exchange ratio on the number of events.

In Models 7–12 in Table 2, we replicate the findings using the monthly data format and include an additional economic indicator: inflation rate (Models 9 and 10). These modifications show the robustness of the results to a more conventional data structure and variable used in the diversionary war literature. The results of these models, which are better in terms of model fits compared to naïve ones (as postestimation AIC and BIC scores reveal), indicate that increasing inflation rate and exchange ratio increases the number of TAF casualties and PKK members killed in action. Overall, Table 2 demonstrates that during times of poor economic conditions, the conflict intensifies between Turkey and the PKK.

Figure 1 visualizes the effect of declining economic conditions on the Turkey-PKK conflict dynamics. In the upper panels, one standard deviation change (2% valuation vs. devaluation) of Turkish Lira in a given week almost doubles the number of PKK casualties (from 6 to 10) and the number of TAF casualties (from 3 to 5) and leads to an around 50% increase in the number of Turkey-PKK conflict events per week. In the lower panels, with one standard deviation (2.56 point) increase vs. decrease in the inflation rate per month, the number of PKK members killed almost triples in a given month (from 20 to 50), results in a 50% increase in the number of TAF casualties (from 13 to 18), and doubles Turkey-PKK conflict events per month (8 to 16).

These findings show there is an increase in violence during times of economic decline. The results validate the potential for domestic diversion during times of economic weakness, but further analysis is required to adequately test our hypotheses because these results cannot speak to who initiates the violence.

Without further analysis, we cannot conclude whether the increase in conflict events results directly from Turkey’s domestic diversion or from the PKK’s strategic conflict seeking behaviors (with

Table 1.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min.</th>
<th>Max.</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
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<td>28.77</td>
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<td>N of TAF Casualties</td>
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<td>15.01</td>
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<td>Event</td>
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<td>1926</td>
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<td>1926</td>
</tr>
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<td>0</td>
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<td>N of PKK Killed in Action</td>
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<td>N of TAF Casualties</td>
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<td>72.67</td>
<td>0</td>
<td>491</td>
<td>177</td>
</tr>
<tr>
<td>N of PKK-initiated conflict</td>
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<td>19.69</td>
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<td>189</td>
<td>177</td>
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<tr>
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<td>22.36</td>
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<td>177</td>
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<td></td>
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<td>(2)</td>
<td>(3)</td>
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<td>--------------</td>
</tr>
<tr>
<td>N of Casualties/Event</td>
<td>PKK</td>
<td>TAF</td>
<td>PKK</td>
<td>TAF</td>
<td>Event</td>
</tr>
<tr>
<td>Change in Change in</td>
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<td>6.226*</td>
<td>4.477**</td>
<td>0.081***</td>
<td>0.026</td>
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<td>(1.502)</td>
<td>(0.019)</td>
<td>(0.015)</td>
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<td>0.031***</td>
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<td>(2.142)</td>
<td>(1.552)</td>
<td>(0.007)</td>
<td>(0.007)</td>
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<td>0.031***</td>
<td>0.031***</td>
<td>0.024***</td>
<td>0.010***</td>
</tr>
<tr>
<td></td>
<td>(0.007)</td>
<td>(0.002)</td>
<td>(0.002)</td>
<td>(0.003)</td>
<td>(0.001)</td>
</tr>
<tr>
<td>PKK fatalities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Election period</td>
<td>−0.543***</td>
<td>0.137</td>
<td>−0.579**</td>
<td>0.151</td>
<td>−0.123</td>
</tr>
<tr>
<td></td>
<td>(0.210)</td>
<td>(0.171)</td>
<td>(0.171)</td>
<td>(0.128)</td>
<td>(0.128)</td>
</tr>
<tr>
<td>Winter</td>
<td>−0.492***</td>
<td>−0.585***</td>
<td>−0.484***</td>
<td>−0.586***</td>
<td>−0.782***</td>
</tr>
<tr>
<td></td>
<td>(0.095)</td>
<td>(0.078)</td>
<td>(0.094)</td>
<td>(0.078)</td>
<td>(0.059)</td>
</tr>
<tr>
<td>Post-2010</td>
<td>0.064</td>
<td>0.364***</td>
<td>0.104</td>
<td>0.357***</td>
<td>0.876***</td>
</tr>
<tr>
<td></td>
<td>(0.104)</td>
<td>(0.087)</td>
<td>(0.105)</td>
<td>(0.062)</td>
<td>(0.062)</td>
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<tr>
<td></td>
<td>(2.718)</td>
<td>(2.507)</td>
<td>(2.897)</td>
<td>(2.152)</td>
<td>(2.151)</td>
</tr>
<tr>
<td>Over-dispersion</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Observations</td>
<td>1853</td>
<td>1853</td>
<td>1854</td>
<td>1854</td>
<td>1853</td>
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<tr>
<td>Pseudo R²</td>
<td>0.042</td>
<td>0.062</td>
<td>0.042</td>
<td>0.062</td>
<td>0.043</td>
</tr>
<tr>
<td>Log likelihood</td>
<td>−5144.054</td>
<td>−4448.467</td>
<td>−5140.185</td>
<td>−4449.710</td>
<td>−4055.332</td>
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<tr>
<td>χ²</td>
<td>447.124</td>
<td>584.937</td>
<td>452.272</td>
<td>584.224</td>
<td>368.032</td>
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</table>

