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Does Terrorism Work?

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HiCN Working Paper 67

November 2009

Abstract: This paper examines whether terrorism is an effective tool to achieve political goals. By exploiting variation in terror attacks over time and across locations in Israel from 1984 to 2006, we show that local terror attacks cause Israelis to be: (i) more willing to grant territorial concessions to the Palestinians; (ii) more willing to accept a Palestinian state; (iii) less likely to identify oneself as being right-wing; and (iv) more likely to have a favorable opinion of Arabs. These effects are especially pronounced for individuals from particular demographic groups which are typically right-wing in their political views. In addition, we show that terror induces Israelis to vote increasingly for right-wing parties. This pattern of results demonstrates that right-wing parties are becoming more accommodating to Palestinian demands for territorial concessions. Hence, this paper shows that terrorism appears to be an effective strategy in terms of shifting the entire Israeli political landscape to the left. These findings may shed light on the causes underlying the spread of global terrorism in the last few decades.

Acknowledgements: We thank Daniele Paserman for helpful comments and suggestions. We also benefited from the comments of seminar participants at Boston University and the University of Chicago. Noam Michelson provided expert research assistance. Esteban Klor thanks the NBER and Boston University for their warm hospitality while he was working on this project. The authors thank the Maurice Falk Institute for Economic Research for its financial support.

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1. Introduction

Terrorism is one of the most important, and yet complex issues facing a large number of countries throughout the world. In recent years, several papers have analyzed the underlying causes and consequences of terrorism, as well as the strategies used by terror organizations in the pursuit of their goals.[1] However, very little attention has been given to the question of whether terrorism works or not with respect to coercing the targeted country to grant political and/or territorial concessions. The lack of research on this subject is surprising, given that the answer to this question is critical to understanding why terror exists at all, and why it appears to be increasing over time in many parts of the world.

This paper is the first to analyze whether terrorism is an effective strategy using a large sample of micro data and paying particular attention to establishing causality.[2] To do this, we exploit variation in a large number of terror attacks over time and across locations in Israel from 1984 to 2006, and examine whether local terror attacks cause Israeli citizens to become more willing to grant territorial concessions to the Palestinians. In addition, we examine whether terror attacks cause Israelis to change their preferences over political parties, attitudes towards establishing a Palestinian state, and whether or not

[1] For the causes of terrorism, see Abadie (2006), Berrebi (2007), Krueger and Laitin (2008), Krueger and Maleckova (2003), Li (2005) and Piazza (2008). For the consequences of terrorism, see two recent surveys by Krueger (2007) and Enders and Sandler (2007), as well as Gould and Stecklov (2008) and Becker and Rubinstein (2008) among many others. For the strategies of terrorist groups, see Benmelech and Berrebi (2007), Benmelech et al. (2009), Berman and Laitin (2008, 2005), Berrebi and Klor (2006), Bloom (2005), Bueno de Mesquita (2005a), Bueno de Mesquita and Dickson (2007), Kydd and Walter (2006, 2002).

[2] As Abrahms (2007) points out, the effectiveness of terrorism can be measured in terms of its "combat effectiveness" and it "strategic effectiveness." The former refers to the amount of physical damage and human casualties resulting from terror activity, while the latter refers to whether terror is able to achieve political goals. The focus of our research is to assess the "strategic effectiveness" of terror. The "combat effectiveness" of terrorism is well established from the mounting body counts around the world.

they have a negative opinion of Arabs. Our results indicate that terror attacks have pushed Israelis leftward in their political opinions towards the Palestinians and made them more likely to support granting concessions. As a result, this paper presents the first comprehensive analysis showing that terrorism can be an effective strategy. However, our findings also indicate that terrorism beyond a certain threshold can backfire on the political goals of terrorist factions, by reducing the targeted population's willingness to make political and/or territorial concessions.

As stated above, the existing evidence on the effectiveness of terrorism is sparse. In the political science literature, there are currently two opposing views regarding this issue. The first one claims that terrorism is rising around the world simply because it works. Most notably, Pape (2003, 2005) claims that terrorists achieved "significant policy changes" in six of the eleven terrorist campaigns that he analyzed. In addition, Pape (2003, 2005) argues that terrorism is particularly effective against democracies because the electorate typically is highly sensitive to civilian casualties from terrorist acts, which induces their leaders to grant concessions to terrorist factions. Authoritarian regimes, in contrast, are responsive only to the preferences of the ruling elite, and therefore, are less likely to accede to terrorist demands in response to civilian casualties.[3]

[3] To provide empirical support for this theory, Pape (2003, 2005) shows that democracies are disproportionately more likely to be the victim of an international suicide terror attack. Karol and Miguel (2007) provide empirical support to voters' sensitivity to terrorism by showing that American casualties in Iraq caused George Bush to receive significantly fewer votes in several key states in the 2004 elections, thus underscoring the effectiveness of the Iraqi insurgency to influence political outcomes in the United States. Eubank and Weinberg (2001) and Weinberg and Eubank (1994) also show that democracies are more likely to host terror groups and be the target of terror attacks. They claim that terrorism is particularly effective against democracies due to constitutional constraints that limit retaliation policies against terrorism in these types of regimes.

The opposing theory argues not only that there is very little evidence showing that terrorism is effective (Abrahms, 2006), but that in fact terror is not an effective tool.[4] Abrahms (2006) examined twenty-eight terrorist groups, and argues that terrorists achieved their political goals only 7 percent of the time (in contrast to the more than 50 percent success rate reported in Pape (2003) with a different sample). Moreover, he argues that terrorism against democracies is ineffective because democracies are more effective in counter-terrorism. In support of this claim, Abrahms (2007) presents evidence that democracies are less likely to be the target of terror activities than illiberal countries, and that democracies are less likely to make territorial or ideological concessions. Using the WITTS data base of international and domestic terror incidents from 2004 to midway through 2005, Abrahms (2007) shows that terror incidents decline with the level of a country's "freedom index," and that the freedom index is uncorrelated with the level of casualties from terror. In particular, Abrahms (2007) shows that, among the ten countries with the highest number of terror casualties, only two are "free countries" (India and Philippines), while the rest are "not free" (Iraq, Afghanistan, Russia, and Pakistan) or "partially free" (Nigeria, Nepal, Columbia, and Uganda).[5] This evidence leads Abrahms (2007) to conclude that terrorism is not an effective strategy against democratic countries.

Therefore, a summary of the literature reveals that there are very few studies that have even attempted to analyze the strategic effectiveness of terrorism, and little

[4] Abrahms (2007) criticizes the analysis in Pape (2003) for being based on very few countries. Out of the eleven terrorist campaigns that Pape (2003) analyzed, six were based in Israel while four of the remaining five were composed of Turkey or Sri Lanka.

[5] The evidence in Abrahms (2007) notwithstanding, the findings of Abadie (2006), Blomberg and Hess (2005), and Krueger and Laitin (2008) suggest that political reforms towards more democratic forms of government are associated with an increase in terrorist activity. Jackson Wade and Reiter (2007) dispute this claim.

agreement among those that have. Thus, the question of whether terror is effective or not is not only an important one in terms of understanding why terrorism exists, it is still very much an open question in terms of the evidence. Furthermore, as described above, the existing evidence is based on analyzing a small sample of countries and making assessments about the success of terror campaigns against them [Pape (2003, 2005) and Abrahms (2006, 2007)]. However, comparisons across countries are problematic for a number of reasons. First, it is difficult to control for all the factors that may be correlated with the level of terrorism, political stability, level of freedom, etc. All of these factors are most likely to be endogenously determined, and jointly influenced by geography, colonial history, ethnic composition, and religious affiliation. Second, terrorist groups may be emerging endogenously in certain countries according to the success rate of other strategies, and according to the expected success rate of terrorist strategies (Iyengar and Monten, 2008). In addition, one cannot ignore the fact that most of the countries (listed above) that suffer high levels of terror are near each other geographically and share similar characteristics in terms of long-standing border conflicts intermixed with ethnic and religious tensions. Controlling for these factors is difficult to do in a cross-section of countries, making it problematic to infer causality from the existing evidence. Finally, it is often difficult to assess whether terror is effective when the goals of the terrorists are not even clear. For example, it is not easy to define the political goals of the September 11 attacks. Therefore, it is nearly impossible to apply a standard definition of "success" when you compare terrorist groups across different countries.

In this paper, we overcome the empirical obstacles mentioned above by focusing on the Israeli-Palestinian conflict and using individual-level data on the political attitudes

of Israelis towards making concessions to the Palestinians. Our focus on one conflict allows us to abstract from the empirical difficulties associated with controlling for all the factors which could be influencing the presence and effectiveness of terror across countries. In addition, restricting our analysis to one conflict enables us to avoid the difficult task of trying to create objective and consistent measures about whether terror seems to be effective across different conflicts, which are often not comparable to one another.[6]

Using repeated cross-sections of Jewish Israelis (not including those in the West Bank or Gaza Strip) from 1988 to 2006, we control for subdistrict fixed-effects and aggregate year effects, and test whether variation in the level of terror across subdistricts over time can explain variation across subdistricts over time in political attitudes. We pay particular attention to distinguishing between political attitudes and party preferences, which is important because the platforms of parties could be endogenous to the level of terror.

Our results show that terrorism significantly affects the preferences and attitudes of Jewish Israelis. Local terror attacks induce the local population to exhibit (i) a higher willingness to grant territorial concessions; (ii) an increase in their willingness to accept a Palestinian state; (iii) a decrease in the probability of identifying oneself as being right-

[6] Terror factions are intricate and multifaceted organizations. There is a growing consensus that terror organizations strategically choose their target and their operatives [Benmelech and Berrebi (2007), Benmelech et al. (2009), Berman and Laitin (2005, 2008), Bueno de Mesquita (2005a)]. The main goals behind terror campaigns, however, are not always clear or well defined, and seem to differ not only across conflicts, but even over time for any given terror organization (Kydd and Walter, 2006). There are claims, for example, that terror campaigns are sometimes geared to spoil peace processes (Kydd and Walter, 2002) or to bolster the level of support terror groups receive within a population they claim to represent [Bueno de Mesquita and Dickson (2007), Bloom (2005)]. Alternative goals notwithstanding, the main objective of the majority of terror campaigns is to impose costs on the targeted population to pressure a government into granting political and/or territorial concessions. A large number of articles can be cited in support of this claim. For formal theoretical models see, for example, Lapan and Sandler (1993), Bueno de Mesquita (2005b), and Berrebi and Klor (2006).

wing; and (iv) a more favorable opinion of Arabs. However, the effects of terrorism are non-linear – terror makes Israelis more accommodating up to a certain point, but beyond this threshold, more terror attacks harden the stance of Israelis towards making concessions. That said, our findings indicate that Palestinian factions target the Israeli population in a strategically successful way by spreading the attacks across localities so that they rarely reach the critical threshold in any given locality. As a result, the total effect of terror on the preferences of the Israeli population is almost always towards moderation. The only exception occurred in Jerusalem before the elections of 2003, where the number of terror fatalities went beyond the threshold level. Hence, these findings lead to the conclusion that terror attacks have been strategically efficient in coercing Israelis to support territorial concessions.

At the same time, we find some evidence that terror increases the likelihood that voters support right-wing parties (similar to Berrebi and Klor (2008)). This result, however, does not contradict our finding that terror causes moderation. The evidence suggests that terrorism brought about a leftward shift of the entire political map in Israel over the last 20 years, including the positions of right-wing parties who are traditionally less willing to grant territorial concessions to the Palestinians. This finding highlights how critical it is to distinguish between the effects of terror on political attitudes versus its effects on party preferences, since the platforms of parties are moving endogenously in response to terrorism. Therefore, our overall results show that terrorism has been an effective weapon in the Israeli-Palestinian conflict. As such, these findings suggest that terrorism may be increasing over time and spreading to other regions, precisely because it appears to be a successful strategy to achieve political goals.

2. The Data

2.1 Data on the Political Attitudes of Israeli Citizens

Our analysis uses data on the political attitudes of Jewish Israeli citizens (which do not reside in Gaza and the West Bank) along with data on the occurrences of terror attacks. The data on the attitudes of Israeli citizens come from *The Israel National Election Studies* (INES), which contain surveys carried-out before every Parliamentary election in Israel since 1969.[7] These surveys are based on a representative sample of Israeli voters, and focus on a wide array of substantive issues affecting Israeli society (see Arian and Shamir (2008) for the latest edited volume of studies based on the INES data). For example, the surveys include questions about economic and political values, trust in government, social welfare, and the desired relationship between state and religion. In addition, there are several questions regarding the political preferences of the respondent and his or her preferred policy position regarding the Israeli-Palestinian conflict.

Since our goal is to understand changes over time in the political opinions of Israelis, our analysis focuses on the questions that appear repeatedly across surveys for the six parliamentary elections from 1988 until 2006. These include questions regarding which party the voter is supporting in the upcoming elections, his or her self-described political tendency (from right wing to left wing), and whether the voter has a favorable opinion about Arabs.[8] In addition, the survey asks whether the respondent favors

[7] The INES questionnaires and data are available online at the INES' website (www.ines.tau.ac.il).
[8] The question does not clarify whether it refers to Arabs who are citizens of the State of Israel and reside inside the green line, Arabs living in the West Bank and Gaza Strip, or Arabs in general, regardless of place of residence.

granting territorial concessions to the Palestinians as part of a peace agreement, and whether Israel should agree to the establishment of a Palestinian state.

The surveys also contain a rich set of demographic information such as: gender, age, education level, ethnicity, immigrant status, monthly expenditures, and notably, the location of residence for each respondent. This information is particularly important for our identification strategy since we do not want to rely on aggregate time trends to identify the causal effect of terror on political attitudes. Instead, we control for aggregate time trends and exploit the geographic variation in terror attacks across 18 different sub-districts to explain the changes in political attitudes across these geographic areas.

Table 1 presents summary statistics for the attitudes of Jewish Israeli citizens, computed separately for each sample year. The main variable of interest refers to the respondent's willingness to make territorial concessions to Palestinians. This question appears in every survey, though not in the same format. In the surveys from 1988 and 1992, individuals were asked to consider three options regarding the long-term solution for the West Bank and Gaza Strip. We coded the person as being willing to make concessions if he/she chose the option: "In return for a peace agreement, a return of most of Judea, Samaria and the Gaza Strip."[9] In the surveys from 1996 and 1999, individuals were asked to rank from 1 to 7 how much they agree (1 refers to "strongly disagree" and 7 refers to "strongly agree") to the question: "Israel should give back territories to the Palestinians for peace." We coded individuals as being willing to make concessions if they chose five or above to the seven-scale question. Finally, in 2003 and 2006, individuals were given four options regarding their opinion on: "To what extent do you

[9] The other two options available in the survey are "Annexation of Judea, Samaria and the Gaza Strip" and "Status quo, keeping the present situation as it is."

agree or disagree to exchange territories for peace?" The four options were: strongly agree, agree, disagree, and strongly disagree. We coded individuals as being willing to make concessions if they responded with "agree" or "strongly agree."

This variable is our main variable of interest because it unequivocally captures the respondent's willingness to grant territorial concessions to the Palestinians, which is consistent with the goals of the terrorist factions. For example, Abdel Karim Aweis, a leader of the Al Aksa Martyrs Brigades (one of the factions linked to the Fatah movement), asserted in an interview with the New York Times that "The goal of his group was to increase losses in Israel to a point at which the Israeli public would demand a withdrawal from the West Bank and Gaza Strip" (Greenberg, 2002).

