Abstract
Growing reliance on Unmanned Aerial Vehicles (UAVs) in the effort to combat militant groups has led to considerable debate about the consequences of this new mode of warfare. While critics have focused on the impact of civilian casualties on militant recruitment and the resulting use of terrorism, evidence suggests that ``drones'' are paradoxically more effective in limiting civilian deaths compared to other forms of military force. We demonstrate a different causal pathway connecting militant use of force to terrorist attacks. Drone strikes encourage militants to displace operations to urban centers. Confronted with unfamiliar terrain and greater government capacity, militants emphasize terrorist attacks against civilians. We explore these dynamics in the longest running drone campaign, in Pakistan. While civilian casualties from drone strikes have no discernible effect on terrorism, strikes that kill militants increase terrorist attacks against civilians in urban settings, while failing to reduce attacks on government targets.