

To Negotiate or Not to Negotiate, That is the Question: A Cost Analysis of a Non-Negotiation Policy

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Abstract

This paper seeks to understand the rationality and potential value of maintaining a “non-negotiation” policy as opposed to a more ambiguous approach in which negotiation is one of multiple possible actions. Under the assumption that terrorists start as actors desiring political change, a formal model of a sequential game between a group with an agenda of political change and a government is presented. The model shows that costs for the government occur at a greater speed than the costs for the would-be terrorist group, but costs are dependent on government type. Democratic governments are more likely to want to end the game early, while non-democratic governments may be in a better position to wait out the would-be terrorist group. Additionally preemption becomes more likely for non-democratic governments when the probability is high that the group desiring political change will engage in hostility and for democratic governments when the government lacks the ability to negotiate or the costs of doing so are high. Taken together, the model shows that a strict non-negotiation policy never leads to lower costs for the government.

Keywords: Terrorism, Negotiation, Game Theory

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Introduction

The United States, as well as many other countries, currently maintains a “non-negotiation” policy when dealing with terrorists. While many countries publicly maintain an unwillingness to negotiate with actors embracing terror tactics, such dealings often still take place in secret. Therefore, it is questionable as to why such a policy is maintained and what value a “non-negotiation” policy has, especially as compared to a more flexible policy that would allow for negotiation as a possible action.

A formal model of a sequential game between a group with an agenda of political change and a government is presented—this model allows for an exploration of the value in negotiation both before the event horizon where terrorism takes place, as well as after. The model takes into account the ability of a country to engage in negotiations at various times along the path of a sequential game between a government and a ‘would be’ terrorist group and presents related outcomes.

One key assumption is that the cost of negotiation itself is low, given that it is a part of standard operations for a government.² In addition, there is an assumption a terrorist group starts its political life as an interest group that desires a governmental change of some sort, and that such an interest group could have the propensity to use terrorism as an optional method for obtaining its ends. As Kydd & Walter point out,

² Cost of negotiation itself should be thought of in ways similar to the costs involved in holding meetings between an interest group and a public official, and therefore may have some economic burden but not to a significant degree. Costs in regard to actually enacting the interests of the group are not considered as negotiation, not is it appeasement, but rather only the opening of a dialogue. This will be addressed more formally later in the paper.

“Terrorism can be used to persuade audiences to do as an interest group wishes by imposing costs on the government, while also signaling their degree of commitment to their cause.”³ Therefore, the terminology of *interest group* and *potential terrorist* can be used somewhat interchangeably in this limited context. While these may be strong assumptions, they do not invalidate the logic behind the formal model.

This article will address the role and history of negotiation between governments and groups advocating political change as well as governments and terrorist groups. A model is presented which shows the costs involved with various aspects of interactions between governments and these actors. Exploring the model will show how much government type influences cost, that negotiation is the lowest cost option, and how having a non-negotiation policy is counter to economic prudence.

The Role of Negotiation in Regard to Terrorism

The decision behind a “non-negotiation” policy stems from an erroneous mindset regarding negotiation and its equivalency to “giving in” or even rewarding activists who embrace terrorism as a tactic. Negotiation is neither acquiescence nor approval; instead, negotiation provides a solution to a problem in which both sides can potentially emerge ahead of where they started. However, the ability to negotiate actually starts before a potential terrorism incident occurs, and thus we must consider any model to begin there as well.

Negotiating with Activists

³ Andrew H. Kydd & Barbara F. Walter, (2006), “The Strategies of Terrorism,” *International Security* 31, no. 1, pp. 49-80.

The game starts when a would-be terrorist group is still only an interest or activist group desiring political change. While this may seem to be a unique way of thinking about the situation, this model suggests that people become activists when they are passionate about an issue they want addressed, and that activists become terrorists to draw attention to their cause when no one will listen or attend to their concerns.⁴ Sociologist Austin Turk makes this case by saying that political radicals start with conventional political activism and that frustration and impatience leads to the “process of radicalization moving towards violence.”⁵

Historical evidence, such as the African National Congress’s use of terrorism to overthrow the apartheid government, suggests that terrorism can be a rational, low-cost strategy, whereby a politically motivated group can leverage their power to successfully achieve their ends.⁶ Additionally, “like a protest movement of general grievances, [terrorists’] efforts are meant as advertisements and request for political voice in a system that has ignored them.”⁷ Terrorism also provides the most “bang” for the political buck. The same amount of money spent on thirty seconds of local commercial airtime

⁴ There is a substantial amount of literature discussing why actors choose to embrace terrorism, but for the purpose of this model and paper it is assumed that an interest group will eventually embrace terrorism given sufficient time and provocation. For a summary on why actors choose to embrace terrorism see Chapter 6 in “The Making of Terrorists: Causes, Conditions, Influences” of Brigitte L. Nacos, (2010), *Terrorism and Counterterrorism*, Boston: Longman, and related references for more information.

⁵ Austin T. Turk, (1982), *Political Criminality: The Defiance and Defense of Authority*, Beverly Hills: Sage. Austin T. Turk, (2004), “Sociology of Terrorism,” *Annual Review of Sociology*. Vol 30, pp. 271-286.

⁶ Jeff Victoroff, (2005), “The Mind of the Terrorist: A Review and Critique of Psychological Approaches,” *The Journal of Conflict Resolution*, Vol. 41, No. 1 pp: 3-42.