Table 1 shows an upward trend over time in the willingness of Israelis to make concessions – from 38% in 1988 to 56% in 2006. However, since there were changes in the structure of the question over time, we employ several strategies to show that our results do not come from those changes. First, all of the regressions control for year effects, which should neutralize any year-specific effect of how individuals interpreted the question. Second, since the major change to the wording occurred between 1992 and 1996, we show that the results are virtually identical using all of the surveys (1988-2006) or restricting the analysis to the 1996-2006 surveys. Third, it is not entirely clear whether those who responded with a "four" on the seven point scale in 1996 and 1999 should be considered willing to make concessions or not. Therefore, we show that the results are very similar if we code them as being willing to make concessions or unwilling to make concessions.

Table 1 also shows the evolution over time of the other variables used to measure the reaction of Israelis to terror attacks. One measure is the person's willingness to agree to the establishment of a Palestinian state in the territories as part of a peace settlement. This question included four options (strongly agree, agree, disagree and strongly disagree) regarding the person's willingness to "establish a Palestinian state as part of a permanent solution to the conflict." We divided the sample into two groups by coding together individuals that agree or strongly agree with the creation of a Palestinian state, versus individuals that disagree or strongly disagree with this position. Table 1 shows that the proportion of individuals that agree or strongly agree with the creation of a Palestinian state monotonically increases from 0.26 in 1988 to 0.66 in 2006.[10]

The third variable in Table 1 refers to the respondent's self-classification across the left-right political spectrum. If the respondent defined himself/herself as being on the "right" or "moderate right" end of the spectrum, then he/she was coded as identifying with a right-wing political tendency.[11] Table 1 depicts a generally downward trend in the percent of self-described "right-wingers" between 1988 and 2006, although there was a short-lived increase from 1999 to 2003. Another measure of political opinions in Table 1 describes whether the respondent reported having an unfavorable opinion of Arabs.[12]

[10] One possible caveat of this question is that the survey does not provide a clear definition of "territories." As a consequence, respondents may interpret that territories relate to areas already under the control of the Palestinian Authority. If that is the case, for these respondents, the creation of a Palestinian state does not really entail any further territorial concessions. In our sample, 25% of the individuals that agree to the establishment of a Palestinian state do not agree to further territorial concessions. They comprise 12% of the entire sample.

[11] The exact wording of the question is "With which political tendency do you identify?" It included seven possible answers: left, moderate left, center, moderate right, right, religious, and none of them. We classified and individual as identifying with the right-wing political tendency if the individual's answer to this question was "moderate right" or "right."

[12] This question presents the individuals with a scale from 1 to 10 where 1 represents "hate" and 10 represents "love" for Arabs. We classified an individual as having an unfavorable opinion of Arabs if he/she chose option 1. This answer was chosen by 37.72 percent of the individuals in our sample. Options 2, 3, 4, 5, and 10 were each chosen by roughly 10 percent of the sample. Options 6 to 9 were seldom

This measure shows a great deal of variation over time, with negative opinions showing a significant increase in particularly violent years (1996 and 2003).

Finally, our last outcome measure depicts whether the individual intends to vote for a party belonging to the "right-wing bloc" in the upcoming parliamentary elections. The surveys ask every individual: "If the elections for the Knesset (Israeli parliament) were held today, for which party would you vote?" We assign parties to the right-bloc following the categorization developed by Shamir and Arian (1999). According to their definition, the right-bloc of parties includes the Likud party, all of the religious parties, all of the nationalist parties (Tzomet, Moledet, National Union), and parties identified with Russian immigrants. We choose to focus on the right bloc instead of on separate parties, since the number of small parties and the electoral system were not constant across each election period.[13]

Table 1 shows that the support for the right bloc of political parties fluctuates over time in a similar fashion to the self-described right-wing political tendency. We observe a steady decrease in the support for the right bloc of parties between 1988 and 1999, with an increase in 2003 followed by a sharp decrease in 2006 (due to the appearance of Kadima, a new centrist party, in those elections).

Table 2 depicts the political attitudes of respondents tabulated by their demographic characteristics. The table shows that (i) men and women share similar political preferences; (ii) the willingness to make concessions (and other left-leaning

chosen, with an aggregate frequency below 8 percent. Using alternative definitions that include options 2 and 3 as unfavorable opinion of Arabs does not qualitatively affect any of our results.

[13] Contrary to the other elections, the parliamentary elections of 1996 and 1999 allowed for split-ticket voting, whereby each voter cast a ballot in support of a political party for the parliamentary elections and a different ballot for the elections for Prime Minister. This different system may have had an effect on the relative support obtained by the different parties. Consequently, political preferences for these elections may not be directly comparable at the party level to voter preferences in the parliamentary elections of 1988, 1992, 2003, and 2006.

views) increases with age, education, and with the degree of being secular (versus religious); (iii) individuals with an Asia-Africa family background (Sephardic Jews) are more likely to oppose concessions and support parties in the right bloc; and (iv) there are no clear differences between the attitudes of immigrants and those of individuals born in Israel.

Overall, the data displays a tendency for Israelis to become more accommodating in their views over time – more willing to grant concessions, less "right-wing" in their own self-description, and more amenable to the creation of a Palestinian state. Interestingly, an increase in the willingness to grant concessions occurred even within individuals that consider themselves "right-wing." This pattern is shown in Figures 1 and 2. Although there were changes in the composition of people that define themselves as being right-wing over time, these figures highlight the general shift in the political landscape over time towards being more willing to make concessions to the Palestinians. The question we address is whether this shift was due to the terrorist tactics employed by various Palestinian factions.

2.2 Data on Israeli Fatalities in Terror Attacks

Information on Israeli fatalities from terror attacks is taken from B'tselem, an Israeli human rights organization. B'tselem's data (thought to be accurate, reliable, and comprehensive) are widely used in studies focusing on the Israeli-Palestinian conflict (Gould and Stecklov (2008), Becker and Rubinstein (2008), Jaeger and Paserman (2008), Jaeger et al. (2008), and others). The data include information on the date, location, and circumstances of each terror attack, which allows us to classify every Israeli fatality

according to the subdistrict where the incident took place. Our measure of fatalities includes only civilian (non-combatant) casualties which did not occur in the West Bank or Gaza Strip. There is substantial time series and geographic variation in Israeli fatalities, which has been used in many of the papers cited above to identify the effect of terror on other outcomes.

Figure 3 depicts the total number of fatalities across subdistricts. The figure shows that terror factions especially targeted the most populated subdistricts of the country (Jerusalem, Tel Aviv, and Haifa). In addition, subdistricts like Hadera and Afula, which are close to particularly radical cities under the control of the Palestinian Authority (e.g. Jenin), suffer from a higher than average level of terror fatalities. Table 1 presents the number of Israeli fatalities over time. The most violent period occurred between 1999 and 2003, which coincided with the outbreak of the second "Intifada." Overall, there seems to be an upward trend in terror activity over time, and this coincided with the shift in the political landscape towards a higher willingness to make concessions. However, these two trends are not necessarily causally related. For this reason, our strategy is to exploit geographic variation in the trends over time, rather than looking at the aggregate trends.

Figure 4 presents a first look at whether the increase in fatalities within a subdistrict between 1988 and 2003 (the peak period of terror) is correlated with the average change in political views within each subdistrict. The line in Figure 4 is the fitted quadratic curve estimated from OLS using the sample of subdistricts depicted in the figure. The figure displays a positive relationship between the change in fatalities in a subdistrict with the change in the average willingness to grant concessions within that

subdistrict. However, the relationship seems to get weaker at higher levels of terror. This non-linear pattern is also found in Figures 5 to 7 which show the relationship between changes in local terror fatalities and changes in the other outcomes: support for a Palestinian state, support for the right-wing parties, and holding an unfavorable opinion of Arabs. These patterns are all consistent with the idea that terror has induced Israelis to become more accommodating to Palestinian interests, but they are really just a first cut at the data. The next section presents our main empirical strategy.

3. Empirical Strategy

Our empirical strategy is designed to identify the causal effect of terrorism on the political preferences of the Israeli population. Our unit of observation is the individual, and we model his/her views as a function of his/her personal characteristics, location of residence, survey year, and the level of recent terror activity in the individual's subdistrict. Specifically, we estimate the following linear regression model:

$$(Political\ Attitude)_{ijt} = \alpha(Terror\ Fatalities)_{jt} + X_{ijt}\,\beta + \gamma_t + \mu_j + \varepsilon_{ijt} \qquad (1)$$

where $(Political\ Attitude)_{ijt}$ measures the personal viewpoint of individual i who lives in subdistrict j in the survey taken before parliamentary elections in year t; $(Terror\ Fatalities)_{jt}$ is the number of fatalities in subdistrict j before the elections in t; γ_t is a fixed-effect for each election year which controls for aggregate trends in political preferences and terror activity; μ_j is a fixed-effect unique to subdistrict j; and X_{ijt} is a vector of individual and subdistrict-level characteristics. These characteristics include

the individual's gender, age (and age squared), years of schooling, schooling interacted with age, immigrant status, ethnicity (Asia-Africa origin versus all other groups), level of religious observance, level of expenditures (designed to control for income), persons per room in the individual's house (another proxy for income), and total population in the person's subdistrict in year *t*. Unobserved determinants of the individual's views are captured by the error term, ε_{ijt}.

The goal of the proposed econometric specification is to identify α, which represents the causal effect of local terror activity on an individual's political attitudes. By including fixed-effects for each subdistrict and survey year, we are essentially examining whether changes over time in terror activity within a subdistrict are correlated with the changes over time in political views in that subdistrict, after controlling for the national trend and a rich set of personal characteristics. The identifying assumption is that the allocation of terror attacks across subdistricts over time is not correlated with the local trend in political views relative to the national trend.

There are several possible reasons why terror may affect a person's political views. A terror attack triggers residents of a subdistrict to alter their daily routine as a consequence of a change in their perceived personal security, possibly affecting their attitudes towards the peace process (Gordon and Arian (2001)). Furthermore, the occurrence of a terror attack directly affects the salience of the conflict in the targeted subdistrict, and may affect not only the probability that its residents attach to a peaceful solution to the conflict, but also their willingness to grant concessions differently than in the other subdistricts. In addition, there is convincing evidence that the local effect of violence is amplified by the coverage of the local media (Karol and Miguel (2007);

Sheafer and Dvir-Gvirsman (2009)). Having said that, it is important to note that all of these mechanisms could theoretically produce either a softening or a hardening of one's positions versus the goals of the terrorist faction. In this sense, our strategy will estimate the total effect of terror on personal attitudes rather than differentiating between various mechanisms.

4. The Effect of Terror on the Willingness to Grant Territorial Concessions

We now analyze the effect of terror on our main outcome variable: a person's willingness to make territorial concessions to the Palestinians. The first four columns of Table 3 use the number of fatalities in the subdistrict within 12 months prior to the survey as the main treatment variable of interest, while the last four columns use the number of fatalities per person within the subdistrict.[14] All of the specifications evaluate the effect of terrorism on a person's willingness to make territorial concessions, but we test the robustness of our findings by adding more control variables to the specification in successive columns. For example, the first column does not include any other controls, the second column includes year and subdistrict fixed-effects, the third column adds basic personal characteristics (gender, age, age-squared, and schooling), and the last column includes all of the other controls listed in the previous section. The last four columns repeat the exercise using fatalities per capita instead of the number of fatalities.

The results in Table 3 suggest that there is no linear effect of the local level of terror activity in the last 12 months on a person's willingness to grant concessions to the Palestinians. This result is consistently found when the additional control variables are

[14] Throughout the paper, specifications which use the number of fatalities include an additional control for the subdistrict's population. Specifications using the number of fatalities per capita already are controlling for population size.

added, and is also found with the two ways of defining terror activity at the subdistrict level (the number of attacks in the last 12 months or the same number per capita). Many of the coefficients on the other controls are highly significant: the willingness to grant concessions increases with education and age (up to a point), and is also higher for women versus men, natives versus immigrants, secular versus religious, and individuals who did not immigrate from Russia and do not have an Asia-Africa ethnic background.

However, due to the non-linear pattern exhibited in Figure 4, we now include a quadratic term for the terror treatment variable in order to see whether its effect is non-linear. Table 4 replicates all the specifications in Table 3 after including the terror measure squared. The results are very different now, with the linear term and the quadratic term highly significant across all specifications. The coefficients suggest that terrorism increases an individual's willingness to grant concessions up to a point, and then further terror attacks reduce the willingness to grant concessions. This pattern is robust to adding different sets of controls and with using both measures of local terror activity (the number of fatalities in the last 12 months or the same number per capita).[15] Notably, the coefficients of interest in Table 4 are very similar across different specifications (even the one without any controls or fixed-effects for each year and subdistrict), which highlights the idea that terror activity can safely be considered an exogenous treatment, and thus, we are identifying the causal effect. Also, it is worth noting that the results in Table 4 are essentially the same when we use an alternative definition for the individuals' willingness to grant concessions (which codes those that

[15] The increase in the size of the coefficient from column 2 to column 3 in Table 4 is mainly due to the change in the sample when we add the additional controls (some of them have missing values) rather than the controls themselves. For example, the coefficients for column 2 when we restrict the sample to that used in column 3 are 0.0043 (0.0013) and 0.0001 (0.0000), which are very close to those obtained in column 3.

responded with a "four" to the question in 1996 and 1999 as being willing to make concessions rather than being unwilling to make concessions – see Appendix Table 1), when we focus only on the surveys of 1996 and onwards (Appendix Table 2), and would even be a bit larger and more significant if we presented the marginal effects (evaluated at the means) from a probit regression model instead of using a linear probability model.[16]

The size of the coefficients in column 3 of Table 4 suggest that the total effect of terror fatalities is positive until 78 local casualties are reached, and then the total effect makes Israelis adopt a more hard-line stance. Similarly, the marginal effect of terror on granting concessions is positive until 39 casualties are reached, and then additional casualties reduces the willingness to concede territory. That is, a moderate amount of terror is effective, but then it can backfire on the terrorist group. For each combination of 18 subdistricts and 6 survey years, there are only two cases that reach levels high enough to backfire – Jerusalem had 47 fatalities in 1996 and 89 fatalities in 2003. The amount of fatalities for 1996 still represents a total effect towards moderation, but the latter number is large enough to harden the stance of Jerusalem residents towards the Palestinians. Using the average number of local fatalities in the last 12 months in 2003 (which is 26), column 3 suggests that the outbreak of the second Intifada made the average Israeli 6.5 percentage points more likely to be willing to grant concessions. Therefore, these findings are significant not only in the statistical sense, but also in terms of the magnitudes of the coefficients.

[16] The probit results are available upon request. We choose to present results from a linear probability model instead of a probit estimation since the interpretation of the marginal effects using a non-linear specification are not straightforward in a probit model.

Table 5 presents a few robustness checks using alternative definitions for the local level of terror in each subdistrict around the time of the election. So far, Table 4 used the number of fatalities in the last 12 months and this same measure divided by the subdistrict population. These results are replicated in the upper left quadrant of Table 5, while the specifications to the right use the number of attacks instead of the number of fatalities in the last 12 months. The number of attacks is defined as the number of attacks with at least one fatality, which essentially gives equal weight to all fatal attacks regardless of the number killed. The results are very similar using this measure, in the sense of displaying a highly significant non-linear pattern. The bottom panel of Table 5 replicates the top half, but uses the level of terror activity in the subdistrict since the last election rather than the last 12 months. Using this treatment variable yields the same non-linear pattern but the coefficients are not as significant. The overall effect of terror attacks, however, remains highly statistically significant at the one percent level. Therefore, even if current terror activity has a bigger impact than attacks occurring more in the distant past, the effect of terrorism on an individual's political preferences does not disappear completely even when measured over a longer time period.

