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Interstate Rivalry, Domestic Politics, and Economic Coercion

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Abstract

As economic sanctions have been increasingly used to advance a range of foreign policy goals, a great deal of research has explored the determinants of sanctions use and sanctions success. Despite the fact that research on economic sanctions has produced significant advancement in our understanding of the causes and efficacy of the usage of these tools, a few important questions remain overlooked or unanswered in the sanctions literature. This dissertation aims to look into some of these overlooked questions by asking three interrelated questions. First, how do third-party rivals of the possible target state affect the onset of economic coercion? To answer this question, I look at variations in the target state's third-party rivals. Specifically, I develop a theory of the process through which sanctions are initiated by the sender and then responded to by the target taking the target's third-party rivals into account. I find that the sender is more likely to levy sanctions against a potential target country when the potential target is involved in an ongoing international rivalry with third states. Second, how do the target's third-party rivals affect the sanctions outcomes? I show that the target is more likely to resist when the target has active third-party rivals by establishing an empirical link between conflictual interstate relationships and sanctions outcomes. Finally, how do the target's domestic institutional factors affect sanctions outcomes conditional on the influence of the target's trade policies on sanctions outcomes? To answer this question, I examine the possible interactive relationship between the target state's trade openness and its domestic institutions with target acquiescence. Analyzing the target's domestic environment in which the target responds to sanctions, I show that the positive relationship between trade openness and the likelihood of target acquiescence is less prevalent in democratic countries

compared to authoritarian regimes. To test the hypotheses theoretically derived in each chapter, I employ a variety of statistical tools and use several data sources, including the Threats and Impositions of Economic Sanctions (TIES), Correlates of War (COW) data-sets, the Varieties of Democracy (V-Dem) project data-set, and the Gravity database from CEPII, among others. I find support for my expectations in statistical tests.

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Chapter 1

Introduction

The leadership of President Donald Trump opens a boom time for U.S. sanctions. As of this writing, the U.S. has 36 active sanctions programs[1] in place, targeting at 30 different countries or territories.[2] There is no surprise that the Biden administration continues the U.S. foreign policy of using sanctions (i.e., by "using the blocking of assets and trade restrictions to accomplish foreign policy and national security goals." (defined by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC))). Under Biden administration, within just two months of March and April in 2021, 23 of the total 36 sanctions programs were updated, and some were newly initiated to address several emerging political issues, such as cyber-related sanctions

[1]As of May 01, 2021, the 36 sanctions programs administered by OFAC include: Balkans Sanctions, Belarus Sanctions, Burma-Related Sanctions, Burundi Sanctions, Central African Republic Sanctions, Chinese Military Companies Sanctions, Countering America's Adversaries Through Sanctions Act of 2017 (CAATSA), Counter Narcotics Trafficking Sanctions, Counter Terrorism Sanctions, Cuba Sanctions, Cyber-related Sanctions, Democratic Republic of the Congo-related Sanctions, Foreign Interference in a United States Election Sanctions, Global Magnitsky Sanctions, Hong Kong-related Sanctions, Iran Sanctions, Iraq-related Sanctions, Lebanon-related Sanctions, Libya Sanctions, Magnitsky Sanctions, Mali-related Sanctions, Nicaragua-related sanctions, Non-proliferation Sanctions, North Korea Sanctions, Rough Diamond Trade Controls, Russian Harmful Foreign Activities Sanctions, Somalia Sanctions, Sudan and Darfur Sanctions, South Sudan-related Sanctions, Syria Sanctions, Syria-related Sanctions, Transnational Criminal Organizations, Ukraine-/Russia-related Sanctions, Venezuela-related Sanctions, Yemen-related Sanctions, and Zimbabwe Sanctions.

[2]Include Afghanistan, Belarus, Burundi, Central African Republic, China (PR), Côte d'Ivoire, Crimea Region, Cuba, Cyprus, Democratic Republic of the Congo, Eritrea, Fiji, Haiti, Iran, Iraq, Kyrgyzstan, Laos, Lebanon, Liberia, Libya, Myanmar, North Korea, Palestinian Territories, Russia, Rwanda, Somalia, South Sudan, Sri Lanka, Sudan, Syria, Venezuela, Yemen, and Zimbabwe (sourced from OFAC).

against North Korea on April 15 and sanctions on Chinese military companies on April 30. Sanctions have become an increasingly prominent part of U.S. foreign policy to deal with major adversaries such as North Korea, Iran, Venezuela, and Russia, and to address the newly emerging issues (such as cyberattacks), promulgated by the OFAC. In the past two years of 2019 and 2020, OFAC's enforcement penalties hit a record of more than $1.2 billion U.S. dollars on average yearly. It is at the right time to reconsider the questions that have been overlooked in sanctions literature, making practical policy implications and advancing our understanding of the causes and efficacy of the usage of sanctions.

Though there is a large literature considering when economic sanctions are used and succeed, the majority of existing studies approach these questions with a narrow focus on the sender-target based characteristics[3] while only a few examines the possible impact that the third parties that are not directly involved in sanctions episodes have on the initiation and outcomes of sanctions.[4] However, theories of how the target state's third-party rivals affect sanctions use and sanctions outcomes are underdeveloped in both the sanctions initiation literature and the effectiveness literature.[5] Additionally, the structural determinant of the trade-politics relationship (Peterson and Wen 2021), i.e., domestic institutions, is overlooked in sanctions effectiveness literature as scholars traditionally identify economic ties and political regime as the major predictors of economic sanctions success separately while ignoring the possible interaction effect of the target's institutions and the target's trade policies on target

[3]For a detailed literature review on sanctions effectiveness, see Kobayashi (2017) and Peksen (2019).

[4]For the study of the impact of third-party allies on sanctions initiation, see Peksen and Peterson (2016), for scholarly work on the third parties' impact on sanctions effectiveness, see Early (2009; 2011; 2012; 2015)'s works which research on the "Bustered Sanctions."

[5]The conceptualization of rivalry used in my dissertation is discussed in the following section of the literature review.

acquiesce. Therefore, to fill these gaps in sanctions literature, in this dissertation, I explore the following three interrelated questions: How do third-party rivals of the (potential) target state affect the onset of economic coercion by the (possible) sender? How do the target's third-party rivals affect the sanctions outcomes? And how do the target's domestic institutional factors affect sanctions outcomes conditional on the influence of the target's trade policies on sanctions outcomes?

In sanctions literature, we have an incomplete understanding of how broader multilateral considerations among the complex interstate relationships would affect the onset and outcome of sanctions. First, scholars find that third-party countries (excluding the sender and the target directly involved in sanctions episodes), especially the target's allies, affect the (possible) sanctioning state's decision to levy sanctions against a potential target country. However, scant research has considered the possible impact of the target's third-party rivals on the sender's decision-making regarding the usage of economic coercion. As a possible answer to my first research question, I argue that the sender is more likely to threaten or impose sanctions against a potential target when the potential target is involved in an ongoing interstate rivalry with third states. The sender is more likely to use sanctions because the sender expects the target to acquiesce quickly under external pressure. Additionally, the credible aggression (associated with higher economic and military capabilities and aggression history of these third-party rival states) by the target third-party rivals could also speed up solving issues involved in the schemed sanctions in favor of the sender. I contend that third-party rivals limit the targets' capability to evade the intended economic costs of the potential coercion as the targets are motivated to devote their finite resources to prevent power shifts and attacks from their adversary with higher political priority compared to resisting sanctions. As a consequence, senders are more likely to use sanctions when the current international environment favors their bargaining positions during sanctions afterward. In my empirical tests, to account for the

impact of the target's third-party rivals on sanctions onset, I measure the presence of the target's third-party rivals, the number of third-party rivals, their economic capabilities, their military capabilities, the presence of major-power third-party rivals, the number of major-power third-party rivals, the alliance relationship between the primary sender and the target's third-party rivals, and the similarity of political interests between the sender and these rivals. I find support for my expectations in statistical tests using data on sanctions from the Threat and Imposition of Sanctions (TIES) project version 4.0 (Morgan et al. 2014) spanning 1950 to 2005. My findings affirm the importance of the target's third-party rivals in influencing the sender's strategic behavior of using economic coercion.

Second, it is more of the target state's turn to respond once sanctions are either threatened or imposed by the sender. From the target's point of view, how its third-party rivals affect the target's decision to acquiesce to the sender's demands is the question that is not previously explored. In an effort to fill this gap, the second question of my interest is: how do the target's third-party rivals affect the sanctions outcomes? As a proposed answer to this question, I argue that the target of sanctions looks to its risk of being attacked by its third-party rivals when it decides whether to make concessions in current sanctions episodes to the sender. When the target has active third-party rivals excluding the primary sender, the target is less likely to acquiesce in current sanctions episodes because acquiescence signals the target's weakness. In contrast, resistance signals its capability and resolve and could prevent potential attacks from its rivals. Conversely, when the target maintains peaceful relationships with third states, the target will be more likely to acquiesce in current sanctions episodes mainly due to economic motivations. I argue that target states have incentives to misrepresent their true resolve and capabilities when they are involved in an ongoing international rivalry with third states. Target resistance following sanctions is an ideal means to signal intense resolve to those third-party rivals that are not

directly involved in current sanctions episodes and to distract attention from domestic problems, if any, by using the sender as a scapegoat. Additionally, the target's third-party rivals also bring a sender commitment problem that sanctions withdrawal is less credible and sanctions recurrence is likely given the findings in answering my first research question. The empirical analysis of Threat and Imposition of Sanctions (TIES) data spanning 1950-2005 lends support to my expectation that target states with active third-party rival(s) are less likely to acquiesce following sanctions episodes.