⁷ Karen A. Feste, (2010), *Terminate Terrorism*, Boulder, CO: Paradigm Publishers, pp. 6-13.

in the middle of the night would yield days if not weeks of prime time news coverage if spent on terrorist methods. Additionally, terrorist action has been noted as a means to get an issue on a political agenda.⁸ It is with the “absence of mediating institutions in democracies” that terrorism festers.⁹ Even with this in mind, activists do not make the jump to terrorism until pushed. In fact, motives often start off as political, ideological or religious, and do not always result in violence.¹⁰ Negotiation provides a method for dealing with an issue in such a way that may lead to benefits for all involved by preventing terrorism.

However, rather than negotiate, governments generally respond to the use of terror tactics in kind. Such counter-terror methods do not always succeed and can eventually lead the government into a situation worse than where it started. In Cuba, “Batistas’ refusal to negotiate in depth with opposition groups . . . created a good deal of dissidence.”¹¹ This dissidence included terrorist actions such as assassinations and guerilla attacks against the Batista regime. Rather than wait until terrorism is used, negotiation should be explored as a valid way to deal with any activist group. By engaging in negotiation, activists are given an avenue to express their ideas and

⁸ Jeremy Waldron, (2004), “Terrorism and the Uses of Terror,” *The Journal of Ethics* Vol. 8, No. 1, pp. 5-35.

⁹ Martha Crenshaw, (1995), “Relating Terrorism to Historical Contexts,” In *Terrorism in Context*. Ed. Martha Crenshaw. University Park, Pennsylvania State University Press, pp. 3-24.

¹⁰ David J. Whittaker, (2002), *Terrorism: Understanding the Global Threat*, London: Longman, pp. 71-86.

¹¹ Asprey, Robert B, (1994) *War in the Shadows: The Guerrilla in History*, New York: William Morrow and Company, p. 699.

potentially have any issues resolved without having to resort to terror methods.¹² Unfortunately, activist groups often cannot make it to the negotiation table without first using terror tactics, and thus the second round of the game begins.

Negotiating with Terrorists

Once the “game” has reached the point where an activist group has committed terrorism, new costs are incurred that must be taken into account. However, it should be kept in mind that terrorism is a method a group of people use in an attempt to bring attention to a vital issue, and that negotiation provides another outlet for addressing this same issue. Often the issue at hand is important not just to the terrorists, but also has an effect on an entire group of people that the terrorists act on behalf of. For example, the actions of Greenpeace are often designed to bring attention to what the organization considers to be a global issue rather than a personal one, and many of its members are activists, although only a few incidents have been labeled terrorism. Hamas or Hezbollah are more traditional terrorist groups operating not just for individual gain but rather for political rights for a large minority segment of the population of Israel.¹³ Given the possibility of escalating violence through terrorism and government response,

¹² Brigitte L. Nacos, (2010) *Terrorism and Counterterrorism*, Boston: Longman, pp. 197-198.

¹³ Mark Perry, (2010), *Talking to Terrorists: Why American Must Engage with its Enemies*, New York: Basic Books.

“negotiation may be the best, if not the only way of avoiding an undesirable outcome” when dealing with terrorists.¹⁴

Despite the potential for early negotiation to lead to lower costs in the long run, states have a history of refusing to engage in negotiations with an opinionated minority group until forced to do so. Often states attempt to ignore or stifle such groups until they can no longer avoid the situation. Many guerrilla campaigns can trace their roots to such activities. Examples of this include the aforementioned incidents involving Castro’s group in Cuba and political activists in Argentina. Similarly, the Irish Republican Army (IRA) was only able to get to the negotiation table after years of employing terror tactics.¹⁵ Government created dialogue can demonstrate that there exists lawful political activity that is effective in resolving grievances, and facilitates an end to the actions of the terrorist group by providing a legitimate outlet.¹⁶

Why Negotiate?

Negotiation as an option can be seen as prudent military strategy against a terrorist group. Sun Tzu suggested that by leaving the enemy an escape route, it prevents them from making a commitment to fight to the death.¹⁷ Therefore,

¹⁴ Nicolas Urrutia, (2002) “Negotiating with Terrorists: A Reassessment of Colombia’s Peace Policy,” *Stanford Journal of International Relations*, Vol. 3, No. 2, accessed on 24 January 2005, available from <http://www.stanford.edu/group/sjir/3.2.09_urrutia.html>.

¹⁵ Asprey (1994), 192-201.

¹⁶ Richard E. Hayes, Stacey R. Kaminski, & Steven M. Beres, (2003) “Negotiating the Non Negotiable: Dealing with Absolute Terrorists,” *International Negotiation* Vol. 8, No. 3, pp. 455-456.

¹⁷ Avinash Dixit & Barry Nalebuff, (2008), *The Art of Strategy*, New York: W. W. Norton & Company, p. 188.

governments should be open to negotiation to prevent terrorism, as well as to stop the cycle of violence and retaliation between groups, should terrorism occur and when the proverbial line is crossed. When not open to negotiation, terrorism can become the escalation from protest, as was the case in Germany in the 1960s and 1970s when government responded with force to what started as protests but, in turn, led to violence by the interest group.¹⁸

Before a group commits terrorism, negotiation is a recognized and accepted way of solving problems, even among seemingly illegitimate actors. For internal groups in democratic societies, there tends to be a system in place for presenting arguments and responses. The result tends to be that the arguments of the groups are heard and problems can be assuaged through negotiation. The problem comes when a group is ignored and is thus forced to use terrorism to get attention. Two examples highlight the rationale for negotiation. The first demonstrates an internal group where the government refused to negotiate, and the second an external group where the government was willing to negotiate.