Table 6 replicates the two specifications presented in the second column of Table 5, but presents the results separately for different subsamples of the population according to their gender, age, level of expenditures, education, religious observance, immigrant status, and ethnicity. The results appear to be significant for all groups, with slightly stronger effects for women and individuals who are younger, less-educated, and with lower expenditures. However, much larger effects are found for religious Israelis versus non-religious, immigrants versus natives, and those with an Asia-Africa ethnic

background. Table 2 showed that religious individuals and those from an Asia-Africa background tend to be more right-wing than their counterparts (natives and immigrants are not much different from each other). Therefore, Table 6 demonstrates that the effect of terror is larger for particular groups which typically support right-wing political parties. This pattern illustrates how the political map is changing over time as the right-wing is shifting to the left in response to terror.

5. The Effect of Terror on other Political Attitudes

We now examine whether terror has affected three other political views: support for a Palestinian state, holding an unfavorable opinion of Arabs, and defining oneself as being right-wing. In addition, we create a summary measure of all four political views (the three used in this section plus the one used in the last section -- "agree to territorial concessions") by using the first factor after performing a factor analysis on all four measures. The empirical specifications are identical to those described above.

5.1 Support for a Palestinian State

The first panel in Table 7 presents the results for the individual's willingness to support the creation of a Palestinian state. As seen in the previous analysis, column 1 shows that there is no linear effect, whereas column 2 suggests that there is a non-linear effect of fatalities in the last 12 months on the individual's support for a Palestinian state. The results indicate that support for a Palestinian state increases with fatalities, but then decreases after reaching a certain threshold. Column 3 shows that this pattern tends to be more significant statistically when we use the level of local terror since the last election

rather than the last 12 months. The last two columns show that the same conclusions apply when we use the number of attacks, with attacks since the previous elections showing a non-linear effect, while attacks in the last 12 months is the only proxy for terrorism that is not statistically significant. In summary, although the results are not as significant as those found for "willingness to grant concessions," the general pattern is similar – terror makes individuals more accommodating to Palestinian interests up to a point, but "too much" terror creates a more hard-line stance.

Table 8 breaks down the results for this outcome measure within the different subsamples. Once again, the general non-linear pattern of results is apparent for all of the different sub-groups, although not always statistically significant. In particular, the effects are much larger for religious individuals (versus secular) and those with an Asia-Africa background. This pattern shows again that the effect is much larger for traditionally right-wing groups. Table 8 also shows larger effects for older individuals, immigrants versus natives, and those with a higher level of education. These groups are not particularly different from their counterparts in terms of their overall political preferences. Therefore, these differences show that the shift in political views was prevalent in, but not limited to, traditionally right-wing parts of the population.

5.2 Holding an Unfavorable Opinion of Arabs

Table 7 and Table 9 present the analysis of how terror affects the individual's probability of having an unfavorable opinion of Arabs. Table 7 shows once again that the effect of terrorism is non-linear: somewhat surprisingly, Israelis respond to terror attacks by becoming more sympathetic to Arabs in general, although terror activity beyond a

certain threshold turns public opinion in the opposite direction. This pattern is apparent across three of the four proxies for the local level of recent terror activity used in Table 7.

Table 9 presents the analysis with this outcome variable within the various subgroups. Overall, the results within all the groups are stronger when we use terror fatalities per capita in the last 12 months versus fatalities per capital since the last election, but the general non-linear pattern is seen within all the various sub-groups: men and women, all levels of expenditures, educated and less-educated, religious and secular, etc. There is some evidence that the effects increase with education and age, but once again, the results appear to be much more pronounced for religious versus secular, and those with an Asia-Africa ethnic background. These are the same groups that showed larger effects for the other two outcome variables: willingness to make concessions and support for a Palestinians state. Therefore, the results for "having an unfavorable opinion of Arabs" in Table 9 are very likely to be related to the effects we found for the other outcomes.

5.3 Defining Oneself as being Right-Wing

Table 7 presents the main results for the effect of terror on the probability of identifying oneself as being on the right-wing side of the political scale. Again, there is no linear effect, but a very strong and significant non-linear pattern is found using all four ways of defining the local level of recent terror activity. The results indicate that terror attacks up to a certain point decrease the probability of being right-wing, but terror activity beyond that threshold turns Israelis towards the right side of the political spectrum. Table 10 shows that these effects are found within all the different subgroups

in the population: males and females, all age groups, all levels of expenditures, religious and secular, natives and immigrants, and those with and without an Asia-Africa ethnic background. The results appear to be a bit stronger for males and individuals with fewer expenditures, lower education, and for natives versus immigrants. Once again, the familiar pattern occurs whereby much stronger effects are found for religious versus secular individuals and those with an Asia-Africa background.

5.4 A Summary Measure of all Four Political Attitudes Based on Factor Analysis

In addition to the results presented separately for each of the four political attitudes, we now present results using a summary measure of all four. To do this, we use the first factor after performing a factor analysis of the four different views. The first factor explains 51 percent of the variation, and the factor loadings can be interpreted as giving a more positive weight to more accommodating positions. Specifically, the factor loadings on the first factor are: 0.81 on "agreement to territorial concessions"; 0.76 on "support for a Palestinian state"; -0.50 on "unfavorable opinion of Arabs"; and -0.79 on "defining oneself as having a right-wing political tendency." As such, positive values of the first factor indicate a more left-wing position on the conflict.

The lower right panel of Table 7 presents the main results for this summary measure of all four political attitudes. As seen before, the effect is clearly not linear, but there is a strong and significant non-linear effect of terrorism on this summary measure – terrorist attacks induce individuals to shift their views towards a more accommodating stance, but after a certain threshold, additional attacks cause Israelis to adopt a more hard-line stance versus the Palestinians.

Table 11 presents the results for our summary measure of attitudes for different sub-populations. Again, the non-linear pattern is significant for all groups based on gender, age, expenditures, education, native status, and ethnicity. We also find the familiar pattern whereby the effects are much stronger for people who are religious versus secular, and for those from an Asia-Africa ethnic background. These findings demonstrate that terrorism has had a pervasive impact within almost all sub-groups of the population, with the strongest impact on groups that are particularly known for holding right-wing views.

The consistent finding of stronger effects across all outcomes for these traditionally right-wing groups highlights the dramatic shift in the political map in Israel. Moreover, the similarity of the results across all four related outcomes (and the summary measure of all four) for the entire population and within different groups shows that the significant effect, and non-linear pattern, of terrorism on public opinion is robust to several ways of defining one's views towards the Palestinians. Overall, terrorism appears to move public opinion towards a more accommodating stance towards some of the goals of terrorist factions, and even makes Israelis more favorable in their opinion of Arabs. However, using terror as a strategic tool can backfire if it goes beyond a certain point, in which case, Israelis harden their stance and move to the right in response to further attacks.

6. Supporting the Right-Wing Bloc in the Upcoming Elections

We now present a similar analysis for our final outcome variable: supporting the right-wing bloc in the upcoming elections. As we will see, this variable is fundamentally

different in its nature than the previous outcome measures. Table 12 presents the main analysis using four different ways of defining the local level of recent terror activity. In contrast to all previous outcomes, the linear effect is significant and positive, which suggests that terror attacks encourage Israelis to vote for right-wing parties. This finding is consistent with Berrebi and Klor (2008), who used data on actual voting patterns at the local level (rather than our measure which uses the respondent's voting intentions in the upcoming elections) to show that local attacks turned voters towards right-wing parties.

However, Table 12 shows some evidence that the effect is non-linear – with low levels of terror causing voters to turn towards left-wing parties and higher levels of terror causing voters to shift towards right-wing parties. This non-linear pattern is consistent with our general findings based on the other outcome measures: terror causes Israelis to be more sympathetic to Palestinian interests, but only up to a certain threshold level – beyond which they harden their stance by turning to the right. So, overall, one could draw opposing conclusions from the linear versus the quadratic specification for this outcome variable, but the positive linear effect is a good indication that a significant portion of the sample was in the range of terror attacks large enough to produce a shift towards right-wing parties.

Combined with our previous results, it appears that terrorism is causing Israelis to increasingly vote for right-wing parties (although they turn left for lower levels of terror), while at the same time, they are turning left in their political views. The difference in the pattern of results can be reconciled by the idea that the platforms of the political parties are endogenously changing over time. This change over time is evident from a casual inspection of the parties' official platforms. For example, the platform of the right-wing

Likud party during the 1988 elections stated on its first page that: "The State of Israel has the right to sovereignty in Judea, Samaria, and the Gaza Strip," and that "there will be no territorial division, no Palestinian state, foreign sovereignty, or foreign self-determination (in the land of Israel)." This stands in stark contrast to the Likud's platform before the 2009 elections, which stated that: "The Likud is prepared to make (territorial) concessions in exchange for a true and reliable peace agreement." In fact, the Likud party in 2009 is arguably to the left of the left-wing Labor party's platform in 1988.[17]

Given that the effect on party preferences in Table 12 appears to be linear, Table 13 presents the analysis within each subgroup using a linear specification. Table 13 shows that the linear effect of terrorism on supporting right-wing parties is found for individuals who tend to be: male, poor, non-native, less educated, secular, and not from an Asia-Africa ethnic background. The latter two groups are quite notable, since our previous results indicate that terrorism leads to a more accommodating attitude particularly among religious individuals and those from an Asia-Africa background. In contrast, we now find that the shift towards right-wing parties occurred within subgroups which are strongly identified with left-wing parties, rather than those groups who are typically right-wing.

Therefore, the stronger results for left-leaning groups on the probability to vote right-wing, combined with our evidence that they are not shifting towards less accommodating political views regarding Palestinian demands, shows that these groups are increasing their support for right-wing parties only because the right-wing parties are moving to the left. As a result, the overall pattern of results suggests that terror is shifting

[17] For the 1988 elections, the Labor-Alignment party platform "ruled out the establishment of another separate state within the territorial area between Israel and Jordan." For the 2009 elections, however, Labor supported the creation of a Palestinian state together with the evacuation of isolated settlements.

the entire political landscape by moving public opinion to the left, and moving the right-wing parties accordingly.[18] This pattern highlights the idea that looking only at how terror affects voting patterns can be misleading, since parties are endogenously changing their platforms in response to terrorism and its effect on public sentiments.

7. Testing for Reverse Causality and Changes on the Population's Characteristics

There are two main concerns regarding our empirical strategy to identify the causal effect of terrorism on the political preferences of the population. The first is related to reverse causality, whereby political views in certain geographic areas may induce terror attacks specifically targeted against them. The second concern is that our findings may be an indication that terror attacks are inducing a change in the composition of the local population, rather than affecting the local population's preferences. That is, it is possible, although seemingly improbable, that our results are due to terror attacks in a given location inducing individuals who tend to be right-wing in their views but vote left-wing to migrate to subdistricts which suffer less from terrorism. This scenario could produce spurious positive correlations between local terror activity, the tendency to be more accommodating to Palestinian goals, and the probability of voting for right-wing parties. This section addresses these two concerns in turn.

In order to address the issue of reverse causality, we use the following model to examine whether the political views of individuals within a locality are correlated with local levels of terror in the next election cycle:

[18] The political parties' reaction to terrorism is consistent with theoretical analyses of political competition when one candidate has a valence advantage (Groseclose (2001) and Aragones and Palfrey (2002)). Given that terrorism increases the "valence" of parties in the right bloc (Berrebi and Klor, 2006), the move leftwards of left wing parties and the adoption of a more moderate position by right wing parties match those theoretical predictions.

$$(Terrorism)_{jt} = \rho\,(Political\ Attitudes)_{jt} + X_{jt}\,\theta + \gamma_t + \mu_j + \nu_{jt} \qquad (2)$$

where $(Terrorism)_{jt}$ measures the level of terror attacks or fatalities in subdistrict j between parliamentary elections in years t and $t+1$; $(Political\ Attitudes)_{jt}$ is the average viewpoint of residents of subdistrict j in the survey taken before parliamentary elections in year t; γ_t is a fixed-effect for each election year; μ_j is a fixed-effect unique to subdistrict j; and X_{jt} is a vector of demographic characteristics in subdistrict j before the elections in year t.

The estimation of equation (2) appears in Table 14, where the odd numbered columns use a specification which includes only year and subdistrict fixed-effects, while the even numbered columns add a rich set of characteristics measured at the subdistrict level. Table 14 shows no significant correlation between the local population's attitudes and the occurrence of future terror attacks. Moreover, there is not even a consistent pattern in the signs of the coefficients across the different proxies of terrorism. These results are consistent with the institutional design of the Israeli electoral system. In this system, which is characterized by nationwide proportional representation, every vote has the same electoral power regardless of the individual's location. Therefore, terror factions have no electoral incentive to strategically choose the location of the attack based on the preferences of the local population.

In order to address whether individuals react to terrorism by moving to other subdistricts, we now examine whether the local level of terror induces a change in the observable characteristics of the local population. To do this, we regress the personal

characteristics of each individual on the local level of recent terror activity, while controlling for the fixed-effects of each subdistrict and year. The inclusion of locality and year fixed-effects allows us to test whether changes in the characteristics of the local population over time vary systematically with the local level of recent terror activity. Table 15 performs this analysis by examining the how local terror is related to the following characteristics of the local population: gender, education, religiosity, native status, ethnicity (Asia-Africa background), age, and expenditures. In addition, Table 15 examines whether local terror is related to the size of the local population, which sheds light on whether terror induces an overall out-migration from areas with high levels of terrorism.

The results in Table 15 show that terror is not correlated with population size, which suggests that terror does not induce Israelis to migrate to calmer areas. In addition, terrorism is not correlated with changes in the demographic composition of the subdistricts, which should not be surprising, given that the effect of terror on a person's willingness to grant concessions is robust to the inclusion or exclusion of a rich set of observable characteristics and subdistrict fixed-effects (Table 4). In particular, recent levels of terrorism are not correlated with being religious or coming from an Asia-Africa background – these are the two groups which are clearly more right-wing in their views and they are also the two demographic groups which displayed the strongest effects in our analysis. The fact that terror is not correlated with changes in the characteristics which are strong predictors of being right-wing in their views suggests that right-wing individuals are not moving away from areas with high levels of terror. Although it is possible that terror induces individuals with unobservable right-wing preferences to leave

areas with high terror activity, it is reassuring that there is no evidence that this is occurring with regards to observable measures which are strong predictors of right-wing views.

The one pattern that does emerge in Table 15 is that terrorist factions strategically target localities that are becoming more affluent, as suggested by Benmelech and Berrebi (2007). This finding could be interpreted as evidence in favor of the idea that terror induces right-wing migration, since affluent Israelis do tend to be more left-wing in their views (Table 2). However, this relationship is entirely due to the prevalence of terror attacks in Jerusalem. When the observations from Jerusalem are not included in the analysis in Table 15, the correlation becomes completely insignificant. However, dropping Jerusalem from our main analysis does not affect our estimates of the effect of terror on political views. For example, the coefficients in the last column in Table 4 become 4.31 (1.36) and -35.49 (13.49), which are very close to the magnitude and significance of the coefficients in Table 4.