Third, there is some consensus in the literature that economic sanctions targeting authoritarian regimes are less effective than those against democratic regimes. However, this line of research assumes that autocratic regimes unconditionally resist more intensely against foreign pressure compared to democracies. To identify the conditions under which similar regimes might act differently towards economic coercion by examining a possible interactive effect between trade openness and domestic institutions, the third question of my research interest is: how is the divergent impact of target's domestic institutions on sanctions outcomes conditional on the target state's trade policies? I assert that institutional structure, conditional on trade openness, motivates and restricts target leaders' decision to defy foreign pressure. Sanctions are more likely to succeed when they disproportionately harm the ruling coalition and the public in authoritarian regimes which adopt open-trade policies. Sanctions are less likely to succeed when institutions blur responsibility and ameliorate social cleavages introduced by trade interruptions in democratic countries, although trade openness is high in these countries. It follows that sender states need greater awareness of the target's overall economic structure and the domestic institutional structure if they want to induce concessions from the target effectively. I find support for my arguments in statistical tests spanning 1962-2005.

Taking the impact of the target's third-party rivals into account, when do states initiate sanctions? Why are sanctions frequently employed as a common foreign policy tool while remaining a low success rate? Why do similar regimes respond to economic sanctions divergently conditional on the target country's different levels of trade openness? I answer these questions in three empirical chapters. Figure 1.1 illustrates the triadic relationship among the sender, the target, and the target's third-party rivals before and during sanctions episodes analyzed in chapters two and three.[6] The presence of such rivalries forces the (possible) target state to utilize its finite resources to defend the potential attacks from its rivalries with political priority because the target plans its foreign policy around its counterparts as past negative interactions lead the target to expect such violent interactions to continue or repeat in the foreseeable future. Therefore, to the (potential) sender, the target's interstate rivalry with third states signals the target's possibility of being attacked and the target's inability to mobilize all her resources to evade the economic costs of (potential) sanctions, and thus invites sanctions. However, the sender might not be able to achieve her political goals as she expected by using sanctions when the target is involved in an interstate rivalry. This is because the target state has incentives to misrepresent her capabilities and resolve under sanctions as sanctions could also invite attacks (Lektzian and Sprecher 2007; Peterson and Drury 2011). Just as crisis bargaining theorists argue that war can be prevented if the parties recognize the true balance of motivation, scholars of war termination suggest that wars end once the combatants learn each other's levels of resolve (Goemans 2000; Ramsay 2008;

[6]In my dissertation, I focus on "severe rivalry" conceptualized by Klein et al. (2006; 2008)–severe rivalries are those in which the states see one another as enemies and competitors (Colaresi et al. 2008). As a result, unresolved salient issues often drive such sentiments, which encourage rivals to handle their contested issues via frequent and intense uses of violence (Diehl et al. 2019).

Kertzer 2017). Therefore, the target state is more likely to resist sanctions when involved in an interstate rivalry with third states.

Chapters two and three build upon the literature on signaling (Morrow 1999; Gartzke et al. 2001; Weeks 2008) and resolve (Kertzer 2017; Kertzer et al. 2019) and scholarly work on leverage and vulnerability (Peksen and Peterson 2016; Peterson 2020). My theory links the rivalry literature to the literature on sanctions, highlighting the importance of the current international environment as an indicator of the sender's and the target's strategic behavior regarding sanctions. Sanctions literature identifies three major mechanisms that explain the success of sanctions (especially sanctions threats), i.e., the coercive, the informational, and the public commitment hypothesis (Walentek et al. 2021). However, no attempt has yet been made to apply this framework to explain sanctions outcomes considering interstate rivalry, which is a problem that is particularly relevant to the current international environment in which the target state needs to survive with the optimal political priority. My dissertation fills this gap. One additional contribution made by my dissertation is that, in chapter four, building upon the findings of the impact of institutions and micro-foundations on sanctions success (Lektzian and Patterson 2015; Peksen 2019; Jeong and Peksen 2019), I examine the interactive impact of domestic institutions and trade openness on the probability of target acquiescence. The remainder of this introductory chapter motivates the project, discusses methodological approaches used in pursuit of the research questions, and provides an organizational outline for the dissertation.

1.1 Sanctions and Interstate Rivalry: An Unprobed link

1.1.1 Economic Sanctions as Foreign Policy

Since the 1970s, economic sanctions (as a major policy tool, at least, of the United States) have played an increasingly prominent role in international politics. According to the OFAC's definition, sanctions are "using the blocking of assets and trade

restrictions to accomplish foreign policy and national security goals." Technically, economic sanctions are economic measures, such as financial or trade restrictions levied by a constitutionally authorized international body in order to alter another nation's policies in some pre-specified manner, and policy changes must be met before economic relations can resume (Barber 1979; Doxey 1987; Hufbauer et al. 2007; Morgan et al. 2009; 2014).

Three common parts of the two definitions are noteworthy. First, in this dissertation, only state-to-state sanctions are discussed.[7] Any state-to-state sanctions involve at least one sanctioning state and a sanctioned state. The former state is conventionally referred to as a "sender" and the latter state as a "target".[8] Intuitively, not all states use sanctions; in fact, only a few countries frequently employ sanctions. According to TIES, the US accounts for almost half of all sanctions cases between 1945 and 2005. In the past few years, China has also been increasingly using sanctions. Second, sanctions (though commonly mentioned as economic sanctions) take a variety of restriction formats, including economic embargo, trade restriction, blockade, financial restriction (e.g., asset freeze and termination of foreign aid), travel ban, and suspension of economic agreement or protocol.[9] Expulsion and recall of ambassador, temporary closing of embassies, and ending diplomatic contact are counted as diplomatic sanctions rather than (economic) sanctions. Third, sanctions discussed in this dissertation must be accompanied by demands by the sender with the effort

[7]Restrictions imposed by non-state actors such as a boycott by consumers (for example, the Chinese consumers' boycott of H&M products following Xinjiang cotton boycott in March 2021) or divestment efforts by subnational entities (for example, Foxconn's divestments from China since 2019) are not considered sanctions

[8]In TIES, the primary sender can be international organizations. Additionally, sanctions involving multilateral efforts are not rare. However, I exclude multilateral sanctions and sanctions initiated by international organizations to isolate the target's third-party rivals in chapters 2 and 3.

[9]Many sanctions programs include multiple sanctions types.

to persuade the target to change one or more of its policies. The issues involved in sanctions range from salient realpolitik issues (such as containing political influence or military behavior, destabilizing regime, releasing citizens, property, or material, solving a territorial dispute, denying strategic materials, retaliating for alliance or alignment choice, improving human rights, ending weapons/materials proliferation, terminating support of non-state actors, and deterring or punishing drug trafficking practices) to environmental and purely economic issues (such as improving environmental policies, implementing economic reforms, and altering trade practices). That says sanctions for the purpose of trade protectionism are not considered sanctions. States are employing economic sanctions with greater frequency in pursuit of a variety of foreign policy objectives in the past 20-40 years, partially because the costs of modern war are too high (Bueno de Mesquita 1983) and the economic interdependence increases in the era of globalization (Farrell and Newman 2019). Since then, economic sanctions receive great attention from political scientists and policy-makers alike. According to TIES (Morgan et al. 2014) records, there were 1412 sanctions initiated between 1945 and 2005. The number of sanctions use has been grown significantly since the 1990s. In parallel with the growing policy debate and public attention to economic statecraft, sanctions scholarship has accomplished considerable progress in providing insight into two major strands of sanctions literature, i.e., sanctions onset and sanctions outcomes.[10] Among the immense literature on sanctions, the two major questions that have been motivating sanctions scholarship are

[10]While precise definitions of economic sanctions differ across sources, this dissertation adopts those used by Baldwin (1985) in his foundational book on this subject, *Economic Statecraft*. By his definition, sanctions are defined by their means, effects, and motivations. Sanctions refer to any action that involves the restriction of economic ties between the sender and the target in order to create economic distress in the target state for the purpose of extracting political concessions.

(1) when and why countries employ economic sanctions and (2) whether economic sanctions work.[11]

On the one hand, research on the first question of sanctions onset demonstrates that the usage of sanctions reflects trade-politics relationships between states (Lektzian and Souva 2003; Crescenzi 2003; Cox and Drury 2006; Goenner 2007; Hafner-Burton and Montgomery 2008; Drury et al. 2014; Peksen and Peterson 2016). On the other hand, the usage of these tools serves domestic political purposes (Kaempfer and Lowenberg 1992; Drury 2001; Escriba-Folch and Wright 2010; Whang 2011). The two dominant perspectives, i.e., the strategic usage of sanctions and the use of these tools for domestic politics, have provided starkly different answers to the question of why states use sanctions. Before discussing the literature on the determinants of sanctions effectiveness or success involved in the second question, it is important to note that the question of what counts as "effective" (or "successful") has been a contentious issue. With a high threshold of sanctions success, sanctions are counted successful with target total acquiescence in response to external pressure (Pape 1997). Others suggest that sanctions could still be considered effective in the absence of total capitulation by target countries. With a lower threshold of sanctions effectiveness, sanctions are effective when the target makes full or partial compliance (Elliott 1998; Hufbauer et al. 2007; Morgan et al. 2014).[12] This body of scholarship on the second question of whether sanctions work concludes that the major predictors of sanctions

[11]Since the 1990s, with the introduction of large-N datasets, scholars have turned into more systematic examinations of other previously unexplored questions, such as why some sanctions last longer than others (Bolks and Al-Sowayel 2000; Dorussen and Mo 2001; Krustev and Morgan 2011), what the economic effects of sanctions on the target are (Biglaiser and Lektzian 2011; Lektzian and Biglaiser 2013; Peksen and Son 2015), and when and how sanctions work with the emphasis on smart/targeted sanctions (Cortright and Lopez 2002; Elliott 2002; Shagabutdinova and Berejikian 2007).