The story of the Basque Nation and Liberty (ETA) in Spain provides an example of what can happen when there is no means for an internal group to engage in negotiation with the government. In the 1950s, the ETA movement had the desire to achieve independence for the Basque Provinces in Spain. While the ETA “*did not advocate armed struggle* [emphasis added],” it was treated poorly by Spanish dictator Generalissimo Francisco Franco, who had already banned the teaching of and writings

¹⁸ Whittaker (2002), 49-51.

in the Basque language.¹⁹ By 1966, when the Spanish government was unwilling to negotiate with the ETA, the group resorted to violence. Negotiation may have prevented this terrorism from occurring.

Negotiation can also be used to stop terrorism. In 1988, the hijacking of Kuwait Airlines Flight 422 ended with both sides better off than had negotiations not taken place. In this situation, “extensive negotiations occurred with the hijackers but over increasingly small issues.”²⁰ While the government of Kuwait rejected the terrorists’ demand to release the Shiites convicted of terrorism, local authorities in Cyprus and Algeria negotiated the hostages’ release by providing basic needs such as permission to land, fuel, food, and media access. Simultaneously, the authorities appealed to “Islamic ideals of mercy” and “the Prophet Mohammed’s admonitions against the taking of hostages.”²¹ In the end, despite the fact that the terrorists did not achieve their goals, all of the hostages were released and the hijackers were allowed to leave Algeria. Additionally, “their prolonged and embarrassing failure to achieve any of their announced goals no doubt contributed to a subsequent reduction in terrorist hijackings.”²² Without the negotiations, many people would have died, terrorists might have been released, and hijackings would have continued or even increased.

Based on these examples, a “non-negotiation” policy may not be the best means for a government to deal with terrorism. Furthering this argument is the example from

¹⁹ Asprey (1994), 1142-1143.

²⁰ Rodger Fisher & William Ury (2011), *Getting to Yes: Negotiating Agreement Without Giving In*, Open access Google eBook version without page numbers, <http://books.google.com/books?id=W89fHCJZrcwC>, New York: Penguin Books.

²¹ Fisher & Ury (2011).

²² Fisher & Ury (2011).

the United States where negotiation was effectively used as an end for various forms of terrorism. Skyjacking of U.S. airliners came to an end after a bilateral accord with Cuba in the 1970s and kidnapping of Americans in Beirut ended through mediation in the early 1990s.²³ In fact, terrorism may just be a way to get a government to negotiate.²⁴ In an April 2005 kidnapping in Iraq, the only demand of the kidnappers was for the U.S. government to “open a dialogue with the Iraqi resistance.”²⁵ Had there been a system in place to negotiate, this act of terrorism would not have occurred.

Costs of Negotiation

One argument against negotiation is that there are costs involved that outweigh the benefits. However, this claim does not seem to be well substantiated. The main argument against negotiation seems to be in regard to granting status to the terrorist group. Christopher Harmon argues, “The terror group’s desire is to enter into negotiations with a sovereign government under the strain of pending death to compromise that state’s power and prestige; the state risks much merely in negotiating; to make concessions amount to a double undermining of legitimate government.”²⁶ Harmon fails to show how power and prestige are actually compromised via negotiation. While the case could be made that when dealing with a new or weak government, a

²³ Feste (2010), 74-98, 139-166.

²⁴ Feste (2010), 49-73

²⁵ “U.S. Hostage in Iraq makes TV plea,” (2005) *BBC News*, 13 April, accessed on 14 April 2005, available from <http://news.bbc.co.uk/go/pr/fr/-/1/hi/world/middle_east/4441021.stm>.

²⁶ Christopher C. Harmon, (2000), *Terrorism Today*, Portland, OR: Frank Cass Publishers, p. 239.

large enough interest group may be able to use negotiation to challenge and replace a government, such a concern is not reasonable for an established government.

Meanwhile, negotiations often play a major part in conflict resolution when adversaries or hostile governments meet to discuss a specific issue, such as the numerous arms control treaties negotiated between the United States and the Soviet Union during the Cold War. The Palestinian Authority may be seen by some as an illegitimate actor given that it stemmed from a terrorist organization. Originally, when Israel defined the Palestinian Liberation Organization (PLO) as a terrorist organization, Israeli policy makers refused to recognize or negotiate with the organization. However, this adamant refusal added to their problems because “the government was bound by its own label; dealing with the PLO appeared as a major concession.”²⁷ Had the group not been ostracized from the beginning and had negotiation been an option, there may have been fewer concessions on either party’s side. Therefore, the government created the costs through its non-negotiation policy. From the terrorist’s perspective, moderation rather than increasing hostility has provided more benefits, including the establishment of the Palestinian Authority.²⁸

Additionally, the governments successfully engage via professional-level contact with non-state actors on a regular basis. For example, Fisher and Ury point out that “urban police negotiators have learned that direct personal dialogue with criminals who are holding hostages frequently results in the hostages being released and the criminals

²⁷ Crenshaw (1995), 11.