Overall, we do not find any evidence that endogenous moving is responsible for our results. In particular, terror does not induce a change in the size of the local population, nor does it seem to induce a flight of right-wing individuals who tend to vote left-wing (which is the unlikely scenario necessary to explain the pattern of our results). Therefore, although we lack data on detailed migration patterns which would be useful to address the issue of endogenous moving, the evidence in Table 15 is very reassuring. If terrorism is not correlated with observable variables that are correlated with right-wing

preferences, it is reasonable to assume that this is also the case with unobservable right-wing preferences.[19]

8. Conclusions

This paper presents the first systematic examination of whether terrorism is an effective strategy to achieve political goals, while paying attention to the issue of causality. Our results show that terror attacks by Palestinian factions have succeeded to move the entire political landscape of the Israeli electorate towards a more accommodating stance regarding the political objectives of the Palestinians. Specifically, we show that local terror attacks cause Israelis to be: (i) more willing to grant territorial concessions to the Palestinians; (ii) more willing to accept a Palestinian state; (iii) less likely to identify oneself as being right-wing; and (iv) more likely to have a favorable opinion of Arabs. Although terrorism induces Israelis to vote increasingly for right-wing parties, our results indicate that right-wing parties (and particular demographic groups which tend to be right-wing in their views) are shifting to the left in response to terror. These findings highlight the importance of examining how terrorism affects political views, not just voting patterns, when assessing the effectiveness of terror. Looking at the effect of terrorism only on voting patterns in order to infer its effect on political views would lead to the opposite conclusion, at least in the context of the Israeli-Palestinian conflict.

While terrorism in small doses appears to be an effective political tool, our results suggest that terror activity beyond a certain threshold seems to backfire on the goals of

[19] The analysis in Berrebi and Klor (2008) based on 240 municipalities and local councils is consistent with this conclusion. They showed that terrorism did not affect net migration across localities or political participation of the electorate during the period at issue.

terrorist factions, by hardening the stance of targeted population. This finding could be one explanation for why terrorist factions tend to implement their tactics in episodes that are rather limited in scale and diverse in terms of geographic placement.

Others researchers and commentators have argued that Palestinian terrorism has worked in exacting political concessions (Dershowitz (2002) and Hoffman (2006)). They claim, however, that terrorism worked because it raised the salience of the Israeli-Palestinian conflict, and brought pressure from the international community on the Israeli government. Our paper shows that terrorism works not only because of the possibility of fostering international pressure, but also because it creates domestic political pressure from the targeted electorate. An effective and comprehensive counterterrorism policy has to take this into account, in addition to developing policies to deter terror attacks from occurring.

Many conflicts in history have been settled by peaceful means (the racial conflict in South Africa, the civil rights movement in the US, the British occupation of India, etc). Understanding when conflicts are conducted peacefully versus violently is a complicated issue that deserves more attention. By showing that terror can be an effective political tool, our findings not only provide insights into how the Israeli-Palestinian conflict has evolved over time, but also shed light on why terror appears to be increasing in many parts of the world.

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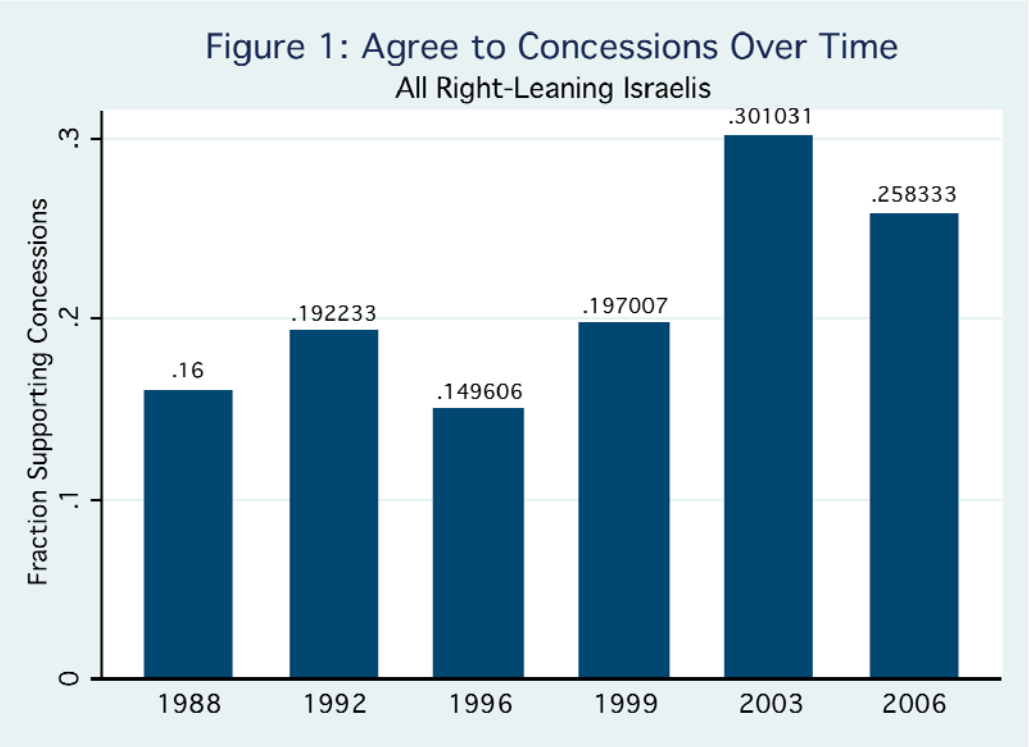


Figure 1: Agree to Concessions Over Time
All Right-Leaning Israelis
Fraction Supporting Concessions
0
.1
.2
.3
.16
.192233
.149606
.197007
.301031
.258333
1988
1992
1996
1999
2003
2006

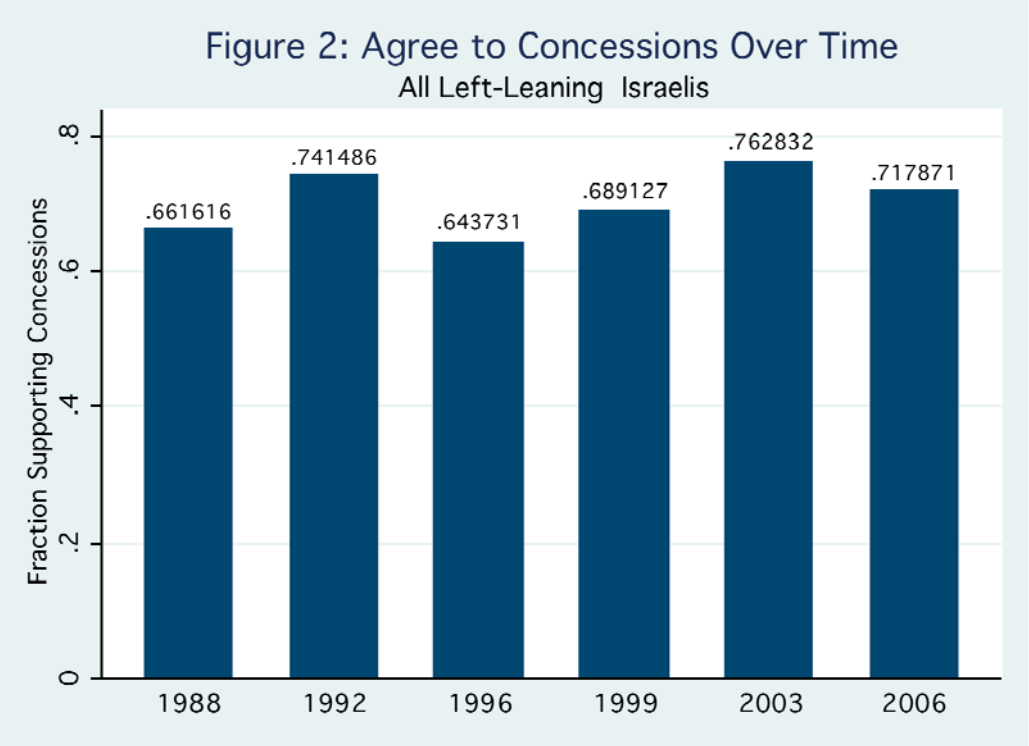
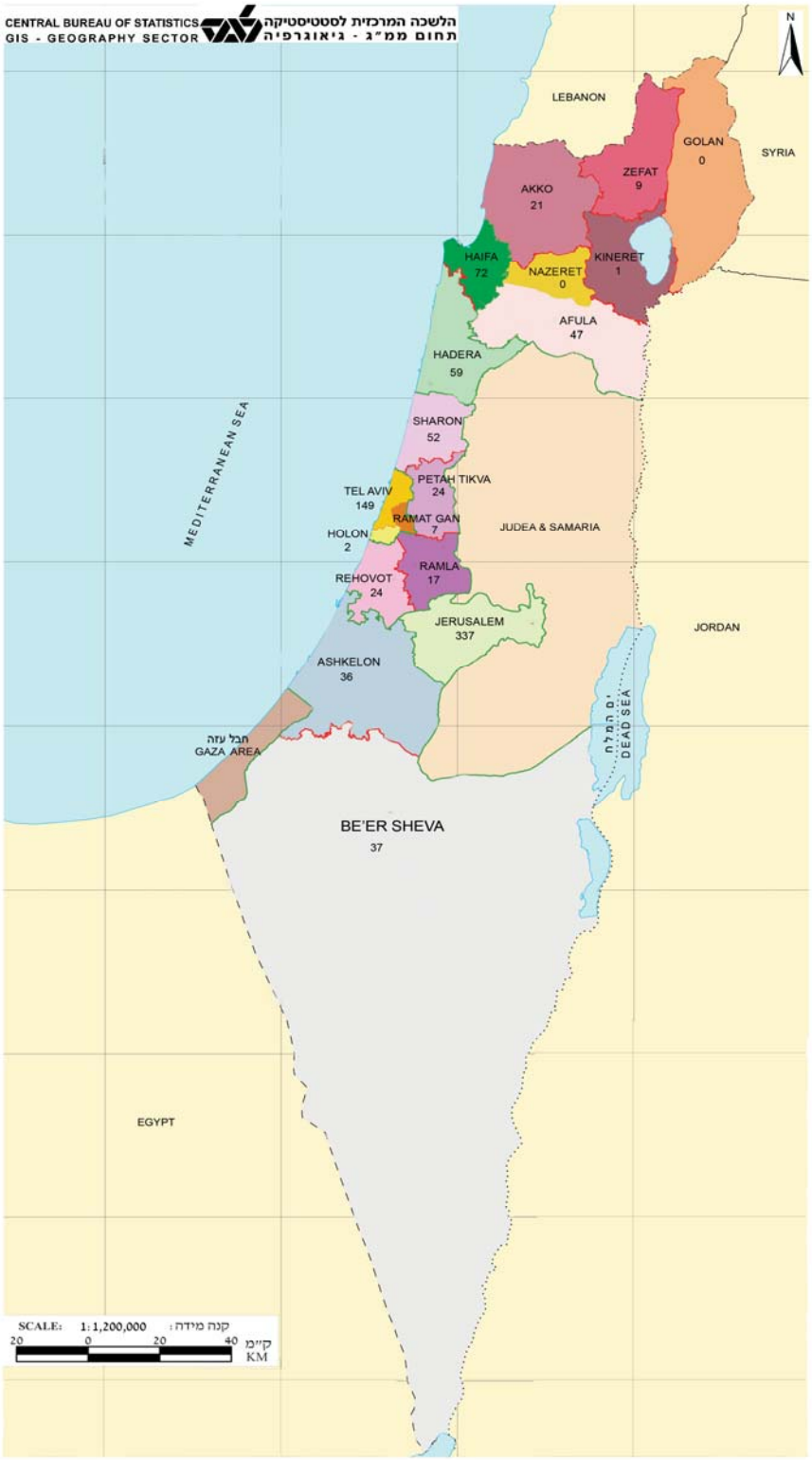


Figure 2: Agree to Concessions Over Time
All Left-Leaning Israelis
Fraction Supporting Concessions
0
.2
.4
.6
.8
.661616
.741486
.643731
.689127
.762832
.717871
1988
1992
1996
1999
2003
2006

Figure 3: Distribution of Terror Fatalities Across Sub-districts



Notes: Total number of terror fatalities across sub-districts between July 23rd, 1984 (date of 1984 parliamentary elections) and March 28th, 2006 (date of 2006 parliamentary elections).

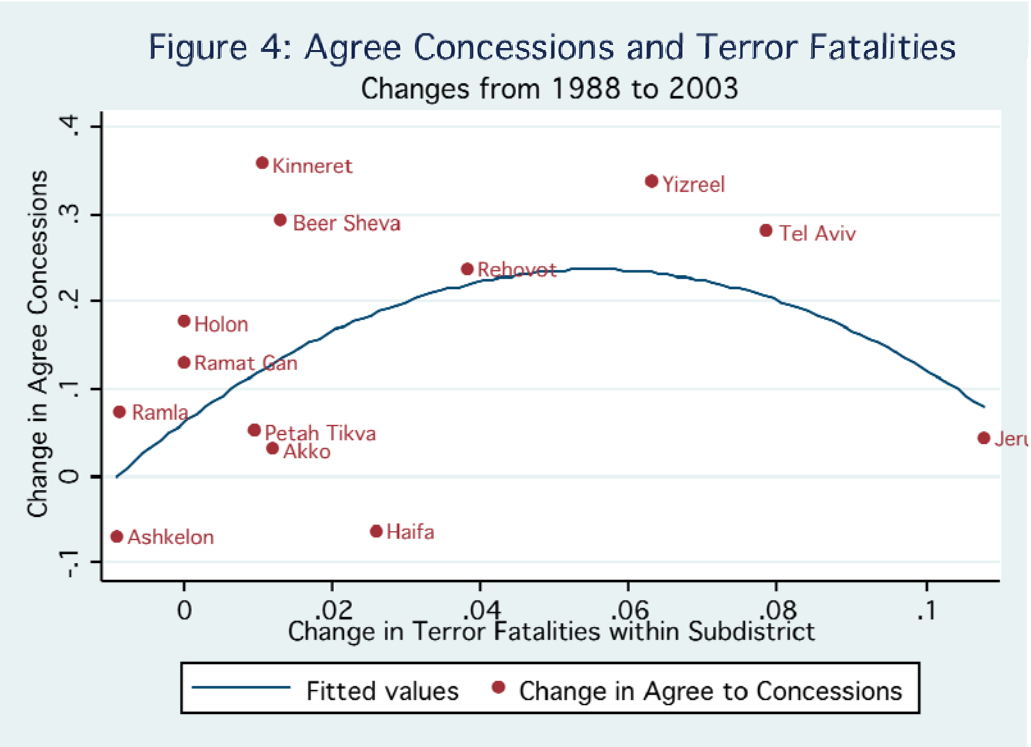


Figure 4: Agree Concessions and Terror Fatalities
Changes from 1988 to 2003
Change in Agree Concessions
-.1
0
.1
.2
.3
.4
Kinneret
Yizreel
Beer Sheva
Tel Aviv
Rehovot
Holon
Ramat Gan
Ramla
Petah Tikva
Akko
Jeru
Ashkelon
Haifa
0
.02
.04
.06
.08
.1
Change in Terror Fatalities within Subdistrict
Fitted values
Change in Agree to Concessions