[12]In this dissertation, I favor the first interpretation of sanctions effectiveness (i.e., *target total acquiescence*) in operationalizing sanctions outcomes contingent upon my theories.

success are: issue at stake, type of political regime in the targeted country, the level of income equality, alliance status, trade dependence, military capability, international cooperation, expectations of future conflict, sanctions type, among other factors.[13] In these two major bodies of sanctions literature, the possible impact of the target's third-party rivals on both sanctions onset and sanctions outcomes is overlooked. Additionally, theories of how domestic institutions affect the trade-politics (or trade-sanctions) relationship are underdeveloped.

1.1.2 Conceptualization of Third-party Rivalry

A focus on rivalry is warranted in the study of international relations if states act strategically to sanctions due to the conflict-prone nature of interstate rivals. In my dissertation, the conceptualization of interstate rivalry includes three dimensions: temporal dependence, spatial consistency, and militarization.[14] First, the key point concerning the temporal component of interstate rivalry is that past events affect the present behaviors of states engaged in rivalry (Klein et al. 2006; Colaresi et al. 2008) and rivals operate in the assumption that contention will continue into the future, i.e., "enduring rivalries" (Goertz and Diehl 1993). This feature makes the security threats posed by rivals salient and potential attacks predictable. Therefore, the presence of enduring rivalries is informative. Second, the spatial consistency allows me to operationalize interstate rivalry as a dyadic phenomenon and exclude the primary sender from the target's rivals, given my special research interest in third-party rivals (Diehl and Goertz 2000). Some states may become non-militarized commercial rivals (Hensel 1999; Levy 1999). For example, the US rivalry with Japan in the 1970s and 1980s is an example of a commercial rivalry in which there was little expectation that competition would lead to militarized hostilities (Hensel 1999; Rapkin 1999). The US-China rivalry, especially under Trump's administration, begins

[13]For a more thorough literature review of sanctions effectiveness, see Peksen (2019).

[14]See Dreyer (2014)'s works on detailed conceptualizations of interstate rivalry.

as a commercial rivalry that does not likely develop into a militarized rivalry given its unbearable costs to both countries though possible (Navarro 2006; 2011). However, given that trade-oriented sanctions and sanctions involving highly salient issues (such as regime change) are significantly different (Hufbauer et al. 2007; Ang and Peksen 2007) and my security-oriented theory, the characteristic of militarization is included in my conceptualization of third-party rivals. Additionally, militarization infers the use of force in history, making future attacks from the rivals credible. Regarding the measurement of "rivalry," in my dissertation, I use the concept-measurement of "peace scale," which is developed to classify state-state relationships. The relationships are those between governments of two states in which there are significant and ongoing interactions. The "severe rivalry" and "lesser rivalry" categories capture rivalries that have the unresolved salient issues that encourage rivals to handle their contested issues via frequent and intense uses of violence (e.g., India-Pakistan 1947-present) and rivalries that experience isolated violent episodes, diplomatic hostility, and non-violent crises (e.g., Colombia-Venezuela during 1900-1982). In my dissertation, I focus on "severe rivalry" because the signaling effect of severe rivals should be more potent than that of less severe rivals. However, as part of the robustness check, I also examine the signaling effect of rivalry with a broader definition in my empirical analysis, which embraces both "severe rivalry" and "lesser rivalry."

1.1.3 Discrepancy between sanctions use and sanctions efficacy

Figure 1.2 shows how these coercive efforts have become a common foreign policy tool that states have employed with increasing frequency since the 1990s and the corresponding sanctions outcomes. There were 1024 sanctions initiated between 1945 and 2005 on the TIES record.[15] With a high threshold of sanctions success, sanctions episodes appear to work 26% of the time. Applying a lower threshold when counting

[15]The final outcome variable is not coded in TIES either because either those cases are still ongoing or the data are missing. I exclude 388 cases with missing final outcome records from 1412 total cases in TIES.

both target's partial and total acquiescence as effective sanctions, sanctions episodes work 37.5% of the time. Although the United States has been conventionally viewed to have at least some means of coercion against any other state (given that the United States is the hegemon–or at least the most powerful state–during this period) and in fact has been involved in more than half of sanctions episodes, U.S. sanctions success rate does not seem high at all. According to the results presented in Figure 1.3, with the high threshold of being successful, U.S. sanctions appear to work 25.8% of the time (i.e., 139 successful cases among 538 cases). According to the latter view, U.S. sanctions are successful tools about 37.5% (i.e., 202 successful cases among 538 cases).

Predominantly drawing on a small number of prominent cases such as the U.S. sanctions imposed on Cuba after Castro came to power (Galtung 1967; Doxey 1972; Baer 1973), they encouraged the conventional wisdom that sanctions rarely succeed. With the increasingly prominent role of sanctions in modern international politics following the introduction of a large-N dataset on sanctions (Hufbauer et al. 2007; Morgan et al. 2014), this conventional wisdom was increasingly challenged. Scholars argue that sanctions could be an effective tool of foreign policy, at least under certain conditions. The major contribution of my dissertation project is to examine the possible overlooked conditions under which the target state needs to survive with the optimal political priority.

Figure 1.4 shows the distribution of successful sanctions cases and failed cases categorized by the rivalry environment in which the target exists using TIES and the rivalry dataset(Klein et al. 2008). According to the figure on the left side, during the period of the analysis 1945-2005, there were 71.21% (which is the sum of the purple and orange areas) of sanctions used against a target with active third-party rivals. On the other hand, only 28.79% (which is the sum of the portions in green and blue) of sanctions were initiated against a target that has no third-party rivals. That says sanctions are more frequently used against targets involved in an interstate

rivalry with third parties than states that maintain peaceful relationships with others. According to the pie plot at the top right-hand corner of Figure 1.4, among those sanctions levied on target with third-party rivals, 20.58% sanctions induce complete target acquiescence while the senders fail to reach their goals in full in 79.42% cases. From the bottom right-hand pie plot, 33.04% cases end up with the target's total acquiescence for those sanctions used against a target with no third-party rivals while 66.96% sanctions fail to coerce the target to make complete concessions.[16]

In chapter 2 and chapter 3 of this dissertation, I am primarily interested in understanding the puzzle of why sanctions are frequently used but seldom succeed by looking into the third-party rivals' impact on sanctions onset and sanctions effectiveness, respectively. From the sender's perspective, the sender is more likely to sanction states with more or stronger rivals because the sender anticipates that the potential target likely acquiesces, given that the potential target is nonetheless more vulnerable to attacks from its rivals (especially when these rivals are capable and credible to attack the target, and share some similar political interests with the sender). From the target's perspective, backing down signals weakness to rivals and invites future sanctions or attacks, and therefore the target with more or stronger rivals is less likely to acquiesce. This possible visualized discrepancy of third-party rivals' impact on sanctions initiation and sanctions efficacy motivates this project. This dissertation mainly examines the possible third-party rivals' impact on sanctions initiation and sanctions effectiveness and reasons from the sender's and the target's perspective, respectively. This dissertation contributes to our understanding of the asymmetry between the frequent use of sanctions and the low success rate of coercive efforts.

[16]To demonstrate the distribution of sanction onset and sanctions success grouped by third-party rivals, I only look at unilateral sanctions with no institutions' support and exclude the sanctions cases involving solely economic and environmental issues using the more strict interpretation of sanctions success in accordance with my theories.

Additionally, to answer the third question in my dissertation, I highlight that trade and institutions can influence a wide range of political interactions, which have not to be considered together in sanction literature.