²⁸ Whittaker (2002), 196-197.

being taken into custody.”²⁹ On the international level, the United States negotiates with Taiwan, a seemingly illegitimate and arguably non-state actor. Taiwan’s independence has not even been recognized by the United States, but Taiwan has been granted many privileges of negotiation including the ability to enter into security agreements with the United States. Given these cases, it would appear that there is no true cost to the government to negotiate despite arguments suggesting otherwise.

Presenting the Model for Negotiations

In order to best see the cost involved to both the interest group and the government, it helps to put the situation in terms of an economic model. In this model, there are two players, the interest (potential terrorist) group and the government. The actions the players can choose from change slightly after what is referred to as the “event horizon.” In this model, the event horizon is the interest group choosing an act of terrorism. In the time before the event horizon, the possible actions the interest group can take are {Negotiate, Threat, or Terrorism} while the possible actions the government can take are {Ignore, Negotiate, or Preempt}. After the event horizon, the possible actions for the terrorist group remain the same; however, the actions for the government change to {Ignore, Negotiate, Respond, Respond, and Negotiate}.

The action of *Negotiate* implies a willingness on both sides to settle an issue through negotiation. Therefore the sequential action by both parties to *Negotiate* will cause an end to the game, either preventing terrorism for the time being or stopping the

²⁹ Fisher and Ury (2011).

cycle of violence. This model shows there is no better outcome than *Negotiating* for either party. However, a “non-negotiation” policy ties the hands of a government and leads to costs when deciding to negotiate. Once such a policy exists, political costs develop in regard to breaking it. For example, the government which breaks a non-negotiation policy may look weak before the eyes of the electorate or among its peers in the international system. Additionally, having to break any policy can put the government’s credibility at question. Therefore, it would appear that the costs of negotiation that Harmon argues do exist, however they do so only when government has set the stage with a non-negotiation policy.³⁰

Ignore is self-explanatory; the government can choose to ignore the attempt to *Negotiate*, the *Threat*, or the *Terrorism* of an interest group. *Ignore* in response to *Negotiate* will lead to an increased probability of *Threat* due to a reduction in patience. As political psychologist John Davies stated, “Violence is always a response to frustration.”³¹ As a group’s interests continue to be ignored, it may increase their willingness to take action of some form, and a threat is a lower cost action than terrorism, which may leverage the government to negotiate. *Ignore* in response to *Threat* will lead to an increased probability of *Terrorism* due to an increased willingness to engage in conflict. A threat is generally used as a point of leverage, but should it fail, a stronger action eventually becomes necessary.³² *Ignore* in response to *Terrorism* will result in a decrease in a willingness to engage in conflict, but no increase in patience.

³⁰ Harmon (2000).

³¹ John Davies, (1973), “Aggression, violence, revolution and war,” in *Handbook of Political Psychology*, ed. J. N. Kuntsen, San Francisco: Jossey-Bass, pp. 234-260.

³² Waldron (2004), 23.

In other words, the interest group may return to threats or even offer to negotiate after, but the government ignoring the action of terrorism would not make the underlying issues go away nor would it lead the interest group to just give up.

In any given game, nature first determines the resolve of the interest group in regard to its level of patience and willingness to engage in conflict, as every interest group and government is different. This consideration is based upon the interactions between the ETA and Spain, the IRA and England, as well as Muslim terrorist groups' general interactions with western nations. Each of these is a unique situation where the resolve, patience, and willingness to engage in conflict are different, but the overall situations of the game follow the model laid out here.

The interest group can make a compliance based threat, in essence saying to the government, "If you do not do what I want you to do, then I will respond with an action which will cost you (and will cost me also)."³³ The action of *Threat* increases the probability of *Negotiating* for conflict avoiding governments and *Preempt* for non-avoiding governments.

Nature first determines the resolve of government to be conflict avoiders or not, whereby *Threat* decreases conflict avoidance by government. Conflict leads to costs for both sides and by itself does not lead to the end results either the government or the interest group wants. Thus, both players would wish to avoid conflict when practical,

³³ Dixit & Nalebuff (2008), 185.

assuming their ends can still be met without conflict.³⁴ For a conflict avoiding government, once it is believed that the government could incur more costs due to acted out threats than the perceived costs of negotiation, they will eventually discuss demands.³⁵ However, since non-avoiding governments are willing to engage in conflict, rather than push them towards negotiation, the action of *Threat* may actually push the government to pre-empt in hopes of avoiding cost accumulation or to rid the government of the problem.

Threats can take multiple forms; political threats such as supporting another candidate in a future election may encourage the current government to offer to *Negotiate* in the next round. However, violent threats may not have the same effect. Regardless, a sufficient level of threat will eventually lead to conflict once conflict avoidance reaches 0.³⁶ As Dixit and Nalebuff point out, “every time the threat is repeated the risk [of retaliation] increases.”³⁷

Consider, for example, the differences between a group such as the Tea Party activists of today and their namesake, the Boston Tea Party. The Tea Party uses political based threats such as refusal to support an incumbent legislator to get what they want. This is opposed to the activists who engaged in the Boston Tea Party who some might consider to be terrorists or at least criminals. Those actions were met with

³⁴ In the rare instance that the interest of the group at hand is to move society into a true anarchy, this assumption would not hold. However, most terrorist groups, even those who readily embrace violence still have a political end in mind that is not anarchy.

