This study examines the relationship between terrorism and three major aspects of civil wars. By examining the rate of attacks and the targets of terrorism, this study explains how terrorism can serve as a macro-level indicator of instability and as a predictor of the different stages of civil wars. The rate of terrorism predicts the onset of civil wars, but this relationship is moderated by the target of terrorist violence. Terrorism also predicts an increased likelihood of civil war recurrence, but attacks against civilians decrease the likelihood of civil war recurrence. Finally, the rate of terrorism also predicts the likelihood of civil conflict escalation. Groups that have begun their struggle against the government can use attacks against civilians to provoke a larger conflict. These findings provide valuable evidence for both the study of terrorism and civil war. By providing an active indicator of the level of violent political dissent, measures of terrorism give agency to political violence that has been missing from previous civil war studies.