1.2 Methodology

I empirically test the hypotheses presented in this dissertation using time-series cross-sectional data structured dyadically (with a sender-to-target-year data structure in specific) in chapter two. In chapters three and four, the unit of analysis is the case (defined by TIES). The choice of different units of analysis across chapters is contingent upon my theories in each chapter. Although the U.S. use of sanctions motivates this dissertation, the theories and statistical tests expanded to non-US senders with the tests period spanning 1950-2012 (1950-2005 using TIES for chapters 2-4, and 1995-2012 using newly coded sanctions cases from ICEWS for chapter 2). In the supplementary appendix file, I add additional models to demonstrate the robustness of my results employing multiple statistical techniques, including the generalized random-effects models (for chapters 3 and 4), strategic selection models (for chapters 2 and 3), Heckman selection models (for chapters 3 and 4), and generalized linear models (such as ordinal logistic regression for chapters 3 and 4). I employ a variety of data sources, including but not limited to the Threats and Impositions of Economic Sanctions (TIES) dataset, Correlates of War (COW) datasets, the Varieties of Democracy (V-Dem) project dataset, and the Gravity database from CEPII, among others.[17]

1.3 Outline of the Dissertation

The organization of this dissertation proceeds as follows. In the second chapter, I develop a theory explaining how the tensions between the potential target state and its third-party rivals might affect the onset of sanctions. Sanctions should become

[17]The thorough discussion of the unit of analysis problem created by using strategic selection models and Heckman selection models can be found in the appendix.

more likely, all else equal, when the (possible) sender is more confident of achieving its political goals, especially to persuade the (potential) target to change one or more of its policies. If so, are senders more likely to initiate sanctions against the target country when the target is involved in an ongoing international rivalry with third states? Does the target's third-party rivals' credibility of attacking the target increase the sender's likelihood of using sanctions? Does the sender's probability of using sanctions increase as the target's third-party rivals' national capabilities increase? Chapter three examines the possible impact of the target's third-party rivals on the target's strategic response to sanctions episodes. Specifically, I ask the following questions: How likely does the target state choose to resist sanctions as a means of signaling resolve to its rivals? Does the presence of the target's active third-party rivals affect the target's decision to resist sanctions? Do the target's third-party rivals' attacking credibility and military capabilities affect sanctions outcomes? Is the target state more likely to resist sanctions when the sender and the target's third-party rivals share similar political interests? Chapter 4 continues to explore the determinants of sanctions success, analyzing the target's domestic environment in which the target responds to sanctions. How do institutional factors affect target acquiescence conditional on the influence of trade openness of the target country? How does trade openness affect the probability of target acquiescence in different regimes characterized by divergent domestic institutions? Lastly, drawing on the answers I provide to these questions in my empirical chapters, the conclusion chapter discusses the policy implications of this dissertation.

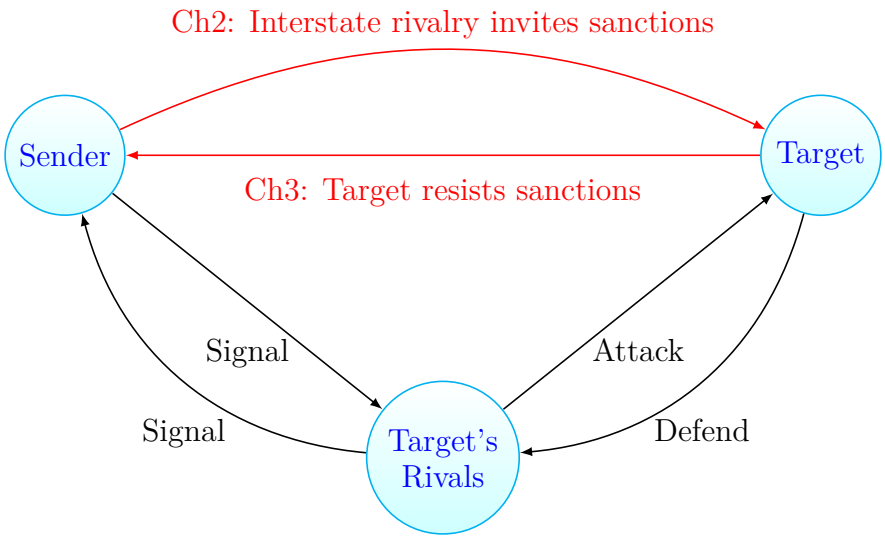

Figure 1.1: A Triadic Relationship among the Sender, the Target, and the Target's Third-party Rivals

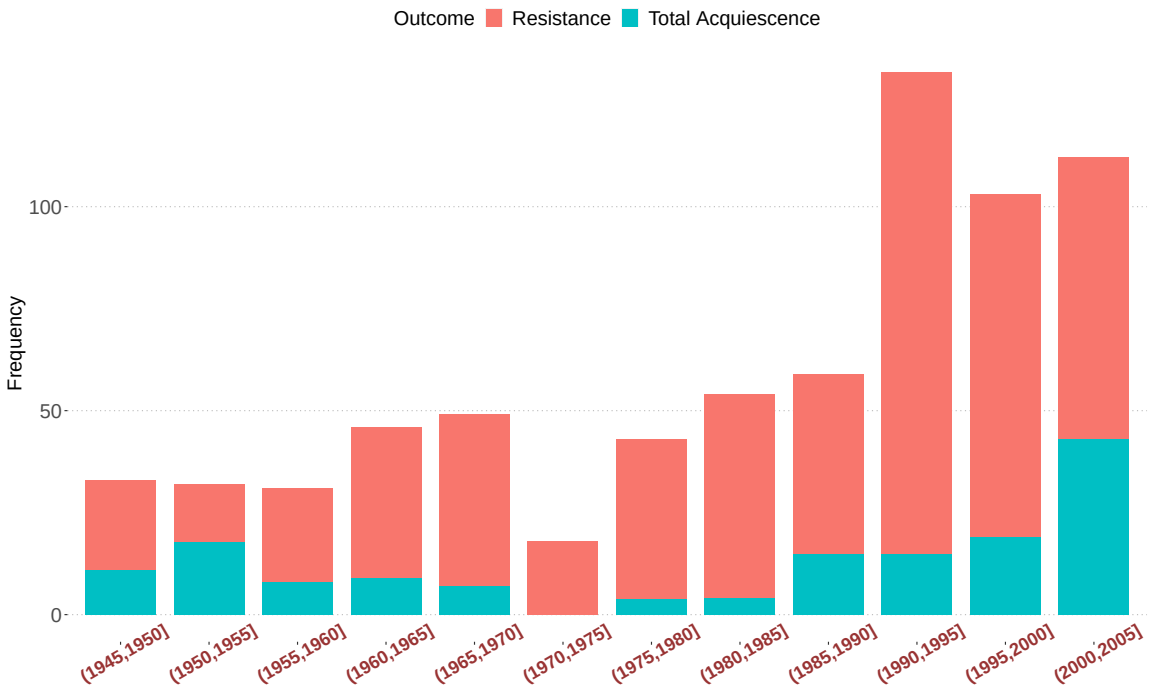

Figure 1.2: The Frequency of sanctions Onset and Effectiveness (All)

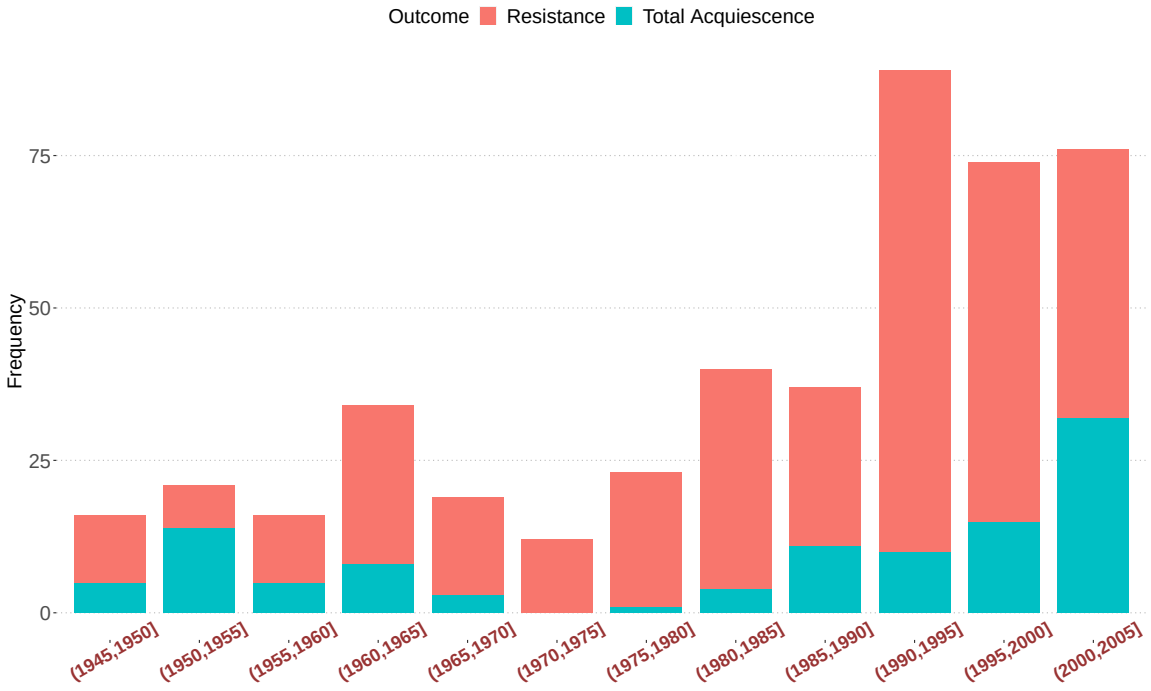

Figure 1.3: The Frequency of sanctions Onset and Effectiveness (U.S.)