³⁵ Waldron (2004), 16.

³⁶ This model does not include this buildup, but rather focuses on the perspective of the interest group. It assumes that the actions of the government are all equally probable other than in respect to the payoffs.

³⁷ Dixit & Nalebuff (2008), 194.

the *Coercive Acts* as a means to attempt to pre-empt further action by the group, but instead led toward escalation and eventually violence.

A more current example may be the saber rattling in Iraq pre-9/11, which some would suggest led to the U.S. invasion of Iraq as a pre-emptive move against possible terrorism. However, similar displays of force did not motivate other leaders to act. Therefore, the action was due to the personal resolve of President Bush. Additionally, Israel has been known to act, arguably, pre-emptively by attacking Palestinian targets suspected to be involved with terrorism due to a combination of threats and credible intelligence to suggest that pre-emptive action would prevent terrorism. Other democratic countries are generally not willing to act against a suspected terrorist with violence prior to terrorism taking place.³⁸

Pre-emption is an action the government can take at any time in the sequence before the interest group chooses *Terrorism*. By choosing *Preemption*, the government either reboots the game or forces the event horizon, since the action can either be successful or unsuccessful. If successful, the interest group ceases to exist in its current form, and the game may start all over. The underlying problem likely still exists, but there may no longer be an interest group to lead its charge. Since *Preemption* has a cost to the government, and since the game would likely just reboot, an unsuccessful preemption attempt would only further raise the costs to the government with that cost included.

³⁸ See Benjamin Netanyahu, (2001), *Fighting Terrorism*, New York: Farrar, Straus and Giroux, for continuation of this argument.

The value to a strategy that includes the action of *Pre-emption* is therefore only viable if there is a belief that such action would be both successful in the immediate term as well as in the long term to prevent another interest group with the same policy desire from re-emerging.³⁹ Of course, successful pre-emption does end the game, and perhaps the problem does not arise again for the government. Therefore, such action does allow for a passing of the issue from one government to the next, or from one president to the next (when thinking about a U.S. President), especially if the is already into the second term. If unsuccessful, the interest group will likely respond with *Terrorism* if the action of *Preemption* has reduced conflict avoidance of terrorist groups to 0. Once the opposing group is met with violence, the group will see no other choice other than to respond with violence.⁴⁰

Once past the event horizon, the action *Preempt* is no longer available to the government, but instead the action *Respond* takes its place. However, *Respond* has a similar effect as *Preempt* because it leads to the counter response of *Terrorism* by the interest group. This, of course, is a high cost to both groups and will likely fuel continued violence, for the interest group will see other avenues of action as closed off. Regardless of the costs of responses, from 1968 to 2006 only 7% of terrorist groups ended due to the use of military force, while 43% of terrorist groups stopped using

³⁹ Should a new interest group take up the charge, the cost by the government would just be considered in that future model so that in every outcome there would be an additional cost to the government based on the number of times an interest group was preempted successfully but another group took up the same charge.

⁴⁰ Whittaker (2002), 71-88.

violence due to political solutions or settlements.⁴¹ This implies that negotiation is a worthwhile strategy to consider.

Often, where governments and moderate opponents have negotiated a peace agreement successfully, they did so despite continued terrorist violence, as the Tony Blair Administration in Britain did with the Unionists and Nationalists in reaching the Northern Ireland Peace Agreement of 1998. More recently, the Albanian insurgency in Macedonia was negotiated to a successful end with the mediation of the European Union without a prior end to all violence.⁴² This represents the choice of *Respond & Negotiate*. The choice of *Respond & Negotiate* has a mixed effect depending on the nature of the interest group. In theory, it can increase the probability of future *Terrorism* or it can increase the probability of future choice of *Negotiate* dependent upon the interest group's desire to avoid conflict. This mixed response has been seen between the government of the United Kingdom and the IRA as well as with government of Israel and the PLO. In both cases, the response aspect raised costs on both sides, but perhaps those raised costs led to willingness for the negotiations that took place after.

The outcome preferences for the two actors are quite similar before the event horizon but change drastically after it. Initially, the interest group prefers negotiation to all other outcomes and therefore always starts the game with the action *Negotiate* hoping for the government to respond in kind. All other actions by the interest group have costs associated with them that lead to a reduction in total possible benefits for the

⁴¹ Seth G. Jones & Martin C. Libicki, (2008), *How Terrorist Groups End: Lesson for Countering Qa'ida*, Santa Monica: Rand Corporation, p. xiii.

⁴² Anthony Oberschall, (2004), "Explaining Terrorism: The Contribution of Collective Action Theory," *Sociological Theory*, Vol. 22, No. 1, pp. 26-37.

group even if they get their interest satisfied. The value of it is reduced by the costs incurred along the way. The interest group knows it cannot get the full value of its demands if it resorts to threats or terrorism. But it may believe the use of threats or terrorism can force the government to choose *Negotiate* or feel threats and terrorism are the only means remaining after being ignored for too long or other outside costs are increasing such as social or governmental pressures. Consider the American Revolution as an example—interest group action was required to get government attention on an issue that was being ignored.