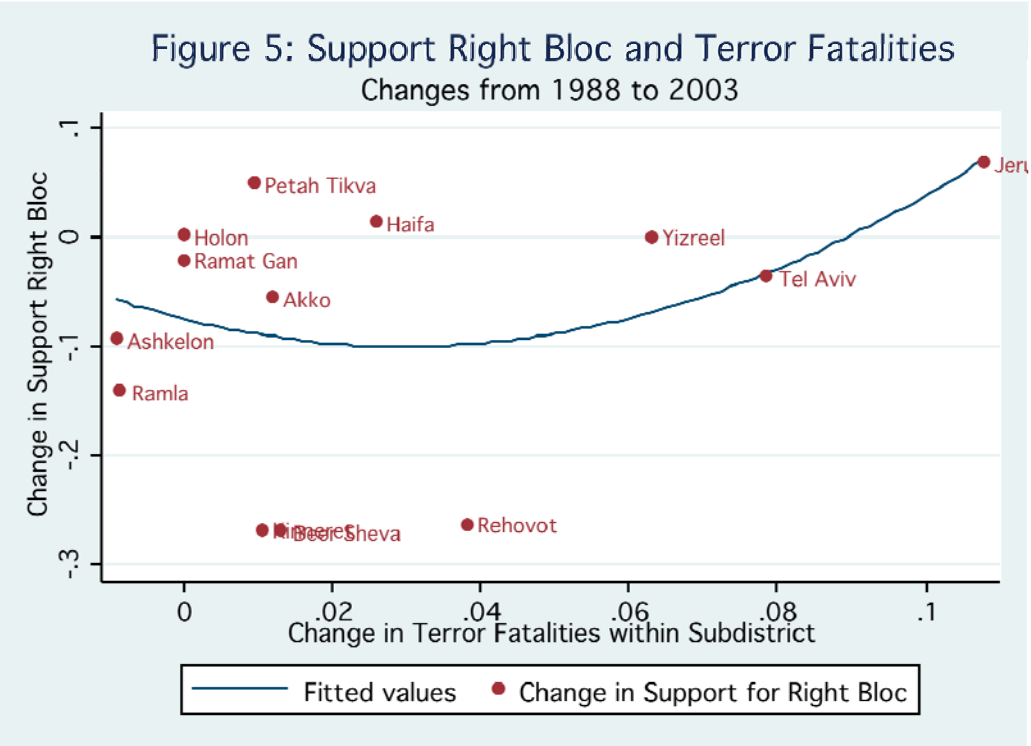


Figure 5: Support Right Bloc and Terror Fatalities
Changes from 1988 to 2003
Change in Support Right Bloc
-.3
-.2
-.1
0
.1
Petah Tikva
Haifa
Jeru
Holon
Yizreel
Ramat Gan
Tel Aviv
Akko
Ashkelon
Ramla
Rehovot
0
.02
.04
.06
.08
.1
Change in Terror Fatalities within Subdistrict
Fitted values
Change in Support for Right Bloc

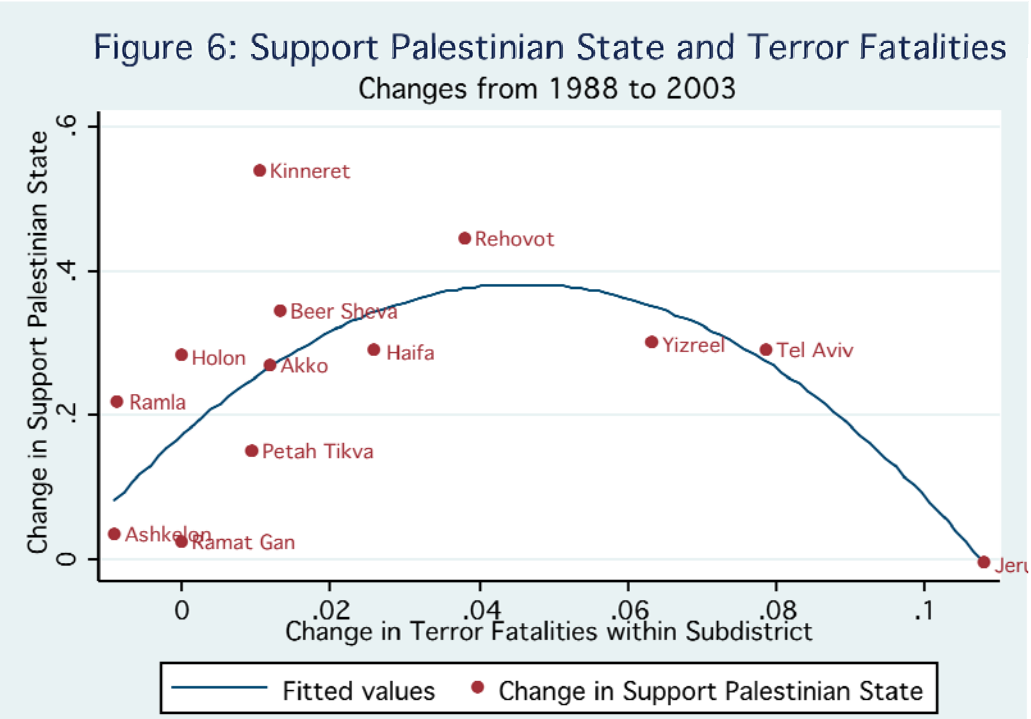


Figure 6: Support Palestinian State and Terror Fatalities
Changes from 1988 to 2003
Change in Support Palestinian State
0
.2
.4
.6
Kinneret
Rehovot
Beer Sheva
Holon
Akko
Haifa
Yizreel
Tel Aviv
Ramla
Petah Tikva
Ashkelon
Ramat Gan
0
.02
.04
.06
.08
.1
Change in Terror Fatalities within Subdistrict
Fitted values
Change in Support Palestinian State

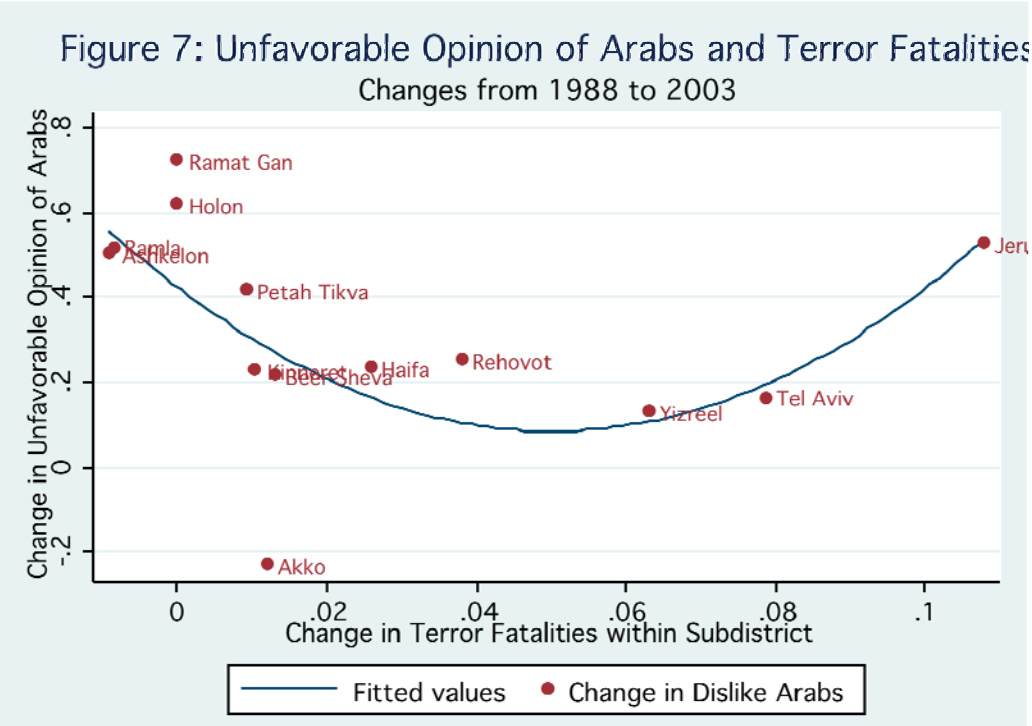


Figure 7: Unfavorable Opinion of Arabs and Terror Fatalities
Changes from 1988 to 2003
Change in Unfavorable Opinion of Arabs
-.2
0
.2
.4
.6
.8
Ramat Gan
Holon
Ramla
Ashkelon
Petah Tikva
Haifa
Rehovot
Tel Aviv
Yizreel
Akko
0
.02
.04
.06
.08
.1
Change in Terror Fatalities within Subdistrict
Fitted values
Change in Dislike Arabs

Table 1

Attitudes Towards the Conflict, Suport for Different Political Parties and Terror Fatalities by Year

	1988	1992	1996	1999	2003	2006
Agree to Territorial Concessions to the Palestinians	0.383	0.485	0.426	0.499	0.545	0.557
	(0.486)	(0.500)	(0.495)	(0.500)	(0.498)	(0.497)
Agree to the Establishment of a Palestinian State in the Territories as part of a Peace Settlement	0.260	0.290	0.482	0.554	0.486	0.668
	(0.439)	(0.454)	(0.500)	(0.497)	(0.500)	(0.471)
Right-wing Political Tendency	0.504	0.427	0.393	0.389	0.517	0.413
	(0.500)	(0.495)	(0.489)	(0.488)	(0.500)	(0.493)
Unfavorable Opinion of Arabs	0.293	0.125	0.475	0.386	0.611	-
	(0.455)	(0.331)	(0.500)	(0.487)	(0.488)	
Vote for Right Bloc of Political Parties	0.529	0.443	0.438	0.380	0.463	0.328
	(0.499)	(0.497)	(0.496)	(0.486)	(0.499)	(0.469)
Number of Observations	873	1192	1168	1060	1058	1505
Number of Terror Fatalities since Previous Elections	25	78	141	44	408	198
Number of Terror Fatalities within a Year of Elections	6	11	71	2	275	19

Notes: Entries in the table represent the average of the respective variable for each survey. Standard deviations appear in parenthesis. The number of observations refer to the total number of Jewish individuals that reside within the green line interviewed in each survey. The exact number of observations for each variable varies slightly because not all respondents answered each question. Source: Israeli National Elections Study (INES). The last two rows report the number of fatalities from terror attacks. Source: B'tselem.

Table 2

Political Attitudes by Demographic Characteristics

	Share Agrees to					
	Territorial Concessions	Palestinian State	Right-wing Political Tendency	Unfavorable Opinion of Arabs	Vote for Right Bloc of Political Parties	Share of Sample Population
All	0.489	0.473	0.440	0.377	0.421	1.00
Gender						
Males	0.48	0.47	0.43	0.37	0.41	0.51
Females	0.51	0.47	0.46	0.39	0.43	0.49
Age						
15-29	0.43	0.41	0.48	0.37	0.47	0.32
30-45	0.51	0.46	0.45	0.37	0.43	0.30
46 and older	0.55	0.54	0.39	0.39	0.37	0.37
Years of Schooling						
Elementary and Secondary	0.44	0.40	0.49	0.41	0.48	0.57
Higher Education	0.58	0.58	0.36	0.33	0.35	0.43
Religiosity						
Secular	0.54	0.52	0.39	0.34	0.35	0.67
Observant	0.40	0.37	0.54	0.45	0.56	0.33
Place of Birth						
Immigrants	0.48	0.49	0.42	0.40	0.42	0.39
Native Israelis	0.51	0.46	0.45	0.36	0.42	0.61
Ethnic Background						
African-Asian Ethnicity	0.41	0.37	0.54	0.38	0.53	0.37
Non African-Asian Ethnicity	0.54	0.53	0.37	0.38	0.36	0.63
Household Expenditures						
Less than Average	0.44	0.44	0.47	0.43	0.46	0.39
About Average	0.50	0.46	0.45	0.36	0.43	0.34
More than Average	0.57	0.54	0.39	0.33	0.36	0.27

Note: Entries in the table show the means over the entire sample period. **Source:** Authors' calculations using survey data from INES.

Table 3

The Effect of Terror Fatalities on Support for Granting Territorial Concessions

	Number of Fatalities				Fatalities per Capita			
Variable	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Terror Fatalities 12 months before the survey	0.000085	0.000001	0.00008	-0.00016	0.5144	0.3390	0.4710	0.2900
	[0.0016]	[0.0008]	[0.0008]	[0.0009]	[0.901]	[0.498]	[0.499]	[0.674]
Individuals Personal Characteristics								
Age			0.0079 ***	0.0145 ***			0.0079 ***	0.0143 ***
			[0.0024]	[0.0027]			[0.0024]	[0.0027]
Age Square			-0.0001 **	-0.0001 ***			-0.0001 **	-0.0001 ***
			[0.0000]	[0.0000]			[0.0000]	[0.0000]
Male			-0.0279 **	-0.0134			-0.0290 **	-0.0130
			[0.013]	[0.0131]			[0.0126]	[0.0131]
Years of Schooling			0.0207 ***	0.0312 ***			0.0208 ***	0.0309 ***
			[0.003]	[0.0081]			[0.0027]	[0.0081]
Years of Schooling * Age				-0.0003 ***				-0.0003 ***
				[0.0001]				[0.0001]
Immigrant				-0.0305				-0.0292
				[0.0189]				[0.0190]
African-Asian Ethnicity				-0.0693 ***				-0.0690 ***
				[0.0176]				[0.0175]
From former Soviet Bloc				-0.1180 ***				-0.1210 ***
				[0.0263]				[0.0263]
House Density (persons / rooms)				-0.1060 ***				-0.1070 ***
				[0.0169]				[0.0173]
Expenditures (base category - much more than average):								
- a little more than average				0.0157				0.0164
				[0.0204]				[0.0204]
- about average				-0.0231				-0.0219
				[0.0189]				[0.0189]
- a little less than average				-0.0519 **				-0.0496 **
				[0.0237]				[0.0236]
- much less than average				-0.1060 ***				-0.1040 ***
				[0.0227]				[0.0227]
Religiosity (base category - observe all):								
-observe a lot				0.0210				0.0195
				[0.0263]				[0.0269]
- a little observance				0.1060 ***				0.1020 ***
				[0.0397]				[0.0417]
- secular				0.2150 ***				0.2110 ***
				[0.0435]				[0.0463]
Subdistrict Total Population				-0.0006 ***				
				[0.0002]				
Subdistricts FE	No	Yes	Yes	Yes	No	Yes	Yes	Yes
Years FE	No	Yes	Yes	Yes	No	Yes	Yes	Yes
N	6,522	6,522	6,367	5,826	6,494	6,494	6,339	5,826
R^2	0.000	0.043	0.066	0.128	0.001	0.043	0.067	0.127

Note: Estimated using OLS. Dependent variable is indicator for agreeing to territorial concessions to Palestinians. Robust standard errors, adjusted for clustering at the subdistrict-year level, in brackets. * indicates statistically significant at 10% level, ** indicates statistically significant at 5% level; *** indicates statistically significant at 1% level.