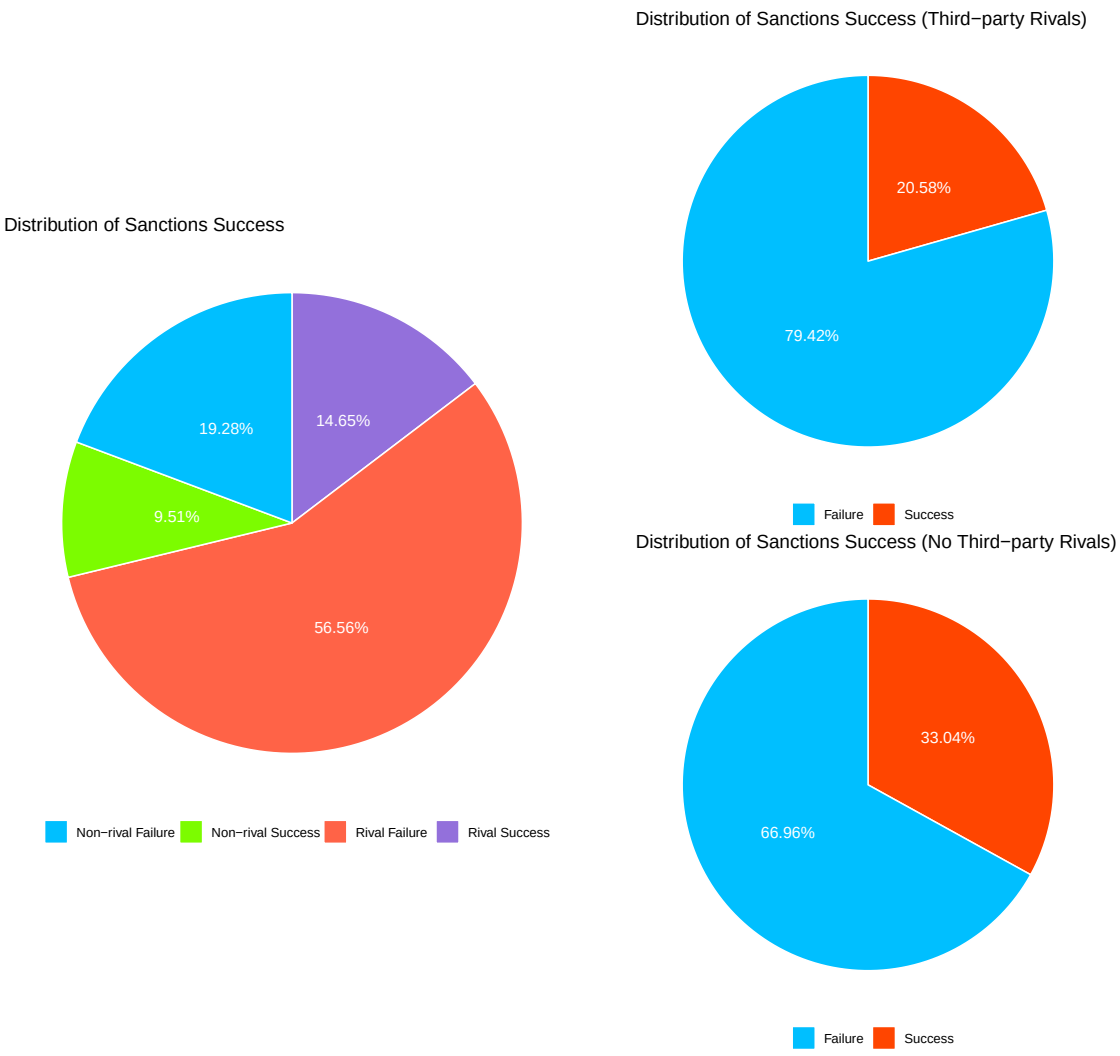

Figure 1.4: Distribution of Sanctions Onset and Effectiveness (focusing on unilateral sanctions episodes involving non-economic and non-environmental issues for targets that have third-party rivals and targets that have no third-party rivals separately)

Chapter 2

Sanctions and Rivals: How Third-Party Rivals Affect the Onset of Economic Coercion

As economic sanctions have become increasingly popular foreign policy tools, a great deal of research has explored determinants of sanctions onset (Drury 2001; Lektzian and Souva 2003; Cox and Drury 2006; Drury et al. 2014). With an emphasis on the actors directly involved in sanctions episodes, this line of research has focused almost exclusively on the degree to which economic and political relations between sender states and target states and the domestic politics of both sides affect sanction onset. Another branch of literature on sanctions has explored the ability of third parties to thwart sanctions success via "sanctions-busting" (Early 2009; 2011; McLean and Whang 2010), with the focus on the possible trade redirection and economic support offered by the target's third-party allies, highlighting the effect of the target's third-party allies on sanction onset (Peksen and Peterson 2016). Nevertheless, this branch of studies universally focuses on the impact of the target's third-party allies, which hold the potentials to bust economic coercion efforts. Our understanding of the impact of the third parties on sanctions onset remains incomplete. The prospective factors that might favor sanctions efforts are overlooked. Hence, little is known whether the target's tensions with its third-party rivals affect the strategic interaction between the sender and the target state prior to the initiation of sanctions.

In this chapter, I develop a theory explaining how the possibility and credibility of a third-party's potential attack on the target might affect sanctions onset. I argue that the (possible) sender is more likely to initiate economic coercion against a potential target who has active third-party rivals. I examine both the presence (and

the count of number) of the target's third-party rivals, the national capabilities of the target's active third-party rivals, as well as the credibility of these rivals' attacking the target as indicators of the target's vulnerability prior to possible sanctions. The target's vulnerability should motivate the possible sender to initiate economic coercion against the potential target state to reach its political goals because the current international environment favors the sender's bargaining position if the sender were to use sanctions. When the target's rivals hold greater national capabilities or more credibility to use military forces, the sender will infer that economic coercion is more likely to induce behavioral change in the target because the target is nonetheless more vulnerable to attacks from its third-party rivals. From the sender's perspective, the potential target is expected to be more likely to acquiesce so as to integrate and mobilize all its resources to confront its third-party rivals, especially when these rivals make their possible aggression and future attacks more credible with greater national capabilities and propensity. Given that vulnerability invites sanctions (Peterson 2020; Akoto et al. 2020), one might assume that the possible senders also face a free-riding problem. However, it is not necessary for all interested senders to maintain consistency in the demands made of the potential target (Bapat and Morgan 2009). Therefore, it is a matter of the timing of when to sanction rather than a matter of choice about whether to sanction for the possible senders. Accordingly, initiating economic coercion during the window period of the potential target's vulnerability, the sender would expect sanctions to succeed in extracting concessions from the target and simultaneously signaling that there are deadly consequences associated with defiance (i.e., future attacks from other rivals, if applicable). The realist paradigm also supports senders' sanctions onset during the target vulnerability even if the senders also have rivalries with these states, suggesting that states ally against common enemies and thus states sharing common enemies should not fight each other (Farber and Gowa 1997; Mearsheimer 1995).

While there are possibly a number of factors that might affect the likelihood of third-party rivals taking aggressive actions towards the target state, I operationalize this concept of credibility (of taking aggressive actions towards the target) by incorporating the national capabilities of these rivals, the geographical distance between the target and its rivals, as well as these rivals, use of military forces in history. I contend that this indicator is extremely useful in the sense that it captures a prospective calculation of the third-party rivals' likelihood to take aggressive actions (i.e., violent or nonviolent, or both) on the potential target, especially from a sender's perspective prior to its use of sanctions. Consequently, pre-assessment of the potential target's vulnerability helps the sender anticipate its input and output of the possible use of economic sanctions. Hence, the possible target's third-party rivals might influence the sender's decision to use economic sanctions. I expect that the possible sender is more likely to levy sanctions against the potential target state when the target has more or stronger third-party rivals. In statistical models using data on the initiation of sanctions spanning 1950-2005, I find evidence supporting my theoretical expectations.

Overall, this study extends our understanding of the third-party influence on the use of sanctions (Early 2009; McLean and Whang 2010; Early 2012; Peksen and Peterson 2016). Additionally, a growing number of studies examine sanctions as a function of domestic politics (Kaempfer and Lowenberg 1992; Drury 2001; Escriba-Folch and Wright 2010; Whang 2011). Although these factors undoubtedly affect sanction policy, my study complements this extant scholarship by reasserting the role of international politics–specifically, future conflict expectations between states and the corresponding strategic behavior used to exercise influence.

2.1 Overlooked Third-Party Rivals' Influence: An Incomplete Explanation for Sanctions Use

The sender implements sanctions in order to change the behavior of the target state (Barber 1979). The majority of sanctions onset literature focuses on the interaction between the sender and the target state to explain when sanctions are more likely to be adopted. Under this setting of sanctions use, sanctions are initiated to achieve a wide spectrum of policy goals and to address various policy issues, such as releasing a political prisoner, improving human rights, terminating the target's support of non-state actors, ending nuclear proliferation, solving territorial disputes, and retaliating for alignment choices, among other issues. In addition to the purpose of altering another state's policies, economic sanctions are used as a signal to anticipating future conflict. In this sense, senders that anticipate frequent conflicts will be more willing to initiate economic coercion, even if such attempts are costly (Drezner 1998). Overall, this strand of the literature demonstrates that the relative economic capabilities and the extent of economic interdependence, as well as conflict expectations between a pair of states, affect the probability of sanctions use (Drezner 1998; Cox and Drury 2006; Hafner-Burton and Montgomery 2008; Drury et al. 2014). Similarly, Peterson (2020) argues that economic leverage is associated with the initiation of sanctions threats (Also see in Akoto et al. (2020)). Studies also show that democratic regimes more frequently initiate sanctions against nondemocratic regimes than against their democratic counterparts as democratic peace factors, including institutional constraints, shared values, and quick resolutions, also constraint the use of economic sanctions (Cox and Drury 2006; Hafner-Burton and Montgomery 2008; Drury et al. 2014). Others find that states with friendly relations and mutual alliance commitments are less likely to use sanctions against one another (Drezner 1999; Drury 2001). This is because states do not anticipate frequent conflicts in the future. Whang

(2010) contents that issue salience is positively associated with the decision to impose sanctions.