The interest group gains no benefit by the actions of *Threat* or *Terrorism*, but the costs are lower when these actions are against a government that is a “conflict avoider.” Democracies tend to be conflict avoiders, because once their citizens are not willing to put up with the costs of conflict, they will vote to replace the government. Meanwhile, in more authoritarian states governments can more or less disregard public opinion. Kydd and Walter point out that the strong response to hostage situations by the Russian government implies a higher tolerance for casualties than a more democratic government.⁴³ Additionally, because interest groups can “operate more freely in democracies and politicians interact with the public to maintain political support,” terrorist attacks are easier for interest groups and potentially more devastating, thus reflecting a higher cost for government and lower cost for interest groups.⁴⁴

Therefore, for the purpose of this model, the cost of either engaging in conflict or being the recipient of conflict is the same; but both costs are slightly higher for the

⁴³ Kydd & Walter (2006).

⁴⁴ Kydd & Walter (2006), 62.

conflict avoiding government than the interest group. This is based on the concept that interest groups are more willing to accept losses and can act at lower costs as compared to a government actor. Again, we can draw from the American Revolution for evidence using the quote “Give me liberty or give me death,” as well as in current times in regard to the high costs Muslim religious extremist groups are willing to endure including but not limited to suicide attacks.

Non-democratic states are generally more willing to engage in conflict, because costs are more economic and less political in nature. For example, authoritarian regimes are less constrained by human rights considerations in their responses and can also more easily round up suspected terrorists and target those sympathetic to them than a democracy could. Therefore, in this model the cost of initiating conflict is lower than being the target of terrorism for the government.⁴⁵ Additionally, a non-democracy may be more willing to engage in conflict due to issues of pride or other nationalistic or leader centric beliefs. As a result of the increased willingness of a non-democratic government to bear the costs of conflict, it is modeled on parity with the way an interest group would see it. Therefore, the two versions of the model are best thought of as cases in which the government is a democracy or the government is not a democracy.

An additional factor for the democracy model is that the cost of the action of *Threat* is reduced for the interest group since it is aware of the conflict avoidance aspect of democracies and can exploit this advantage by making empty threats or being as concerned about pre-emption, while still not actually wanting to engage in conflict. The

⁴⁵ Kydd & Walter (2006), 61-62.

model must also account for the cost of receiving a threat, because the people of a democracy will pressure governments to solve the problem which will lead to an endured cost. Examples of this include economic costs of increased airport security to deal with the threat of terrorism as well as political costs of changing behavior and action to avoid political change at the ballot box. Both versions of the model further assume that the costs are proportional for the two actors rather than being the same economic or political value.

Terrorism is the highest cost action the interest group can take, and the highest cost result the government can endure; although when other actions are failing to produce the desired result, terrorism may become the only perceived means to the desired ends. Terrorism is a tool that can be used to encourage the public, driven by fear, to compel authorities to yield to the goals of the interest group. Therefore, the “primary measure of the success of a terrorist campaign is the extent to which it discredits authorities, instills doubt in the wisdom and legitimacy of their policies, and undermines public faith in the existing system of government.”⁴⁶ This success may then lead to change in government, change in policy, or at least a newfound willingness for the government to negotiate.

Exploring the Model

In order to understand the actual accumulation of costs, it helps to have a hypothetical case study which can be used to go step-by-step through the potential

⁴⁶ Nehemia Friedland, (1989), “Fighting Political Terrorism by Refusing Recognition: A Critique of Frey’s Proposal,” *Journal of Public Policy* Vol. 9, No 2, pp. 207-216.

phases of the game. Assume the following situation: there exists a group that represents a minority of the population but wishes for change in government policy. Due to their minority status, direct democracy is not a potential course of action. The group initially desires to negotiate with the government to attempt to enact change in government policy through means similar to any other interest group using tactics such as contacting government representatives and lobbying efforts.

The interest group has three options in regard to how it can attempt to enact change, (1) attempt negotiation (*Negotiate*), (2) make threats and demand change (*Threat*), and (3) engage in hostility (*Terrorism*) to encourage or force change. Given the nature of the group, its first action is to attempt to negotiate. Additionally, we can assume most groups would follow this course because the action of *Negotiate* is the lowest cost option as well as being the only one that can lead to the game's end and the prevention of future costs. The government then has the ability to respond to this attempt to negotiate. Its choice of actions is to (1) ignore the interest group (*Ignore*), (2) negotiate with the interest group (*Negotiate*), or (3) preemptively act against the interest group at some cost (*Preempt*). There is no immediate cost to the government to *Negotiate* or *Ignore* the interest group, but *Negotiate* will allow for an end to the game while *Ignore* increases the probability of future threats and hostility. In addition, the choice of *Preempt* has the possibility of ending the game, but it does so at a potentially high cost.