Table 4

The Effect of Terror Fatalities on Support for Granting Territorial Concessions

	Number of Fatalities				Fatalities per Capita			
Variable	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Terror Fatalities 12 months before the survey								
Linear Effect	0.0054 *	0.0032 **	0.0037 ***	0.0046 ***	4.285 *	3.526 ***	3.847 ***	4.563 ***
	[0.0032]	[0.0014]	[0.0013]	[0.0012]	[2.257]	[1.269]	[1.182]	[1.152]
Quadratic Effect	-0.00008 ***	-0.00004 ***	-0.00005 ***	-0.00006 ***	-43.46 **	-34.18 ***	-36.15 ***	-45.89 ***
	[0.0000]	[0.0000]	[0.0000]	[0.0000]	[19.74]	[12.23]	[11.26]	[11.25]
Individuals Personal Characteristics								
Age			0.0079 ***	0.0145 ***			0.0080 ***	0.0145 ***
			[0.0024]	[0.0027]			[0.0024]	[0.0027]
Age Square			-0.0001 **	-0.0001 ***			-0.0001 **	-0.0001 ***
			[0.0000]	[0.0000]			[0.0000]	[0.0000]
Male			-0.0295 ***	-0.0147			-0.0310 ***	-0.0147
			[0.0126]	[0.0131]			[0.0127]	[0.0132]
Years of Schooling			0.0207 ***	0.0312 ***			0.0208 ***	0.0312 ***
			[0.0027]	[0.0080]			[0.0027]	[0.0081]
Years of Schooling * Age				-0.0003 ***				-0.0003 ***
				[0.0001]				[0.0001]
Immigrant				-0.0293				-0.0286
				[0.0190]				[0.0191]
African-Asian Ethnicity				-0.0701 ***				-0.0690 ***
				[0.0175]				[0.0175]
From former Soviet Bloc				-0.1190 ***				-0.1210 ***
				[0.0266]				[0.0267]
House Density (persons / rooms)				-0.1040 ***				-0.1060 ***
				[0.0168]				[0.0170]
Expenditures (base category - much more than average):								
- a little more than average				0.0156				0.0154
				[0.0204]				[0.0204]
- about average				-0.0230				-0.0233
				[0.0190]				[0.0191]
- a little less than average				-0.0513 **				-0.0520 **
				[0.0237]				[0.0236]
- much less than average				-0.1050 ***				-0.1060 ***
				[0.0228]				[0.0228]
Religiosity (base category - observe all):								
-observe a lot				0.0235				0.0220
				[0.0260]				[0.0263]
- a little observance				0.1130 ***				0.1090 ***
				[0.0387]				[0.0396]
- secular				0.2250 ***				0.2190 ***
				[0.0420]				[0.0436]
Subdistrict Total Population				-0.0005 **				
				[0.0002]				
Subdistricts FE	No	Yes	Yes	Yes	No	Yes	Yes	Yes
Years FE	No	Yes	Yes	Yes	No	Yes	Yes	Yes
Number of Observations	6,522	6,522	6,367	5,826	6,494	6,494	6,339	5,826
R^2	0.005	0.044	0.067	0.130	0.0037	0.045	0.069	0.129
P-Value on Effect of Terrorism	0.0000	0.0099	0.0013	0.0001	0.0754	0.0219	0.0063	0.0004

Note: Estimated using OLS. Dependent variable is indicator for agreeing to territorial concessions to Palestinians. Robust standard errors, adjusted for clustering at the subdistrict-year level, in brackets. P-Value on effect of terrorism tests the hypothesis that the joint effect of all proxies for severity of terrorism included in each regression are equal to zero. * indicates statistically significant at 10% level, ** indicates statistically significant at 5% level; *** indicates statistically significant at 1% level.

Table 5

The Effect of Terror Fatalities on Support for Granting Territorial Concessions

	Fatalities		Attacks	
Variable	**Number of Fatalities** (1)	**Fatalities per Capita** (2)	**Number of Attacks** (4)	**Attacks per Capita** (5)
Timing of Terrorism				
Attacks within one year of the survey				
- Linear Effect	0.00457 ***	4.5630 ***	0.0307 ***	17.743 ***
	[0.0012]	[1.152]	[0.0076]	[5.864]
- Quadratic Effect	-0.00006 ***	-45.886 ***	-0.0021 ***	-855.7 **
	[0.00001]	[11.25]	[0.0004]	[390.7]
P-Value on Effect of Terrorism	0.0001	0.0004	0.0000	0.0100
Attacks since previous elections up to the survey				
- Linear Effect	0.0015	1.1310	0.0067	9.4038 ***
	[0.0009]	[0.802]	[0.0046]	[3.215]
- Quadratic Effect	-0.000014 **	-7.4080	-0.0003 ***	-289.0 ***
	[0.000007]	[6.262]	[0.0001]	[76.84]
P-Value on Effect of Terrorism	0.0784	0.3687	0.0028	0.0005

Note: All regressions estimated using OLS. Dependent variable is indicator for agreeing to territorial concessions to Palestinians. In addition to the respective proxy for the severity of terrorism, all regressions include the same covariates as specifications 4 and 8 in Table 4. Robust standard errors, adjusted for clustering at the subdistrict-year level, in brackets. P-Value on effect of terrorism tests the hypothesis that the joint effect of all proxies for severity of terrorism included in each regression are equal to zero. * indicates statistically significant at 10% level, ** indicates statistically significant at 5% level; *** indicates statistically significant at 1% level.

Table 6

The Effect of Terror Fatalities on Support for Granting Territorial Concessions to Palestinians, by Subpopulations

	Partition by Gender		Partition by Age			Partition by Expenditures		
	Females	**Males**	**Below 30**	**30 to 45**	**Above 45**	**Below Average**	**Average**	**Above Average**
Terror Fatalities per Capita Within a Year of the Survey								
- Linear Effect	5.4601 ***	3.6295 ***	5.4801 ***	4.0604 ***	3.1033 *	4.5244 **	4.3071 ***	4.0144 ***
	[1.39]	[1.49]	[1.72]	[1.53]	[1.79]	[2.01]	[1.43]	[1.61]
- Quadratic Effect	-46.450 ***	-44.154 ***	-53.464 ***	-33.270 ***	-36.895 **	-50.453 ***	-38.412 ***	-47.076 ***
	[13.80]	[14.98]	[17.46]	[14.16]	[15.95]	[20.34]	[13.45]	[14.69]
P-Value on Effect of Terrorism	0.0008	0.0108	0.0074	0.0303	0.0481	0.0515	0.0124	0.0058
Terror Fatalities per Capita Since Previous Elections								
- Linear Effect	0.3856	1.7380 **	1.2990	1.9705 **	0.0467	0.0505	1.2126	2.3581 ***
	[0.89]	[0.88]	[1.10]	[0.91]	[0.91]	[1.26]	[0.83]	[0.85]
- Quadratic Effect	0.9874	-14.604 ***	-5.9294	-9.5393 *	-4.1526	-3.2027	-4.1933	-18.648 ***
	[7.62]	[5.94]	[9.20]	[5.18]	[7.29]	[9.87]	[6.78]	[6.02]
P-Value on Effect of Terrorism	0.4647	0.0471	0.3364	0.0967	0.5485	0.8244	0.1716	0.0106
Number of Observations	2,852	2,974	1,893	1,815	2,118	2,005	2,122	1,699

	Partition by Education		Partition by Religiosity		Partition by Country of Birth		Partition by Ethnicity	
	Below Academic	**Academic Education**	**Secular**	**Religious**	**Immigrant**	**Native Israeli**	**African-Asian**	**Other**
Terror Fatalities per Capita Within a Year of the Survey								
- Linear Effect	4.7605 ***	4.2627 **	2.7709 **	5.2346 ***	6.2661 ***	3.5480 ***	8.0227 ***	2.7742 ***
	[1.46]	[1.89]	[1.34]	[1.40]	[2.04]	[1.20]	[1.85]	[1.16]
- Quadratic Effect	-40.752 ***	-52.355 ***	-31.929 ***	-40.970 ***	-65.214 ***	-36.243 ***	-79.464 ***	-31.667 ***
	[13.98]	[18.87]	[13.13]	[12.81]	[20.78]	[11.72]	[17.09]	[11.27]
P-Value on Effect of Terrorism	0.0060	0.0175	0.0520	0.0011	0.0087	0.0100	0.0001	0.0222
Terror Fatalities per Capita Since Previous Elections								
- Linear Effect	0.9457	1.8389 *	-0.0276	2.7665 ***	1.1746	1.3602 *	3.5267 ***	0.1861
	[0.91]	[0.99]	[0.93]	[0.87]	[1.16]	[0.76]	[1.32]	[0.73]
- Quadratic Effect	-3.9635	-14.885 *	-1.1555	-11.349 **	-10.685	-7.9479	-22.823 ***	-2.4005
	[6.21]	[8.14]	[6.37]	[5.39]	[9.87]	[5.42]	[8.71]	[5.81]
P-Value on Effect of Terrorism	0.4516	0.1752	0.8640	0.0009	0.5573	0.1961	0.0265	0.8800
Number of Observations	3,355	2,471	3,897	1,929	2,267	3,559	2,200	3,626

Note: Each column in each panel presents the results of a separate OLS regression where the dependent variable is an indicator for agreeing to territorial concessions to Palestinians. In addition to the respective proxy for the severity of terrorism, all regressions include the same covariates as specifications 4 and 8 in Table 4. Robust standard errors, adjusted for clustering at the subdistrict-year level, in brackets. P-Value on effect of terrorism tests the hypothesis that the joint effect of all proxies for severity of terrorism included in each regression are equal to zero. * indicates statistically significant at 10% level, ** indicates statistically significant at 5% level; *** indicates statistically significant at 1% level.

Table 7

The Effect of Terrorism on Other Political Attitudes

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Support the Creation of a Palestinian State					**Unfavorable Opinion of Arabs**				
Terror Fatalities per Capita 12 months before the survey										
Linear Effect	-0.6313	1.7895				-1.212	-5.047 ***			
	[0.754]	[1.286]				[0.884]	[1.664]			
Quadratic Effect		-26.008 **					41.190 ***			
		[11.91]					[16.15]			
Terror Fatalities per Capita since previous elections										
Linear Effect			1.5670 **					-2.321 *		
			[0.778]					[1.230]		
Quadratic Effect			-12.080 **					9.1880		
			[5.672]					[8.328]		
Terror Attacks per Capita 12 months before the survey										
Linear Effect				-2.1590					-2.0140	
				[6.980]					[8.562]	
Quadratic Effect				-116.70					-30.060	
				[388.3]					[545.4]	
Terror Attacks per Capita since previous elections										
Linear Effect					7.5370 *					-8.1350 *
					[4.576]					[4.794]
Quadratic Effect					-233.10 **					255.80 **
					[117.3]					[122.5]
Number of Observations	5,840	5,840	5,840	5,840	5,840	4,510	4,510	4,510	4,510	4,510
P-Value on Effect of Terrorism		0.0695	0.1034	0.5999	0.1120		0.0126	0.0600	0.8480	0.0966
	Right-wing Political Tendency					**Summary of all Four Attitudes Based on Factor Analysis**				
Terror Fatalities per Capita 12 months before the survey										
Linear Effect	-0.1010	-5.0340 ***				0.6083	11.358 ***			
	[0.763]	[1.267]				[2.012]	[2.778]			
Quadratic Effect		52.750 ***					-115.47 ***			
		[12.56]					[29.33]			
Terror Fatalities per Capita since previous elections										
Linear Effect			-3.0220 ***					7.3030 ***		
			[0.788]					[2.380]		
Quadratic Effect			18.460 ***					-41.355 ***		
			[6.125]					[17.06]		
Terror Attacks per Capita 12 months before the survey										
Linear Effect				-17.580 ***					28.245 **	
				[5.467]					[13.85]	
Quadratic Effect				972.00 ***					-1570.78	
				[402.1]					[985.0]	
Terror Attacks per Capita since previous elections										
Linear Effect					-14.780 ***					31.537 ***
					[2.812]					[8.720]
Quadratic Effect					394.20 ***					-902.04 ***
					[73.88]					[234.0]
Number of Observations	4,981	4,981	4,981	4,981	4,981	4,337	4,337	4,337	4,337	4,337
P-Value on Effect of Terrorism		0.0003	0.0008	0.0063	0.0000		0.0004	0.0089	0.1316	0.0012

Note: Each column in each panel presents the results of a separate OLS regression. The dependent variable appears at the top of each panel. In addition to the respective proxies for the severity of terrorism specified on the left column, all regressions include the same covariates as specifications 4 and 8 in Table 4. The summary measure of all four attitudes is the first factor after performing factor analysis on all four measures (the three in this table plus "agreeing to territorial concessions"). Robust standard errors, adjusted for clustering at the subdistrict-year level, in brackets. P-Value on effect of terrorism tests the hypothesis that the joint effect of all proxies for severity of terrorism included in each regression are equal to zero. * indicates statistically significant at 10% level, ** indicates statistically significant at 5% level; *** indicates statistically significant at 1% level.

Table 8

The Effect of Terror Fatalities on Support for the Creation of a Palestinian State, by Subpopulations

	Partition by Gender		Partition by Age			Partition by Expenditures		
	Females	**Males**	**Below 30**	**30 to 45**	**Above 45**	**Below Average**	**Average**	**Above Average**
Terror Fatalities per Capita Within a Year of the Survey								
- Linear Effect	3.4736 *	0.2991	0.7600	1.7713	1.1046	1.6606	3.2496 *	0.3495
	[1.81]	[1.57]	[1.87]	[1.87]	[1.76]	[1.63]	[1.76]	[1.61]
- Quadratic Effect	-36.668 **	-17.036	-13.289	-12.213	-28.402 *	-30.462 **	-34.699 **	-18.060
	[15.95]	[15.98]	[16.72]	[19.84]	[15.33]	[14.11]	[16.67]	[14.49]
P-Value on Effect of Terrorism	0.0731	0.1530	0.6281	0.5185	0.0088	0.0162	0.1195	0.0654
Terror Fatalities per Capita Since Previous Elections								
- Linear Effect	1.2356	1.8420 **	0.1006	1.1481	1.8510 **	1.1388	2.5791 ***	1.4946
	[1.04]	[0.88]	[1.30]	[1.04]	[0.93]	[1.01]	[0.93]	[1.00]
- Quadratic Effect	-7.4729	-16.347 ***	0.5022	-4.5383	-18.678 ***	-10.386	-16.287 **	-15.603 ***
	[7.46]	[5.81]	[8.90]	[7.11]	[6.13]	[7.25]	[7.08]	[5.90]
P-Value on Effect of Terrorism	0.4971	0.0165	0.9642	0.3924	0.0044	0.3359	0.0259	0.0050
Number of Observations	2,866	2,974	1,895	1,815	2,130	2,002	2,132	1,706

	Partition by Education		Partition by Religiosity		Partition by Country of Birth		Partition by Ethnicity	
	Below Academic	**Academic Education**	**Secular**	**Religious**	**Immigrant**	**Native Israeli**	**African-Asian**	**Other**
Terror Fatalities per Capita Within a Year of the Survey								
- Linear Effect	0.4230	3.4089	-0.8168	2.9603 **	1.5665	1.5732	4.4185 ***	0.4731
	[1.36]	[2.37]	[1.84]	[1.47]	[1.79]	[1.27]	[1.89]	[1.81]
- Quadratic Effect	-6.4627	-49.570 **	-2.2686	-27.588 *	-25.870 *	-24.397 *	-54.685 ***	-14.690
	[12.64]	[21.75]	[18.95]	[14.62]	[15.44]	[13.04]	[17.46]	[16.00]
P-Value on Effect of Terrorism	0.8384	0.0271	0.4892	0.1371	0.0832	0.1559	0.0032	0.3493
Terror Fatalities per Capita Since Previous Elections								
- Linear Effect	0.4622	3.4611 ***	0.1457	2.3378 **	2.2174 ***	0.9673	2.1203 *	1.4858
	[0.94]	[1.27]	[1.03]	[1.11]	[0.91]	[0.83]	[1.21]	[0.97]
- Quadratic Effect	-4.2233	-25.437 ***	-3.3634	-12.323 *	-17.615 ***	-8.5408	-19.555 ***	-10.789
	[5.74]	[9.17]	[7.51]	[7.30]	[6.11]	[6.31]	[7.82]	[6.71]
P-Value on Effect of Terrorism	0.7106	0.0221	0.7379	0.0864	0.0189	0.4043	0.0338	0.2735
Number of Observations	3,366	2,474	3,908	1,932	2,280	3,560	2,205	3,635

Note: Each column in each panel presents the results of a separate OLS regression where the dependent variable is an indicator for agreeing to the creation of a Palestinian State. In addition to the respective proxy for the severity of terrorism, all regressions include the same covariates as specifications 4 and 8 in Table 4. Robust standard errors, adjusted for clustering at the subdistrict-year level, in brackets. P-Value on effect of terrorism tests the hypothesis that the joint effect of all proxies for severity of terrorism included in each regression are equal to zero. * indicates statistically significant at 10% level, ** indicates statistically significant at 5% level; *** indicates statistically significant at 1% level.