Another strand of the literature of sanctions onset examines the significance of political and economic considerations from the perspective of the senders, which use sanctions to serve their domestic (and international) symbolic purposes (Lindsay 1986; Giumelli 2011). At the domestic level, states are more likely to use sanctions when news media draw public attention to human rights violations because leaders have to take actions against abusive regimes under increasing public pressure (Peksen et al. 2014). Drury (2001) finds that approval ratings of leaders and the level of unemployment affect the probability of sanction initiation. Sanctions can also be used for domestic symbolic purposes, and evidence shows that the U.S. presidents are likely to use economic sanctions to display strong leadership in foreign policy in order to boost their approval ratings (Whang 2011). Kaempfer and Lowenberg (1992) provide empirical evidence that domestic interest groups motivated by economic considerations affect both the onset and the type of sanctions that will be employed against target states.

More recent works shed some light on the role of third parties, specifically third-party alliances of the potential target state, in functioning sanction onset. Within this branch of literature, one of the most common implications of previous work is that targets are less vulnerable to economic coercion when they maintain economic options beyond the sender (Crescenzi 2003; Bapat and Morgan 2009; McLean and Whang 2010). Indeed, this intuition that target's link with third-party allies (of trade alternatives) affects the sender's decision to initiate sanction episodes is common to formal theoretic explanations of sanction use (Drezner 2003; Lacy and Niou 2004; Krustev 2010). Peksen and Peterson (2016) conduct the first comprehensive empirical research on the impact that third-party states have on the initiation of sanctions, finding that the sender is more likely to threaten or use (i.e., regardless of whether that

episode began with a threat or imposition and regardless of whether sanction sever were imposed) sanctions against its trade partners when the economic capabilities of the potential targets' allies are low. However, economically stronger allies demoralize the sender's consideration of using sanctions as these sanctions are not likely to make the pain to the target.

Building from the studies of third parties discussed above, I contend that the decision of whether to levy sanctions against a potential target country is also influenced by the sender's assessment of the target's current vulnerability to its third-party rivals in the current international environment. My argument introduces the important role that rivals could play around the foreign-policy-making process, analyzing how interstate rivalry status might condition sanctions use. My study is the first comprehensive empirical research on the possible impact of third-party rivals on sanction onset.

2.2 Theoretical Framework

Peterson and Drury (2011) provide empirical evidence that imposed sanctions both weaken and stigmatize the target, inviting attacks by signaling the potential target's weakness to the target's rivals. Following a similar logic, the presence of the target's third-party rival(s) and higher target's rivals' military capabilities and the credibility of using military forces also signal higher target's vulnerability to possible sanctions by signaling some credible security threats to the potential target, inviting sanctions. For third-party rivals, leaders recognizing their comparative advantage in military power will be more likely to see the military as a means of achieving state objectives (Peterson and Wen 2021). As military power grows, leader incentives expand beyond survival and prosperity towards international influence (Holsti 1970; Thies 2009). Therefore, higher rivals' military capabilities make attacks to the target more possible. Additionally, states with balanced relationships between role conception and role enactment will show congruent relationships between these traits (Walker 1987).

At this point, the role theory argument also suggests a higher willingness to use forces when states have higher military capabilities under a possible transition to the military power role. Therefore, the higher military capabilities of the third-party rivals could signal the sender that the target is more likely to be attacked. For the target, providing positive inducements (for instance, material incentives) to its supporters from the adverse economic effects of sanctions and using repression to quell dissent following sanctions are the two possible strategies for the target regime to shield its supporters while weakening the opponents (Peksen 2019). This, in turn, helps the target leaders maintain cooperation from their support base (Wintrobe 1998; Bueno de Mesquita et al. 2003) and avert the erosion of their authority (Wood 2008; Peksen 2009; Peksen and Drury 2010). However, compared with domestic instability caused by potential sanctions, states view interstate rivalry as their top political priority. For example, the alliance between the Chinese Nationalist Party (Kuomintang) and the Chinese Communist Party (CCP) was formed to resist the Japanese invasion during the Second Sino-Japanese War, which suspended the Chinese Civil War from 1937 to 1941. Evidence also shows that host states receiving US foreign aid that are involved in an ongoing interstate rivalry will use the aid to arm against their rival, rather than to undertake counterterrorism (Boutton 2014). Therefore, target third-party rivals' presence, higher military capabilities of these rivals, and higher credibility of these rivals' using of military forces would increase the target's vulnerability to potential sanctions because the presence of interstate rivals constraints the target regime's capability to use extra resources to provide positive inducements to its support coalition. With strong rivals, the target has to utilize its finite resources to prevent major power shifts and defend against potential attacks with the highest political priority. And thereby, the sender is more likely to levy sanctions on the potential target country at the target's highest vulnerability to induce the target's political leadership to com-

ply with the sender's demands when the target's third-party rivals are credible and capable of taking potential aggressive actions towards the target.

Consistent with the theoretical literature on sanctions, my model of economic coercion begins with the premises that (1) the sender must have some leverage to threaten and (2) the sender is more willing to use economic sanctions when it is optimistic about sanctions outcomes.[1] If the target faces possible and credible security threats posed by its third-party rivals and is in the most vulnerable position prior to schemed sanctions, the sender would expect reasonably favorable sanctions outcomes (for instance, to observe a higher likelihood of the target being attacked by its third-party rivals (Peterson and Drury 2011) if the sender's purpose is to destabilize the regime of the target) regardless of whether the target acquiesces to a demand backed by a sanction episode. In this case, by serving as a trigger to start the third-party rivals' attack on the possible target, it could let the sender reap the benefits from the direct conflict between the target and its third-party rivals while bearing the minimal costs. On the one hand, when the potential target maintains substantial economic relations with the possible sender, threatening or imposing economic restrictions at the target's highest vulnerability could significantly limit the wartime resources that the possible target needs to mobilize in order to deter its rivals. For instance, the potential sender's denial of the target's access to all or a particular set of strategic materials during a military confrontation between the potential target and the target's third-party rivals might be unbearable and lethal for the target. On the other hand, using sanctions when the target is involved in an ongoing interstate rivalry will limit the target's capability to compensate its domestic supporters and the capability of using repression to quell dissent given its finite material and military resources.

[1]A growing number of studies examine sanctions as a function of domestic politics (Kaempfer and Lowenberg 1992; Drury 2001; Escriba-Folch and Wright 2010; Whang 2011). Therefore, from the sender's perspective, leaders view optimistic about sanctions outcomes as long as sanctions work in the way they schemed.

Indeed, this scenario would be considered an ideal window period for the sender's use of sanctions because the sender would expect (1) that the target's enormous costs of dealing with many enemies at once would lead to a higher likelihood of inducing compliance (Hufbauer et al. 2007) or (2) that the target's lethal suffering would actually favor the potential sender's primary purpose to initiate sanctions (for instance, to destabilize the target's regime) even if the sender does not expect the target to acquiesce.

In addition, from the possible sender's perspective, the potential target's third-party rival(s) presence and these rival(s) national and economic capabilities increase the possibility of an anticipated formation of a potential sanctions coalition against the target. Drezner (1998) argues that senders are most likely to impose sanctions when they expect future conflict. Also, these third-party rivals that share a common enemy (of the potential target) tend to ally with each other (Maoz 2007). Therefore, the target's active rivals are likely to use or follow sanctions against the potential target as they expect future conflict with the target state if they have not done so, and a formation of multilateral sanction by sanctions coalition is anticipated. Strategically, the potential primary sender could expect to join the anticipated sanctions coalition consisting of the potential target's third-party rivals by simply threatening or imposing sanctions during the target's highest vulnerability, at no (or low) costs of cooperation (Drezner 2000; Bapat and Morgan 2009; Early and Spice 2015).[2] The story that I am telling here infers (1) that the existence of target third-party rivals informs that the rivals are likely to side with the sender if hostilities arise (when the sender initiates sanctions) and (2) that interstate rivalry makes the target state an

[2]There are costs of joining in pre-established sanctions coalition when a sender is to expend the effort to build a coalition to support its efforts (Hufbauer et al. 2007). For instance, the public goods argument posits that coalition partners attempt to free-ride on one another and continue their economic exchanges with the target. The coalition partners might also need to make concessions within the coalition to keep consistency with the coalition's demands.

easy target. Therefore, a higher likelihood of the sender's using sanctions is expected when target third-party rivals exist.

Conversely, I contend that the potential sender will be less likely to levy sanctions when it perceives that the possible target does not have any active third-party rivals or these rivals (if any) fail to pose any credible threats of aggressive actions due to their lack of capabilities to attack the potential target or a lack of military use history. This expectation follows because (1) that the possible target is more capable of mobilizing all its resources to resist the possible sender's use of sanctions by utilizing all its resources to compensate its support coalition and to repress dissent and easily find market alternatives when the target remains a friendly relation with the rest of the world and (2) worse still, the sender might also harm itself by hurting the confidence of its foreign investment while initiating sanctions against target states which have no misbehaviors recognized by the international community (as the potential target has no active third-party rivals).

The discussion above makes it clear that the sender's decision to initiate sanctions depends on its expectations of the target's likely response (Krustev 2010). Strategically, the sender will be more likely to use sanctions if the sender anticipates that the target has to maintain its trade ties with the potential sender in order to better obtain and mobilize its resources to respond to its third-party rivals' provocation, subversion, deterrence, or aggression. Accordingly, my main argument is that the credibility of possible aggressive actions taken by the target's active rivals is an important factor, among many others, that might affect the possible sender's expectations of sanctions outcomes (i.e., the target's likely response to sanctions) and thus affects the possible sender's decision to use sanctions.