Standard errors in parentheses, * p < 0.05, ** p < 0.01, *** p < 0.001
the intention of putting another nail in the government’s coffin). Or perhaps it is a dynamic conflict process in which Turkey’s domestic diversion and the PKK’s strategic conflict avoidance combine for an overall increase in violence. To untangle this causal web, we use TTID (Alptekin 2021), which includes a critical variable that identifies the perpetrator of conflict events as either TAF or the PKK. We leverage TTID to directly test which side of the dyad initiates conflict events so as to assess how economic turmoil, our measure of diversionary incentives, potentially influence three conflict processes: it increases TAF-initiated violence (H1 domestic diversion); it decreases PKK-initiated violence (H2a strategic conflict avoidance); or it increases PKK-initiated violence (H2b strategic conflict seeking).

We present the results in Table 3. In support of H1, the conventional measures of economic turmoil used in diversionary literature (inflation rate and unemployment rate) are positive, statistically significant predictors of TAF-initiated violence. Economic turmoil increases the frequency of violent events that TAF initiates against the PKK, which provides evidence of Turkey’s domestic diversion aggression. During times of economic turmoil, the PKK initiates significantly less violence suggesting PKK practices strategic conflict avoidance when Turkey has incentives to attack. This supports H2a. We do not find evidence that the PKK practices strategic conflict seeking behaviors and thus reject H2b.

We note that the monthly measure of exchange rate change does not produce statistically significant results. Given that the exchange rate change was introduced as a finer-grained measure intended to operate at the weekly level, we believe that the variable turning insignificant is strong evidence that aggregating data to monthly (or quarterly) measurements can wash away potential effects. This impact of measurement level shows that, compared to conventional diversionary analysis focusing on quarterly or yearly data, our analysis at the weekly and monthly level is an important empirical advancement to test the theory.
In Figure 2, we illustrate the substantive effects of the findings as reported in Table 3. In the upper panel, based on Models 2.1 and 2.2, one standard deviation increase vs. decrease in the inflation rate more than doubles the number of TAF-initiated violent events (5 to 12 per month) and leads to an around 50% decrease in the number of PKK-initiated conflicts (7 to 5 per month). These effects show evidence of Turkey’s domestic diversion and PKK’s strategic conflict avoidance behaviors. In the lower panel, based on Models 2.5 and 2.6, a one standard deviation increase vs. decrease in the unemployment rate triples the number of TAF-initiated events (4 to 14 per month). Conversely, one standard deviation increase vs. decrease in the unemployment rate halves the monthly PKK-initiated violent events (10 to 5) which supports our expectation of strategic conflict avoidance.

We recognize that the shorter time span of the data which only includes conflict events from 2004 to 2018, results in an important limitation because we cannot control for various political factors, such as leadership styles across political terms. The incumbent government has been in charge, without interruption, since 2002. Compared to other political parties and leaders who have tried to survive in coalition periods in Turkey, this government’s popular support allows it enough room to have introduced the ‘Kurdish opening up process’ and then halt it. However, this does not limit the overall value of the analysis and the generalizability of the results. The analysis is a very conservative test, as the political environment offers a ‘least likely’ case scenario: popular support for Erdogan has always been high in his (almost) 20 years of tenure.