Table 9

The Effect of Terror Fatalities on Holding an Unfavorable Opinion of Arabs, by Subpopulations

	Partition by Gender		Partition by Age			Partition by Expenditures		
	Females	**Males**	**Below 30**	**30 to 45**	**Above 45**	**Below Average**	**Average**	**Above Average**
Terror Fatalities per Capita Within a Year of the Survey								
- Linear Effect	-5.2409 ***	-4.9287 **	-4.5744 ***	-2.9052	-5.5495 ***	-4.9821 **	-4.8429 ***	-3.3827 *
	[1.67]	[2.23]	[1.74]	[2.00]	[2.09]	[2.39]	[2.03]	[1.96]
- Quadratic Effect	29.854 **	53.980 **	33.907 **	17.802	50.884 ***	43.151 *	31.886	36.825 *
	[14.54]	[24.26]	[15.40]	[19.21]	[20.20]	[22.33]	[20.21]	[19.52]
P-Value on Effect of Terrorism	0.0041	0.0852	0.0368	0.1475	0.0327	0.1215	0.0402	0.1710
Terror Fatalities per Capita Since Previous Elections								
- Linear Effect	-1.4687	-2.9994 **	-1.3461	-1.3954	-2.8328 **	-1.9029	-1.8649	-1.7292
	[1.33]	[1.51]	[1.33]	[1.37]	[1.41]	[1.59]	[1.52]	[1.40]
- Quadratic Effect	-0.8270	18.392 *	1.4392	3.5669	13.947	7.8106	1.7985	12.962
	[8.06]	[10.77]	[9.38]	[7.99]	[9.59]	[10.04]	[10.94]	[8.28]
P-Value on Effect of Terrorism	0.0223	0.1374	0.1362	0.2719	0.1099	0.4149	0.0365	0.2220
Number of Observations	2,206	2,304	1,582	1,491	1,437	1,556	1,678	1,276

	Partition by Education		Partition by Religiosity		Partition by Country of Birth		Partition by Ethnicity	
	Below Academic	**Academic Education**	**Secular**	**Religious**	**Immigrant**	**Native Israeli**	**African-Asian**	**Other**
Terror Fatalities per Capita Within a Year of the Survey								
- Linear Effect	-3.7107 **	-6.5364 ***	-3.1665	-6.3144 ***	-5.1364 **	-4.8697 ***	-6.3699 ***	-3.4958 *
	[1.85]	[1.82]	[2.27]	[1.39]	[2.61]	[1.51]	[2.15]	[1.79]
- Quadratic Effect	29.1048 *	63.419 ***	22.1530	54.147 ***	38.731	43.608 ***	55.972 ***	28.961 *
	[16.89]	[19.28]	[21.37]	[12.96]	[28.03]	[13.00]	[23.40]	[15.70]
P-Value on Effect of Terrorism	0.1415	0.0027	0.2774	0.0001	0.0898	0.0050	0.0115	0.1545
Terror Fatalities per Capita Since Previous Elections								
- Linear Effect	-1.3250	-3.5748 ***	-0.9701	-3.1072 ***	-2.0367	-2.3760 **	-3.4466 **	-1.3375
	[1.36]	[1.33]	[1.64]	[1.14]	[1.68]	[1.19]	[1.51]	[1.22]
- Quadratic Effect	4.4123	18.832 **	2.6462	15.174 **	5.5653	11.983 *	18.296 *	4.2537
	[8.31]	[9.51]	[9.75]	[7.19]	[12.15]	[6.67]	[10.66]	[7.27]
P-Value on Effect of Terrorism	0.4328	0.0163	0.6029	0.0195	0.1325	0.1462	0.0530	0.3652
Number of Observations	2,841	1,669	2,912	1,598	1,715	2,795	1,875	2,635

Note: Each column in each panel presents the results of a separate OLS regression where the dependent variable is an indicator for having an unfavorable opinion of Arabs. In addition to the respective proxy for the severity of terrorism, all regressions include the same covariates as specifications 4 and 8 in Table 4. Robust standard errors, adjusted for clustering at the subdistrict-year level, in brackets. P-Value on effect of terrorism tests the hypothesis that the joint effect of all proxies for severity of terrorism included in each regression are equal to zero. * indicates statistically significant at 10% level, ** indicates statistically significant at 5% level; *** indicates statistically significant at 1% level.

Table 10
The Effect of Terror Fatalities on Right-Wing Political Tendency, by Subpopulations

	Partition by Gender		Partition by Age			Partition by Expenditures		
	Females	**Males**	**Below 30**	**30 to 45**	**Above 45**	**Below Average**	**Average**	**Above Average**
Terror Fatalities per Capita Within a Year of the Survey								
- Linear Effect	-4.8855 ***	-5.8210 ***	-5.8188 ***	-4.6897 ***	-2.7800 *	-6.0016 **	-5.5647 ***	-3.5704 ***
	[1.75]	[1.31]	[2.20]	[1.65]	[1.63]	[2.64]	[1.58]	[1.45]
- Quadratic Effect	44.392 ***	68.888 ***	56.523 ***	36.950 **	42.789 ***	65.210 ***	54.350 ***	45.174 ***
	[16.66]	[12.12]	[18.79]	[16.67]	[15.16]	[25.43]	[14.64]	[14.78]
P-Value on Effect of Terrorism	0.0224	0.0000	0.0125	0.0156	0.0058	0.0371	0.0014	0.0097
Terror Fatalities per Capita Since Previous Elections								
- Linear Effect	-2.3212 **	-3.8511 ***	-4.9290 ***	-1.5078	-1.8952 *	-2.4798 *	-3.8066 ***	-3.5028 ***
	[1.13]	[0.68]	[1.01]	[1.05]	[1.07]	[1.39]	[0.87]	[0.98]
- Quadratic Effect	9.5185	28.811 ***	24.335 ***	5.8330	17.806 ***	15.495	20.919 ***	24.886 ***
	[8.96]	[4.53]	[7.23]	[7.28]	[7.30]	[10.36]	[6.75]	[5.83]
P-Value on Effect of Terrorism	0.0321	0.0000	0.0000	0.2091	0.0464	0.1981	0.0001	0.0002
Number of Observations	2,436	2,545	1,720	1,600	1,661	1,730	1,826	1,425

	Partition by Education		Partition by Religiosity		Partition by Country of Birth		Partition by Ethnicity	
	Below Academic	**Academic Education**	**Secular**	**Religious**	**Immigrant**	**Native Israeli**	**African-Asian**	**Other**
Terror Fatalities per Capita Within a Year of the Survey								
- Linear Effect	-6.0731 ***	-3.1717	-2.7336 *	-6.7098 ***	-3.8751 *	-5.4329 ***	-7.1836 ***	-3.1131 **
	[1.14]	[2.32]	[1.63]	[1.57]	[2.12]	[1.30]	[1.74]	[1.46]
- Quadratic Effect	60.051 ***	42.561 *	34.257 ***	56.731 ***	46.879 **	55.741 ***	75.195 ***	34.295 ***
	[10.47]	[22.97]	[14.13]	[14.53]	[22.47]	[11.60]	[16.99]	[13.47]
P-Value on Effect of Terrorism	0.0000	0.1371	0.0138	0.0002	0.1172	0.0000	0.0001	0.0374
Terror Fatalities per Capita Since Previous Elections								
- Linear Effect	-3.7198 ***	-2.0204	-2.0379 ***	-3.3390 ***	-0.7491	-4.4609 ***	-6.0628 ***	-1.3525 *
	[0.59]	[1.26]	[0.83]	[1.15]	[1.32]	[0.66]	[0.86]	[0.80]
- Quadratic Effect	21.858 ***	15.406	12.512 **	17.216 ***	9.8483	25.137 ***	36.388 ***	8.8858
	[3.89]	[9.64]	[6.03]	[6.95]	[10.19]	[4.49]	[6.70]	[5.69]
P-Value on Effect of Terrorism	0.0000	0.2643	0.0537	0.0133	0.4889	0.0000	0.0000	0.2440
Number of Observations	3,027	1,954	3,256	1,725	1,915	3,066	2,005	2,976

Note: Each column in each panel presents the results of a separate OLS regression where the dependent variable is an indicator for having a Right-wing Political Tendency. In addition to the respective proxy for the severity of terrorism, all regressions include the same covariates as specifications 4 and 8 in Table 4. Robust standard errors, adjusted for clustering at the subdistrict-year level, in brackets. P-Value on effect of terrorism tests the hypothesis that the joint effect of all proxies for severity of terrorism included in each regression are equal to zero. * indicates statistically significant at 10% level, ** indicates statistically significant at 5% level; *** indicates statistically significant at 1% level.

Table 11

The Effect of Terror Fatalities on a Summary Measure of all Four Attitudes towards Palestinians Based on Factor Analysis, by Subpopulations

	Partition by Gender		Partition by Age			Partition by Expenditures		
	Females	**Males**	**Below 30**	**30 to 45**	**Above 45**	**Below Average**	**Average**	**Above Average**
Terror Fatalities per Capita Within a Year of the Survey								
- Linear Effect	12.177 ***	11.404 ***	9.9927 ***	11.007 ***	7.3997	11.377 ***	12.186 ***	8.4254 ***
	[3.27]	[3.44]	[3.68]	[3.24]	[4.52]	[4.58]	[3.23]	[3.50]
- Quadratic Effect	-99.041 ***	-140.46 ***	-97.662 ***	-86.175 ***	-92.750 **	-122.92 ***	-114.31 ***	-111.65 ***
	[33.5]	[34.5]	[34.1]	[31.0]	[43.4]	[45.5]	[35.0]	[34.5]
P-Value on Effect of Terrorism	0.0018	0.0005	0.0168	0.0041	0.0835	0.0308	0.0015	0.0043
Terror Fatalities per Capita Since Previous Elections								
- Linear Effect	5.0747 *	9.3438 ***	5.8220 **	5.0960 **	5.9274 **	5.7915 *	7.4212 ***	9.0296 ***
	[2.87]	[2.44]	[2.54]	[2.53]	[3.00]	[3.23]	[2.53]	[2.48]
- Quadratic Effect	-18.297	-63.224 ***	-24.972	-19.430	-43.793 ***	-34.095	-35.815 *	-63.114 ***
	[20.6]	[16.1]	[20.6]	[15.2]	[18.3]	[23.1]	[19.6]	[14.2]
P-Value on Effect of Terrorism	0.0595	0.0008	0.0136	0.0642	0.0622	0.1962	0.0071	0.0001
Number of Observations	2,128	2,209	1,534	1,434	1,369	1,497	1,610	1,230

	Partition by Education		Partition by Religiosity		Partition by Country of Birth		Partition by Ethnicity	
	Below Academic	**Academic Education**	**Secular**	**Religious**	**Immigrant**	**Native Israeli**	**African-Asian**	**Other**
Terror Fatalities per Capita Within a Year of the Survey								
- Linear Effect	9.2786 ***	11.935 **	4.3398	15.242 ***	10.229 **	11.176 ***	18.833 ***	5.8715 **
	[2.51]	[5.26]	[3.69]	[2.59]	[4.52]	[2.67]	[3.61]	[2.95]
- Quadratic Effect	-79.582 ***	-155.62 ***	-54.769	-124.17 ***	-108.33 **	-118.66 ***	-197.90 ***	-66.377 ***
	[24.1]	[52.6]	[36.6]	[23.7]	[52.4]	[25.1]	[37.5]	[28.4]
P-Value on Effect of Terrorism	0.0019	0.0102	0.3166	0.0001	0.0850	0.0001	0.0001	0.0720
Terror Fatalities per Capita Since Previous Elections								
- Linear Effect	4.5462 **	10.036 ***	4.8669 *	7.7727 ***	6.0551 *	7.4885 ***	12.245 ***	4.0393 *
	[2.10]	[3.76]	[2.93]	[2.29]	[3.20]	[2.31]	[3.12]	[2.19]
- Quadratic Effect	-22.366 *	-66.689 ***	-29.201	-35.740 ***	-37.532	-44.070 ***	-76.322 ***	-23.536
	[13.0]	[25.6]	[18.7]	[14.8]	[23.7]	[14.9]	[21.6]	[14.7]
P-Value on Effect of Terrorism	0.0867	0.0318	0.2577	0.0014	0.1667	0.0074	0.0010	0.1873
Number of Observations	2,733	1,604	2,788	1,549	1,641	2,696	1,799	2,538

Note: Each column in each panel presents the results of a separate OLS regression where the dependent variable is an indicator for accomodating views toward the Palestinians using factor analysis based on four attitudes discussed in the text. In addition to the respective proxy for the severity of terrorism, all regressions include the same covariates as specifications 4 and 8 in Table 4. Robust standard errors, adjusted for clustering at the subdistrict-year level, in brackets. P-Value on effect of terrorism tests the hypothesis that the joint effect of all proxies for severity of terrorism included in each regression are equal to zero. * indicates statistically significant at 10% level, ** indicates statistically significant at 5% level; *** indicates statistically significant at 1% level.

Table 12

The Effect of Terror Fatalities on Votes for a Party in the Right Bloc of Political Parties

Variable	Number of Fatalities (1)	(2)	Fatalities per Capita (4)	(5)
Attacks within one year of the survey				
- Linear Effect	0.00190 ***	-0.00014	1.0681 **	-0.9441
	[0.0006]	[0.0014]	[0.5336]	[1.009]
- Quadratic Effect		0.00003 *		21.56 **
		[0.00002]		[10.7]
P-Value on Effect of Terrorism		0.0005		0.0289
Number of Observations	5,920	5,920	5,920	5,920
Attacks since previous elections up to the survey				
- Linear Effect	0.00121 ***	-0.00038	0.3972	-1.052 *
	[0.0005]	[0.0006]	[0.2914]	[0.557]
- Quadratic Effect		0.00002 ***		10.802 ***
		[0.0000]		[4.494]
P-Value on Effect of Terrorism		0.0004		0.0529
Number of Observations	5,920	5,920	5,920	5,920

Note: All regressions estimated using OLS. Dependent variable is indicator for voting for a party in the Right Bloc of political parties. In addition to the respective proxy for the severity of terrorism, all regressions include the same covariates as specifications 4 and 8 in Table 4. Robust standard errors, adjusted for clustering at the subdistrict-year level, in brackets. P-Value on effect of terrorism tests the hypothesis that the joint effect of all proxies for severity of terrorism included in each regression are equal to zero. * indicates statistically significant at 10% level, ** indicates statistically significant at 5% level; *** indicates statistically significant at 1% level.