In addition to examining the possible impact of the presence and count of the target third-party rivals on the possible sender's decision to initiate sanctions, I focus specifically on the overall national capabilities of the target's third-party rivals and the

credibility of using military forces as important factors that might affect the potential sender's decision making in terms of sanctions use. Rivals coalition forms during international rivalry, Arab-Israeli wars for example.[3] Also, the primary reason to use the total national capabilities of the target's third-party rivals to approximate the target's vulnerability during sanctions episodes is that this indicator is prospective. I argue that the national capabilities of the target's active rivals serve as a useful proxy for the target's vulnerability before sanctions episodes. It is because greater national capabilities of one or more rival states suggest a higher possibility that the rival states as a whole could be more capable of taking aggressive actions towards the target state and thus suggest more target vulnerability to schemed sanctions.

The presence of the target's third-party rivals, the third-party rivals' national capabilities, and the credibility of using military forces by these rivals help us better understand the target's likely response to possible economic coercions prospectively. The sender should also be assessing the target's vulnerability prior to its sanctions use, in addition to assessing the potential target's capability to redirect lost trade and to receive economic assistance from its third parties (especially its allies), and use this knowledge to anticipate the sanctions outcomes and then decide whether to use sanctions accordingly. This discussion leads to my following hypotheses:

Hypothesis 1. *The possible sender's probability of using sanctions against the potential target is higher when the potential target has third-party rivals.*

[3]States may also engage in triadic or multistate rivalry, for example, US-China-Soviet triadic relations during the Cold War and competition between the member states of NATO versus the member states of the Warsaw Pact during the Cold War (Diehl and Goertz 2000). However, it extremely complicates my reasoning of the third-party rivals' effects on sanction onset if taking these multistate rivalries cases into account. In this dissertation, I only focus on unilateral sanctions without international institutions' support. The rivalry is defined in dyadic terms in this dissertation.

Hypothesis 2. *The possible sender's probability of using sanctions against the potential target is higher when the rivals' credibility and capability of attacking the target increase.*

Hypothesis 3. *The probability that the possible sender uses sanctions against the potential target is higher when the sender has similar political interests with these rivals.*

2.3 Data and Model Specifications

To test my hypotheses, I use data on all dyad-years to code my dependent variable, i.e., *sender's initiation of sanctions*, considering threatened and imposed sanctions separately.[4] To examine the onset of sanctions episodes, I merge the case-level data on sanctions from the TIES project version 4.0 (Morgan et al. 2012) by dyad-year (i.e., primary sender, target state, and start-year) with undirected dyad-year data, including all possible dyad-years between 1960 and 2005. After the merging, there are some years in which the sender threatens or imposes multiple sanctions against the same target. To retain the dyad-year as my unit of analysis, I create dichotomous variables that indicate whether the sender used sanction against a given country in a given year.[5] I remove sanctions cases in which the primary sender is an international institution, given that the actors in my theory are states.

[4]I choose dyad-year as my unit of analysis because my theory explains a strategic use of sanctions considering the target's vulnerability with or without the presence of active third-party rivals. The unit of analysis of dyad-year allows me to model the sender's and the target's characteristics as well as their interactions simultaneously in a single equation.

[5]By creating these dichotomous indicators, I aggregate the case data to code the onset of at least one sanction in that dyad-year. Results look consistent if I include all sanctions, although this coding decision leads to replication of some dyad-years in my models, which technically alters the unit of analysis in a potentially problematic manner and could bias results.

Using the TIES to identify sanctions onset, I code four variants of this dependent variable as shown in Table 2.1.[6]

The dependent variable of *imposition* is a binary indicator equal to one for the start-year of a sanction episode during which the sender imposed sanctions. The *episode* variable ignores whether that episode began with a threat or imposition and ignores whether sanctions ever were imposed; that is, episodes that end in the threat stage are also included. The *threat* variable accounts for the use of sanctions threat only regardless of whether the threats were ever imposed afterward. All these six variables are binary indicators equal to 1 when *imposition*, *episode*, or *threat* is observed in a given year and equal to 0 otherwise. I examine these different variants of my dependent variable in such a holistic way in order to account for the formal theoretic explanations of sanctions use (Drezner 2003; Lacy and Niou 2004; Krustev 2010). I code dependent variables for initiation of sanctions over any issue and the use of sanctions over an issue other than trade, the environment, and economic reform separately. It is because trade disputes are less severe and potentially distinct from security issues (Drezner 2003). The exclusion of these three issues also allows me to determine whether support for my hypotheses extends beyond less important, "low politics" issues (Drezner 2003). Given the use of six dichotomous dependent variables, I estimate logistic models to test my hypotheses. I make one further correction in my statistical models. To address possible duration dependence, all sender initiation models include a counter of years since sanctions imposition, episode, or threat, respectively, along with a squared and cubed term thereof (Carter and Signorino 2010). The appendix presents a variety of additional models examining sender

[6]To examine more recent sanctions onset, I code more recent sanctions using events data from the International Conflict Early Warning System (ICEWS) enlightened by Peterson (2021). ICEWS uses a proprietary algorithm to scrape media stories (Boschee et al. 2015). I use the Conflict and Mediation Event Observations (CAMEO) indicators to identify sanctions onset at a dyad-year level. See in Appendix for more details.

initiation using the newly-coded bilateral sanction data from ICEWS spanning 1995 to 2012. The results are robust.

2.3.1 Coding Explanatory Variables

I code nine variants of my primary explanatory variable of *third-party rivalry* capturing the target's vulnerability associated with third-party rival(s)' possibility and credibility to take aggressive actions towards the target.[7] In the main dissertation document, the first explanatory variable is the presence of the potential target's active rival(s) excluding the primary sender state–operationalized as a dichotomous variable equal to one when the state maintains a peace scale below 0.25 with at least one other state (Klein et al. 2008), otherwise zero.[8] My second explanatory variable is *rivals' attacking credibility*. To code this variable, I adopt Weeks (2008)'s measurement of audience cost. The variable *RECIP* in the Militarized Interstate Disputes (MID) data set takes value one if the target state responded with a militarized action, and zero if the target state made no militarized response to the challenger's threat or use of force (Schultz 1999; 2001). On average, one should expect that initiators with a high ability to generate audience costs should be less likely to face resistance than states with a low ability to generate audience costs. Therefore, I aggregate the *RECIP* variable by the initiator, then divide the sum of *RECIP* by the sum of MID initiations. The higher this *reciprocation rate* is, the less capable of generating audience costs, and thus less attacking credibility. In my model, the *"Rivalry x (1-Reciprocation*

[7]These variables include the presence of the target's third-party rivals, the count of third-party rivals, the sum of third-party rivals' national capabilities, the sum of third-party rivals' GDP, the alliance relationship between the primary sender and third-party rivals, the third-party major-power rival presence, the credibility of attacking by the third-party rivals, and the political interests similarity between the sender and the third-party rivals. A more detailed description of how I code these variables and the results from the models using these different explanatory variables can be found in the Appendix.

[8]The peace scale has values 0.0 – serious rivalry, .25 – lesser rivalry, .50 – negative peace, .75 – warm peace, and 1.0 – security community. These categories and the coding criteria are described in detail in (Goertz et al. 2016).

rate)" variable measures the target's third-party rivals' (if any) attacking credibility by using the average *Reciprocation rate* of these rivals. The third variant calculates the sum of the Composite Index of National Capabilities (CINC) score (Singer et al. 1972) of the potential target's third-party rivals. This score incorporates information on population, urban population, military expenditure, military personnel, coal and steel production, and energy consumption. One might argue that I could only add these values if two rivals would join forces against the target state. If, however, the two states (the rivals to the target) are enemies, then it might not be proper to assume they will join forces. My response is that it is not necessary for the rivals to join forces. Instead, the sum of the CINC score measures the target's rivals' share of the system's capabilities. At a minimum, it forces the target to consider its capability to defend its rivals holistically. Additionally, in the Appendix, I also measure the relative capability of rivals to the target state instead of using the target's absolute capability as the relative capability measures the rivals' leverage against the target. The results remain consistent. The last variant of the primary explanatory variable presented in the main dissertation document captures the ties between the sender and the target's third-party rivals. The *Rivalry x Sender-rivals average UN voting similarity* variable measures the average political interest similarity between the sender and the target's third-party rivals (if any). Using the United Nations (UN) voting data set (Gartzke 1998; Strezhnev and Voeten 2013), I also calculate the maximum and minimum of the UN voting similarity between the sender and the target's third-party rivals, respectively (presented in the appendix), to capture the political ties between the sender and the rivals.

2.3.2 Additional Control Variables

The confounding variables that I include in my models capture the sender's leverage that could motivate the use of sanctions and the target's propensity for inviting coercion, the omission of which could lead to spurious findings.

First of all, I control for the presence of the target's third-party ally. The sender's leverage on the target state in sanctions diminishes, and therefore the sender is less likely to use sanctions when the target's allies' economic capabilities are high (Peksen and Peterson 2016). The third-party allies' presence captures the possibility that its allies defend the target during sanctions. The COW formal alliance data (Gibler 2009) is used to capture third-party commitments to defend the target and to code the *third-party ally presence* variable.