Given these choices, both models, democratic and non-democratic governments, would be best suited to choose *Negotiate*. *Preemption* comes with a cost, and thus

leads to a negative outcome for the government in a one round game. Meanwhile, neither *Ignore* nor *Negotiate* have immediate costs. *Negotiate* allows the game to end at no cost to the government. Should *Ignore* be chosen, the game continues. At the next round, the likelihood of the interest group choosing to threaten or engage in hostilities increases based upon decreases in patience and increases in a wiliness to engage in conflict, but the best payoffs remain in the same order of preference for them. As oppression by government or society increases, often just through time, the interest group may see action through threats or terrorism as the only means of moving their agenda forward.⁴⁷ Thus based on the group's wiliness to avoid conflict and amount of patience, it will prefer to continue to attempt to *Negotiate* and risk a response of *Ignore* rather than attempt to force the government into negotiations by inflicting costs on the government, since this leads to lower costs for the interest group itself. The vast majority of interest groups demonstrate this desire to avoid conflict, and this is demonstrated daily as most interest groups go about trying to persuade government towards their view on an issue without ever engaging in threats or terrorism.

So long as the interest group is willing to *Negotiate*, it is of equal interest for the government to either negotiate or to continue to ignore. However, once the interest group escalates to *Threat* or engaging in hostility (*Terrorism*), the government begins to incur costs. For democratic governments, these costs begin to accrue when the action of *Threat* is chosen; the government must respond to the threats at some economic or political cost. For non-democratic governments, the costs do not incur until the engagement of hostility (*Terrorism*); there is no political liability of threats, and the

⁴⁷ Whittaker (2002), 71-88.

eventual costs of conflict are lower than in democratic regimes. Therefore, with the probability of incurring costs continuously increasing for governments, the best option would be to end the game as early as possible while incurring the least amount of costs.

In a situation where a government is unwilling to negotiate, the actions it can take become quite limited. Consider the same model, but with the action *Negotiate* removed from the government's action set. Without this possibility, the only way for the game to end would be for the costs to be so significantly high that the interest group refuses to take another action; the game would thus end at a stalemate. In such a circumstance, the government would be more likely to attempt to *Preempt* and be willing to bear the costs of the action knowing that should the action be successful, the game would end at least temporarily forcing the costs to a future government. Therefore, the game could end at a fixed amount of cost immediately if the preemption is successful and no future costs may occur until after a change in government. Of course, there is risk of preemption not having its desired effect, leading to a cycle of violence as discussed previously.

Conversely, should the government choose to *Ignore*, the game will simply continue with both sides accruing costs. Let us consider the *Ignore* option, first using the democratic version of the model and then the non-democratic version, within the context of the government refusing to negotiate. After the first round in both models, the costs to the government are zero, regardless of government type and the cost to the interest group. As the interplay between the two continue, the probability of the interest group to choose the action of *Threat* or *Terrorism* increases in cases where the interest

group is suffering costs from outside sources, such as current government or societal pressures due to the issue at hand. The actions of *Threat* or *Terrorism* are then chosen to increase costs on the government and force *Negotiation*.

If costs are sufficiently high, history has shown that the government will eventually choose to negotiate regardless of its initial desire, as the cost of non-negotiation will eventually reach a level where it exceeds the benefit of not at least discussing policy change. This threshold would be variably based on the policy and the government, so the model instead manipulates the accumulation of costs based on government type rather than trying to consider every possible policy change. The exact cost is not as important as the concept that neither the interest group nor the government wants to endure these costs.

Both groups ultimately want to end the game with the best outcome. For the interest group, that would be the value of the negotiation minus costs, or zero if the costs outweigh the value of the negotiation. For the government, the best outcome is to incur no costs, but this may not be possible if negotiation itself has a cost. In this case, the government will choose to incur costs until that threshold of value of not negotiating is reached. Therefore, the game can end with negotiation, either agreed to or forced, through costs to the government, or a sufficiently high enough cost being born by the interest group to prevent further.

Analysis of the Costs

It may be easier to understand this model when it is presented mathematically. In order to do so, costs have to been assigned to various actions based on explanations

above. Costs are based upon pairs of actions described below and displayed in Table 1. The pairs of actions are as follows, with the interest group first, then the government and costs shown respectively: Negotiate/Negotiate (0/0), Negotiate/Ignore ($C_N/0$), Negotiate/Preempt ($C_N + C_P / C_P$), Threat/Negotiate (C_T/C_T), Threat/Ignore (C_T/C_T), Threat/Preempt ($C_T + C_P / C_T + C_P$), Terrorism/Negotiate (C_{TR}/C_{TR}), Terrorism/Ignore (C_{TR}/C_{TR}), Terrorism/Respond ($C_{TR} + C_R / C_{TR} + C_R$), Terrorism/Respond & Negotiate ($C_{TR} + C_R / C_{TR} + C_R$).

Of course, negotiation itself can fail. Should this happen, the game can be seen to begin again. Both sides can once again continue to attempt to negotiate, thus preventing costs from accruing, or either side could decide to take a different course of action. For the purpose of making the model easier to understand, let us assume that C_N , the cost of a failed negotiation, is negligible but leads to an increasing willingness to engage in threats or terrorism. The costs for the interest group are $C_N < C_T < C_{TR} < C_R = C_P$, while the costs for the government are $C_N < C_T < C_P = C_R < C_{TR}$.⁴⁸ Negotiation is the lowest cost option for both parties. When negotiation is not an option, ignoring may eventually lead to escalation leading to additional costs.

