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The more competition a terrorist group faces from rival VEOs, the more likely it is to fail.

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General Description of the Literature:

Although both failure rates and rivalries tend to be fairly high for VEOs, there is fairly little empirical work demonstrating a correlation, much less a causal effect between the two. Nevertheless, there is a burgeoning theoretical literature supported by qualitative studies that highlights three mechanisms by which competition between VEOs can lead one or more of them to fail as an organization. First, drawing directly from economics, the mere existence of rival VEOs may make access to resources more limited and costly by reducing the VEO's monopsonic power when purchasing materiel or enlisting recruits. Second, lack of coordination between the VEOs makes the violence they produce less efficientand thus more likely to alienate members of their constituent base, leading to long-term failure (Laitin and Shapiro 2008). Wheatley and McCauley's (2008) case study of the fall of the Islamic Group following the Luxor Massacre in Egypt highlights this dynamic. And third, extreme forms of competition may cause a VEO to attempt to eliminate its rival through force (Bloom 2005, Sawyer 2010). However, Sawyer (2010) demonstrates that attempts to eliminate rivals may occur even when their competitive threat is especially low and may be the result of other factors.

Detailed Analyses

157: The more competition a terrorist group faces from rival VEOs, the more likely it is to fail.

Summary of Relevant Empirical Evidence: Following Robinson's (1933) groundbreaking work, there is an extensive literature within economics demonstrating the effects of monopsony on the profitability of firms. However, there are no known studies directly examining this effect for VEOs. There is considerably more support for the loss of efficiency mechanism for this hypothesis. Laitin and Shapiro (2008) provide a qualitative meta-analysis of studies examining European, Colombian, and jihadist groups to demonstrate that the inefficient violence resulting from loss of centralized coordination increases the likelihood of VEO failure. Zirakzadeh's (2002) excellent qualitative study of ETA found a nearly identical effect. While elimination by VEO rivals is an important aspect of VEO desistance, the empirical results for when this occurs are mixed. Bloom (2005) finds that the LTTE moved against the PLOTE, and then the other Tamil paramilitaries during a period of intense competition in the 1980s. Similarly, Sawyer (2010) finds that the Official IRA attempted to eliminate the INLA in 1975 once it proved a major threat to its base of support. However, the Provisional IRA attempted to eliminate the Official IRA in 1975 and the IPLO in 1992 because they were seen as relatively weak and non-threatening, thus were not significant competitive threats (Sawyer 2010).

Empirical Support Score: 3 = Multiple qualitative and/or quantitative studies with mixed results (i.e. some in favor, some against the hypothesis), but more positive than negative findings

Applicability to Influencing VEOs: While most of the basic literature on competition is within the realm of economic firms, many studies have examined the effect of competition on the behavior of VEOs directly

Applicability Score: Direct: At least some of the empirical results directly concern the context of influencing VEOs.

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