Table 13

The Linear Effect of Terror Fatalities on Votes for a Party in the Right Bloc of Political Parties, by Subpopulations

	Partition by Gender		Partition by Age			Partition by Expenditures		
	Females	**Males**	**Below 30**	**30 to 45**	**Above 45**	**Below Average**	**Average**	**Above Average**
Terror Fatalities per Capita Within a Year of the Survey								
- Linear Effect	0.0333	2.1757 ***	1.5683 *	-0.2841	1.5797 ***	2.2698 ***	-0.1923	1.5916 **
	[0.77]	[0.56]	[0.85]	[0.63]	[0.65]	[0.86]	[0.63]	[0.78]
Terror Fatalities per Capita Since Previous Elections								
- Linear Effect	-0.2744	1.0487 ***	0.3345	-0.1824	0.7384 **	1.0866 **	-0.1185	0.4075
	[0.42]	[0.36]	[0.56]	[0.39]	[0.37]	[0.51]	[0.39]	[0.41]
Number of Observations	2,900	3,020	1,918	1,839	2,163	2,043	2,153	1,724

	Partition by Education		Partition by Religiosity		Partition by Country of Birth		Partition by Ethnicity	
	Below Academic	**Academic Education**	**Secular**	**Religious**	**Immigrant**	**Native Israeli**	**African-Asian**	**Other**
Terror Fatalities per Capita Within a Year of the Survey								
- Linear Effect	1.0471 **	1.2668	1.2115 **	-0.3401	1.6972 ***	0.7774	0.7770	1.3348 ***
	[0.49]	[0.85]	[0.60]	[0.49]	[0.66]	[0.67]	[0.80]	[0.50]
Terror Fatalities per Capita Since Previous Elections								
- Linear Effect	0.6850 **	0.1551	0.6753 ***	-0.5140	1.1661 ***	-0.1463	0.0086	0.6048 **
	[0.33]	[0.38]	[0.27]	[0.41]	[0.35]	[0.39]	[0.57]	[0.27]
Number of Observations	3,405	2,515	3,971	1,949	2,320	3,600	2,234	3,686

Note: Each column in each panel presents the results of a separate OLS regression where the dependent variable is an indicator for Voting for a Political Party in the Right Bloc of Political Parties. In addition to the respective proxy for the severity of terrorism, all regressions include the same covariates as specifications 4 and 8 in Table 4. Robust standard errors, adjusted for clustering at the subdistrict-year level, in brackets. * indicates statistically significant at 10% level, ** indicates statistically significant at 5% level; *** indicates statistically significant at 1% level.

Table 14

The Effect of Local Political Attitudes on Future Local Levels of Terrorism

	Number of Terror Fatalities		Number of Terror Fatalities per Capita		Number of Terror Attacks		Number of Terror Attacks per Capita	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
- Support to Granting Territorial Concessions	2.7062	-13.189	0.0227	-0.0093	0.0950	-4.3133	0.0019	0.0072
	[10.13]	[13.65]	[0.027]	[0.023]	[2.673]	[3.146]	[0.008]	[1.534]
Number of Observations	88	86	87	87	88	86	87	87
R^2	0.1904	0.3217	0.2864	0.2987	0.1602	0.0940	0.2296	0.2335
- Support for Creation of a Palestinian State	13.174	1.6691	0.0405	0.0228	2.5090	0.0613	0.0066	0.0029
	[9.062]	[12.84]	[0.024]	[0.025]	[2.119]	[2.975]	[0.007]	[0.006]
Number of Observations	88	86	87	87	88	86	87	87
R^2	0.1868	0.3526	0.3004	0.3043	0.1555	0.1397	0.2404	0.2335
- Unfavorable Opinion of Arabs	25.464	27.049	0.0378	0.0133	4.0485	2.1322	0.0059	-0.0032
	[17.57]	[20.04]	[0.024]	[0.033]	[2.935]	[3.948]	[0.005]	[0.006]
Number of Observations	70	69	69	69	70	69	69	69
R^2	0.1606	0.4707	0.2104	0.2216	0.1170	0.3929	0.1592	0.1640
- Right Wing Political Tendency	9.7405	16.476	0.0158	0.0460 *	0.4993	1.4606	-0.0020	0.0044
	[10.47]	[9.742]	[0.027]	[0.025]	[2.218]	[3.796]	[0.006]	[0.006]
Number of Observations	88	86	87	87	88	86	87	87
R^2	0.2036	0.3239	0.2847	0.3251	0.1633	0.1253	0.2252	0.2380
- Factor Analysis using the Four Attitudes	-8.1796	-11.088	-0.0029	-0.0133	-1.0125	-1.4916	0.0003	-0.0017
	[9.19]	[7.558]	[0.017]	[0.011]	[1.678]	[1.397]	[0.004]	[0.003]
Number of Observations	70	69	69	69	70	69	69	69
R^2	0.1638	0.4876	0.2277	0.2264	0.1282	0.3539	0.1818	0.1585
- Vote for a Party in the Right Bloc	-8.4901	4.3933	-0.0229	0.0070	-3.1693	-1.3002	-0.0056	-0.0011
	[12.91]	[12.27]	[0.039]	[0.035]	[3.231]	[3.815]	[0.011]	[0.010]
Number of Observations	88	86	87	87	88	86	87	87
R^2	0.1861	0.3436	0.2810	0.2971	0.1509	0.1500	0.2293	0.2328

Note: Each cell presents the results of a separate OLS regression where the dependent variable is the indicator for future level of terrorism stated at the top of the column. In addition to the respective proxy for the preferences of the subdistrict's population, columns (1), (3), (5) and (7) include year and subdistrict fixed effects. Columns (2), (4), (6) and (8) add to the control variables the subdistricts' averages for age, schooling, schooling interacted with age, expenditures, house density, religiosity and percentage of males, immigrants, individuals coming from former Soviet bloc of countries, and individuals with an Sephardic ethnicity. Finally, Columns (2) and (6) also control for the subdistricts population size. Robust standard errors, adjusted for clustering at the subdistrict level, in brackets. * indicates statistically significant at 10% level, ** indicates statistically significant at 5% level; *** indicates statistically significant at 1% level.

Table 15

The Effect of Terror Fatalities on Observable Characteristics of the Subdistricts' Population

	Gender	Education	Religiosity	Country of Birth	Ethnicity	Population Size
Terror Fatalities per Capita Within a Year of the Survey	0.0446	-0.0750	-0.7426	-0.5017	0.9721	56.9647
	[0.57]	[0.42]	[1.63]	[0.43]	[0.61]	[218.7]
R^2	0.0059	0.0818	0.1588	0.0320	0.0756	0.0724
Terror Fatalities per Capita Since Previous Elections	0.3701	-0.2245	0.2124	-0.0638	0.6736	120.956
	[0.24]	[0.20]	[0.71]	[0.27]	[0.55]	[195.6]
R^2	0.0062	0.0821	0.1584	0.0318	0.0768	0.0853
Number of Observations	6,597	6,501	6,518	6,597	6,597	102

	Partition by Age			Partition by Expenditures		
	Below 30	30 to 45	Above 45	Below Average	Average	Above Average
Terror Fatalities per Capita Within a Year of the Survey	-0.2468	0.0800	0.1669	-1.1040 **	0.0596	1.0444 **
	[0.42]	[0.45]	[0.46]	[0.54]	[0.43]	[0.46]
R^2	0.0337	0.0182	0.0564	0.0219	0.0239	0.0224
Terror Fatalities per Capita Since Previous Elections	-0.1522	0.2189	-0.0667	-0.0122	-0.2971	0.3093
	[0.29]	[0.25]	[0.28]	[0.41]	[0.29]	[0.26]
R^2	0.0337	0.0183	0.0563	0.0208	0.0241	0.0215
Number of Observations	6,597	6,597	6,597	6,597	6,597	6,597

Note: Each cell presents the results of a separate OLS regression where the dependent variable appears at the top of each column. In addition to the respective proxy for the severity of terrorism, all regressions include subdistrics and years fixed effects. Robust standard errors, adjusted for clustering at the subdistrict-year level, in brackets. * indicates statistically significant at 10% level, ** indicates statistically significant at 5% level; *** indicates statistically significant at 1% level.

Appendix Table 1

The Effect of Terror Fatalities on an Alternative Definition of Support for Granting Concessions

	Number of Fatalities		Fatalities per Capita	
Variable	(1)	(2)	(3)	(4)
Terror Fatalities 12 months before the survey				
Linear Effect	-0.00045 [0.0008]	0.0037 *** [0.0015]	0.1295 [0.6644]	3.835 *** [1.2394]
Quadratic Effect		-0.0001 *** [0.0000]		-39.79 *** [11.64]
Individuals Personal Characteristics				
Age	0.0167 *** [0.0026]	0.0167 *** [0.0026]	0.0166 *** [0.0026]	0.0168 *** [0.0026]
Age Square	-0.0001 *** [0.0000]	-0.0001 *** [0.0000]	-0.0001 *** [0.0000]	-0.0001 *** [0.0000]
Male	-0.0144 [0.0126]	-0.0155 [0.0126]	-0.0140 [0.0127]	-0.0155 [0.0127]
Years of Schooling	0.0326 *** [0.0081]	0.0326 *** [0.0081]	0.0324 *** [0.0081]	0.0327 *** [0.0081]
Years of Schooling * Age	-0.0004 *** [0.0001]	-0.0004 *** [0.0001]	-0.0003 *** [0.0001]	-0.0004 *** [0.0001]
Immigrant	-0.0201 [0.0177]	-0.0191 [0.0178]	-0.0189 [0.0178]	-0.0184 [0.0179]
African-Asian Ethnicity	-0.0526 *** [0.0169]	-0.0533 *** [0.0168]	-0.0525 *** [0.0168]	-0.0525 *** [0.0168]
From former Soviet Bloc	-0.1178 *** [0.0260]	-0.1189 *** [0.0261]	-0.1207 *** [0.0259]	-0.1207 *** [0.0263]
House Density (persons / rooms)	-0.1012 *** [0.0179]	-0.1000 *** [0.0178]	-0.1025 *** [0.0183]	-0.1013 *** [0.0180]
Expenditures (base category - much more than average):				
- a little more than average	0.0175 [0.0193]	0.0174 [0.0194]	0.0183 [0.0194]	0.0173 [0.0194]
- about average	-0.0177 [0.0182]	-0.0175 [0.0183]	-0.0164 [0.0182]	-0.0176 [0.0183]
- a little less than average	-0.0325 [0.0235]	-0.0320 [0.0234]	-0.0302 [0.0234]	-0.0323 [0.0233]
- much less than average	-0.0871 *** [0.0234]	-0.0864 *** [0.0234]	-0.0854 *** [0.0234]	-0.0873 *** [0.0234]
Religiosity (base category - observe all):				
-observe a lot	0.0237 [0.0269]	0.0259 [0.0267]	0.0220 [0.0276]	0.0242 [0.0270]
- a little observance	0.1161 *** [0.0407]	0.1222 *** [0.0398]	0.1115 *** [0.0427]	0.1176 *** [0.0409]
- secular	0.2220 *** [0.0465]	0.2299 *** [0.0450]	0.2171 *** [0.0490]	0.2245 *** [0.0467]
Subdistrict Total Population	-0.0006 *** [0.0002]	-0.0004 * [0.0002]		
Subdistricts FE	Yes	Yes	Yes	Yes
Years FE	Yes	Yes	Yes	Yes
Number of Observations	5,826	5,826	5,826	5,826
R^2	0.128	0.129	0.1264	0.128
P-Value on Effect of Terrorism		0.0004		0.0042

Note: Estimated using OLS. Dependent variable is indicator for alternative definition of agreeing to territorial concessions to Palestinians. Robust standard errors, adjusted for clustering at the subdistrict-year level, in brackets. P-Value on effect of terrorism tests the hypothesis that the joint effect of all proxies for severity of terrorism included in each regression are equal to zero. * indicates statistically significant at 10% level, ** indicates statistically significant at 5% level; *** indicates statistically significant at 1% level.

Appendix Table 2

The Effect of Terror Fatalities on Support for Granting Concessions, from the Elections in 1996 and onwards

	Number of Fatalities			Fatalities per Capita		
Variable	(1)	(2)	(3)	(4)	(5)	(6)
Terror Fatalities 12 months before the survey						
Linear Effect	0.0015	0.0020	0.0037 ***	1.969 *	2.287 **	2.576 ***
	[0.0014]	[0.0013]	[0.0014]	[1.196]	[1.082]	[1.006]
Quadratic Effect	-0.0000	-0.0000 **	-0.0001 ***	-20.58 *	-22.90 **	-29.24 ***
	[0.0000]	[0.0000]	[0.0000]	[11.62]	[10.56]	[9.89]
Individuals Personal Characteristics						
Age		0.0072 ***	0.0132 ***		0.0073 ***	0.0134 ***
		[0.0026]	[0.0029]		[0.0026]	[0.0029]
Age Square		-0.0001 *	-0.0000		-0.0001 *	-0.0000
		[0.0000]	[0.0000]		[0.0000]	[0.0000]
Male		-0.0277 *	-0.0136		-0.0300 *	-0.0137
		[0.0156]	[0.0163]		[0.0157]	[0.0163]
Years of Schooling		0.0189 ***	0.0370 ***		0.0190 ***	0.0376 ***
		[0.0029]	[0.0096]		[0.0029]	[0.0096]
Years of Schooling * Age			-0.0004 ***			-0.0005 ***
			[0.0002]			[0.0002]
Immigrant			-0.0508 **			-0.0514 **
			[0.0225]			[0.0226]
African-Asian Ethnicity			-0.0562 ***			-0.0553 ***
			[0.0222]			[0.0224]
From former Soviet Bloc			-0.1300 ***			-0.1285 ***
			[0.0328]			[0.0331]
House Density (persons / rooms)			-0.1465 ***			-0.1464 ***
			[0.0200]			[0.0198]
Expenditures (base category - much more than average):						
- a little more than average			0.0452 *			0.0448 *
			[0.0244]			[0.0244]
- about average			-0.0193			-0.0200
			[0.0224]			[0.0223]
- a little less than average			-0.0548 *			-0.0565 **
			[0.0281]			[0.0278]
- much less than average			-0.1080 ***			-0.1094 ***
			[0.0281]			[0.0281]
Religiosity (base category - observe all):						
-observe a lot			-0.0144			-0.0158
			[0.0270]			[0.0271]
- a little observance			0.0769 *			0.0744 *
			[0.0449]			[0.0448]
- secular			0.1665 ***			0.1632 ***
			[0.0500]			[0.0503]
Subdistrict Total Population			0.0004			
			[0.0004]			
Subdistricts FE	Yes	Yes	Yes	Yes	Yes	Yes
Years FE	Yes	Yes	Yes	Yes	Yes	Yes
Number of Observations	4,557	4,447	4,004	4,529	4,419	4,004
R^2	0.050	0.072	0.144	0.0504	0.0729	0.1436
P-Value on Effect of Terrorism	0.2969	0.0830	0.0006	0.2162	0.1011	0.0166

Note: Estimated using OLS. Dependent variable is indicator for agreeing to territorial concessions to Palestinians. Robust standard errors, adjusted for clustering at the subdistrict-year level, in brackets. P-Value on effect of terrorism tests the hypothesis that the joint effect of all proxies for severity of terrorism included in each regression are equal to zero. * indicates statistically significant at 10% level, ** indicates statistically significant at 5% level; *** indicates statistically significant at 1% level.