In a non-democratic country, the main difference is that the costs of threats are lower in that $C_N = C_T$, thus until the interest group is willing to engage in terrorism, the non-democracy does not incur costs. Additionally, C_P and C_R would be lower for government in a non-democracy than in a democracy. Therefore, costs for democratic

⁴⁸ Additionally, $C_T = C_N$ for the interest group if the threat is ignored or leads to negotiation, since the cost of *Threat* comes more from the potential reaction than making the treat itself. See Avinash Dixit and Barry Nalebuff, (2008), *The Art of Strategy*, New York: W. W. Norton & Company.

government incur faster and at a greater speed vis à vis the interest group in non-democratic countries.⁴⁹

Given this, democratic governments are more likely to want to end the game early, while non-democratic governments may be in a better position to wait out the interest group. Kydd and Walter come to a similar conclusion, “Our analysis suggests that democracies are more likely to be sensitive to the costs of terrorist attacks, to grant concessions to terrorists so as to limit future attacks, to be constrained in their ability to pursue a lengthy attritional campaign against an organization, and also to be under greater pressure to “do something.”⁵⁰ As shown previously, the use of negotiation can end the game at whatever point the government wants, and thus early negotiation, when possible is the best course of action. However, when a government is unable to negotiate due to an initial non-negotiation policy, it is likely to incur higher costs.

Conclusions

Christopher Harmon argues that “political will” is the most important component of an effort against terrorism.⁵¹ However, it is not the will to endure military action to which he is referring, but rather the will to negotiate that leads to the lowest cost solution for a nation. While negotiation does not always lead to satisfactory solutions, it may keep costs down or an interest group at bay.

⁴⁹ The speed is not exactly equal depending on the actions taken, it may in fact accumulate at a slower pace for the government than the interest group based on the patience and conflict avoidance measures of the interest group.

⁵⁰ Kydd & Walter (2006), 80.

⁵¹ Harmon (2000), 236-242.

Perhaps it is best to consider this paradigm: The government cannot *win* when dealing with groups desiring political change, but rather at best it can hope to avoid losses. According to the model outlined here, negotiation is the only means by which to avoid costs to government in dealing with such groups. Therefore, we should expect governments to be willing to negotiate with interest groups in an attempt to keep costs low except in cases when the cost of negotiating itself is believed to be sufficiently high, such as with a weak government, or not an option due to policy choice. However, even in these cases, negotiation is still a likely eventual outcome as the costs of not negotiating increase over time to reach a threshold by which negotiation becomes the best economic choice.

In non-democratic governments, less negotiation should be expected to happen and more attempts made by government to increase costs toward the interest group so that it gives up its attempts rather than the government having to give in. In addition, we should expect to find a high probability of preemption for non-democratic governments when the probability of an interest group engaging in hostility is high, and heightened probability of preemption for democratic governments when the government lacks the ability to negotiate or the costs of doing so are high.

From this study, we can conclude that a non-negotiation policy in and of itself does not have a practical economic purpose, though there is room to argue that it provides some sort of deterrent effect. This paper has only presented a theoretical model and qualitative explanation for how it would work. One can consider the myriad of examples presented here and the walk-through of the model as evidence or may

challenge the model and present a different one. The challenge lays ahead for others to test this model using in-depth case studies, large-n analysis or even simulation. Any of these options would go beyond the realm of this study.

It is possible that in the future, the motivations behind terrorism may change, and therefore present a problem to the logic behind the model presented here. However, as the examples above have illustrated, given the wide range of terrorism and negotiation types, the model seems relatively universal. While negotiation may be more or less successful with various groups depending on their political desires and ideals, the argument still stands that there is little reason not to at least consider a mixed strategy that includes negotiation as an option. By setting up the framework presented here, political scientists can better test hypothesis in regards to why activist groups, terrorist groups, and government act in the way they do. Finally, as with any theoretical study, it allows future research to either challenge or prove this model through the use of case studies.

Table 1

Action Sets & Costs

<u>Interest Group Action</u>	<u>Government Action</u>	<u>Interest Group Cost</u>	<u>Government Cost</u>
Negotiate	Negotiate	0	0
Negotiate	Ignore	C_N	0
Negotiate	Preempt	$C_N + C_P$	C_P
Threat	Negotiate	C_T	C_T
Threat	Ignore	C_T	C_T
Threat	Preempt	$C_T + C_P$	$C_T + C_P$
Terrorism	Negotiate	C_{TR}	C_{TR}
Terrorism	Ignore	C_{TR}	C_{TR}
Terrorism	Respond	$C_{TR} + C_R$	$C_{TR} + C_R$
Terrorism	Respond & Negotiate	$C_{TR} + C_R$	$C_{TR} + C_R$

Cost Assumptions

Interest Group
Government

Theoretical Costs

$C_N < C_T < C_{TR} < C_R = C_P$
 $C_N < C_T < C_P = C_R < C_{TR}$

Arbitrary Costs

$0 < 1 < 2 < 3 = 3$
 $0 < 1 < 2 = 2 < 3$

Action Sets in Cost Order (using arbitrary costs)

Negotiate	Negotiate	0	0
Negotiate	Ignore	0	0
Threat	Negotiate	0 *	0 *
Threat	Ignore	0 *	0 *
Negotiate	Preempt	3	2
Terrorism	Negotiate	2	3
Terrorism	Ignore	2	3
Threat	Preempt	4	3
Terrorism	Respond & Negotiate	5	5
Terrorism	Respond	5	5

NOTE: Bold action sets lead to game ending. Non-bold action set imply game continues and costs accrue so that in future rounds costs only increase.

*See footnote 45