**Discussion/Conclusion**

In this article, we examine the strategic actions of governments against domestic terrorist groups and domestic terrorist groups’ reactions to such actions. We demonstrate that poor economic performance is a catalyst for the escalation of intrastate conflict, not merely by increasing the grievances of public and possibly encouraging them to join the ranks of terrorists, but by incentivizing governments to use force for diversionary purposes. We, then, theorize that domestic terrorist...
groups practice strategic behaviors when home governments are looking for targets of domestic diversion. Just like international diversionary use of force dynamics, domestic terrorist groups observe the state’s incentive for diversion and condition their behaviors; they either reduce violence to avoid being the targets of diversionary violence or increase violence to add to the government’s economic failures and provoke diversionary violence for their own recruitment and propaganda purposes. Through a micro-level empirical case study of the Turkey-PKK conflict, we find, as expected from both our theory and others’ domestic diversion arguments, TAF-initiated conflict increases in response to negative changes in the domestic economy. In support of our second hypothesis, we produce new evidence that the PKK practices strategic conflict avoidance when their home government has diversionary incentives. In general, we find that PKK’s behavior varies substantially, and significantly, across months and appears to respond to changes to the threat of being targeted with diversionary violence by the government. This novel finding encourages future analyses of domestic terrorist groups’ strategic behaviors as our theory applies more broadly than the Turkey-PKK dyad. Our analysis was limited by the availability of micro-level data, but as the growth of these types of datasets continues to increase, further analysis becomes possible.

Our findings largely support Martinez and Rosenberg (2018) conclusion that conflict avoidance may be a strategic behavior in dissidents’ conflict processes calculations. It also suggests that nonstate actors in intrastate conflicts behave similarly to nation states in interstate conflicts. With regard to terrorism studies more specifically, our results encourage further investigation into how domestic terrorists group shift their behavior. Some domestic terrorist groups have the capability, and ideological rationale, to engage in domestic and transnational terrorism. For these groups, does strategic conflict avoidance lead to a transference of violence to their transnational adventures?

Domestic terrorist groups also engage in reputation and constituency building efforts that can inform their violent behaviors (Akcinaroglu and Tokdemir 2020). Thus, when economic turmoil
motivates strategic conflict avoidance, do these groups also shift their operational agenda and focus on their nonviolent efforts? Alternatively, domestic terrorist groups who envision their home government as an ever-inclusive rival may see diversionary conditions as an opportunity to further poke the beast in hopes of provoking indiscriminate violence that can be used for their own radicalization, propaganda, and political purposes. Building from our results and theorizing how this particular strategic behavior could play out and impact other terrorist group strategies and operations warrants further investigation.

Notes

1. The two micro-level datasets share temporal coverage from 2004–2018. During this period, using the same data sources as Foster (2017), executive constraints in the Turkey declined from executive parity or subordination to slight to moderate limitation (PolityV – Marshall 2020) – countries with slight to moderate limitation are excluded from Foster’s (2017) study. Turkey’s Freedom House score decreased from 65 to 32, where higher scores represent greater respect for freedoms. Foster (2017) standardized the scores and in his sample, 0.06% of observations were scored <32 and nearly 88.3% were scored >65.
2. ‘Kurdish Opening Up’ which can be also named as the ‘solution process’ or ‘peace process’ has been a political step taken by the incumbent government to end the terrorism by resolving some of the issues around the political, ethnic, social and cultural lines which contributes to the continuation of the Turkey – PKK conflict (see Köse 2017; Yeğen 2015 for further discussion). The process has been initiated in the beginning of 2010s with government bodies announcing the ongoing talks between the intelligence officers and PKK cadres, and then institutionalized on July 16th, 2014 with a decree named ‘The Decree on Bringing an End to Terrorism and Solidifying Social Unity.’ (Resmi Gazete, 16.07.Gazete 2014) Following the Ceylanpinar attack, which killed two police officers in July 2015 in the interim electoral period, the authorities stepped back from the process.
3. We also run the models controlling for lagged actions of the adversaries, and the results hold. Yet, we prefer reporting the non-lagged TAF and PKK casualties as well as initiations because the action-reaction pace by the combat units in the ground. Hence, we immediately observe the consequences of each move, and therefore do not introduce the lagged versions in the main models.
4. ‘Over dispersion = Yes’ in the tables report significant alpha coefficients in the models indicating negative binomial regression as a better fit due to over dispersion.
5. Among all models we run, we have only detected autocorrelation order of one and two in two models and estimate a Poisson autoregressive regression (Brandt and Williams 2001) running STATA’s arpois code to correct autocorrelation and over dispersion on the dependent variable (Mitchell and Moore 2002). The results largely hold, and therefore we report the negative binomial regression results as the main findings.

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Disclosure Of Potential Conflicts Of Interest

No potential conflict of interest was reported by the author(s).

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