Next, my model controls for both the sender's trade dependence and the target's trade dependence on each other. The sender's trade dependence variable is calculated by dividing the sender's total trade (exports and imports) with the target by the sender's GDP. It measures the strength of the sender's leverage to use sanctions. The target's trade dependence variable is coded as the sum of the target's imports from and exports to the sender, divided by the target's total imports and exports. It assesses the extent of a target state's reliance on trade with the sender. Target countries economically dependent on the sender might be more inclined to give in to the external pressure (Drury 1998; McLean and Whang 2010) and thereby invite coercion. I use the Correlates of War (COW) trade data version 4.0 (Barbieri and Keshk 2012; Barbieri et al. 2009) and Gleditsch (2002)'s GDP data taken from the Expended GDP dataset version 6.0 beta to code these two variables.[9] Higher levels of target trade dependence are indicative of the target's lower ability to find alternate trading partners while under sanctions. Therefore, higher levels of trade dependence on the sender are expected to facilitate sanctions use.

Coercive economic measures are less likely to elicit concessions against wealthier and powerful states. And thus, the target's economy and national capability may have an impact on the sender state's decision to initiate sanctions. Specifically, I

[9]In my alternative models using the ICEWS data to code sanction onset, I use the GDP data from CEPII (Mayer and Zignago 2011) given the wider time period that GEPII covers for GDP data.

include a variable for the (potential) target's GDP, which I code as a proportion of the (possible) sender's GDP, using the GDP data from CEPII (Mayer and Zignago 2011). Wealthier states are more difficult to coerce and, all else equal, are likely to depend on the sender for a lower proportion of their total trade. Similarly, I include the CINC ratio measuring the relative capability of the target to the sender.

Moreover, I include a measure of the sender's and the target's twenty-one-point *polity score* to capture the sender's and the target's level of democracy (Marshall and Jaggers 2010). Studies show that democracies more frequently resort to sanctions against nondemocratic states than their democratic counterparts, and therefore fewer sanctions onsets are expected when states maintain relatively close ties and share common norms (Cox and Drury 2006). In this sense, regime similarity increases the probability of cooperation and thus reduces their need to use coercion against one another. To account for this expectation, I adopt the polity ratio between the sender and the target state.

Furthermore, I include a variable for the target state's United Nations (UN) voting similarity with the primary sender (Gartzke 1998; Strezhnev and Voeten 2013). This variable accounts for the fact that states holding similar interests and policy preferences with the sender are unlikely ever to be targeted with economic coercion initiated by the sender. The *ongoing sanctions* variable indicates whether the target is under any active sanctions. Finally, I include a dichotomous variable indicating the United States as the sender state, which stands out with respect to high leverage and frequently uses sanctions. The summary statistics are presented in the appendix.

2.4 Analysis

The results of my statistical analysis show strong support for my hypotheses. Specifically, I find evidence that the target's interstate rivalry with third states influences the likelihood that the possible sender initiates or imposes sanctions.Table 2.2 presents four undirected dyad-year logit models examining *imposed sanctions* onset (models 1

to 4). Results from these four models provide support for my hypothesis 1-3. Considering coefficients, I find that *state involved in third-party rivalry* is positive and significant ($p < 0.01$) in model 1. As such, the target's active third-party rivals, if any, appear to increase the probability that a state imposes sanctions against the target. The coefficient for the *rivalry x 1-reciprocation rate* variable is positive and significant in model 2. It means that the higher credibility of the target's third-party rivals' use of military forces against the target is associated with a higher likelihood that a state imposes sanctions against the target state. The coefficient for the *third-party rival CINC* variable is positive and significant in model 3. It indicates that the target's third-party rivals' higher capability increases the probability of sanctions imposition by the sender. The coefficient for the *rivalry x sender-rivals average UN voting similarity* variable is positive and significant in model 4. It is interpreted that the sender is more likely to impose sanctions against the target as the political interests similarity between the sender and the target's third-party rivals gets closer. To better visualize the predicted probabilities associated with these explanatory variables, I turn to Figure 2.1 which presents eight related plots that illustrate the substantive magnitude of my predictions for sanctions use from models 1-4.

In Figure 2.1, the upper-left two plots illustrate the predicted probabilities of sanctions imposition over any issues for two situations: no third-party rival presence of the target (on the left), and third-party rival presence of the target (on the right), respectively, as well as their 95% prediction intervals. Plots are made for the non-U.S. senders and the U.S. sender separately. The upper-right two plots illustrate the predicted probabilities of sanctions imposition as the target's third-party's capabilities increase for the non-U.S. senders and the U.S. sender separately. The lower-left two plots of Figure 2.1 illustrates the predicted probabilities of sanctions imposition as the target's third-party's credibility of attacks increase and their 95% prediction intervals. Similarly, the lower-right-side plots of Figure 2.1 illustrate the substantive magnitude

of sanctions imposition onset probabilities from models 4, for the non-U.S. senders and the U.S. sender separately.

Table 2.3 presents coefficients and 95% confidence bounds for four models examining sanctions *episode initiation* (models 5-8). In Model 1, the primary explanatory variable is the sum of the target's third-party rivals' CINC. I find preliminary evidence that higher third-party rival(s)' national capabilities suggest a higher likelihood that a state uses sanctions. Similarly, the coefficients for variables measuring credibility and political interests similarity between the sender and the target's third-party rivals are positive and significant. I also use visualizations to provide a complete explanation of probabilities and marginal effects associated with the third-party rival(s)' national capabilities, credibility, and the similarity of their political interests with the sender. Specifically, Figure 2.2 illustrates the effects of these variables as estimated in Models 1-4 in Table 2.3. These findings provide support for my hypotheses regarding the onset of sanctions episodes. Results of the statistical models demonstrate support for my expectations that the potential target's third-party rivals' presence, national capabilities, attacking credibility, and the political interests similarity with the sender are positively associated with the sender's likelihood of using sanctions.

The differences between third-party rival presence and third-party rival absence are further illustrated in Table 2.4, in which I examine changes in the predicted probabilities of sanctions use. The presented predicted probability changes are calculated using Model 1 from Table 2.2 corresponding to Figure 2.1 and Model 5 from Table 2.3 corresponding to Figure 2.2. In the first two columns, I hold all continuous independent variables at their medians.[10] The first two columns calculate sanctions use probability for non-U.S. senders. I find that third-party rival(s) presence is associated with approximately a 90.43% increase in the probability of imposing sanctions

[10]The third-ally presence variable takes value zero. The sender polity score takes 7. The target polity score is -7.

in an otherwise median dyad and a 72.11% increase in the probability of initiating non-economic sanctions.[11] The percentage change in the likelihood of conflict resulting from having third-party rival(s) does not change too much for U.S. dyads, while the change of probabilities of using sanctions changes quite a lot compared to non-US dyads. Given that the U.S. accounts for more than half of sanctions episodes recorded in TIES, it makes sense. Specifically, the presence of third-party rival(s) of the target is associated with approximately an 89.94%, 71.54% increase in the probability of using sanctions (i.e., sanctions imposition and sanctions onset) by the United States.

2.5 Conclusion

Sanctions onset has received ample scholarly attention. This line of research has focused almost exclusively on sender-target relations and the domestic politics of each state, with the emphasis on strategic calculations by the sender prior to its sanctions use. However, no attempt has yet been made to apply this framework to explain the effects of the target's third-party rivals, a problem that is particularly relevant to the sender's strategic calculations about costs and gains. By shifting the theoretical focus to the effects of the third-party (i.e., the target's third-party rivals) on sanctions onset, I argue that the study of the onset of the sanctions should focus on the incentives and the expected behavior of the target state by taking third parties into account. The third parties importantly shape the current international environment in which the target state needs to survive with the optimal political priority and thus play a significant role in affecting sanctions onset. This chapter argues that targets that are involved in an ongoing interstate rivalry are more vulnerable to potential sanctions. This is because third-party rivals limit the target states' capability to evade the intended economic costs of the coercion as the targets are motivated to devote their finite resources to prevent power shifts and attacks from their adversaries with

[11] All probability changes are calculated as (probability with third-party rival presence - probability without third-party rival presence)/probability without third-party rival presence, multiplied by 100.

higher political priority compared to resisting potential sanctions. In turn, senders are more likely to use sanctions when the current international environment favors their bargaining positions during sanctions afterward. The theoretical model and the empirical findings demonstrate that sanctions are more likely to be used if targets have third-party rivals and when these rivals have greater military capabilities and higher credibility to attack the targets. Additionally, sanctions are more likely to be used when the sender and the target's third-party rivals share a similar political interest. My findings help us better understand why countries like Iran and North Korea are frequently sanctioned in history. It is because these countries are involved in a salient interstate rivalry with third countries, and it is difficult for them to reach any peaceful settlement on current disputes.

Table 2.1: Variants of the Dependent Variable in Chapter 2

Variable name	Time span
Use TIES dataset	1960-2005
1. Initiation of any imposition	
2. Initiation of imposition (involving security issues)	
3. Initiation of any sanctions episodes	
4. Initiation of sanctions episodes (involving security issues)	
5. Initiation of any threat	
6. Initiation of threat (involving security issues)	
Use newly coded ICEWS dataset	1995-2012
1. Initiation of any sanctions episodes	

Table 2.2: Coefficients and 95 percent confidence bounds examining imposition onset (TIES), 1960-2005, including sanctions involving non-economic and non-environmental issues

	Imposition	
	Model 1	Model 2
State invovled in third-party rivalry?	0.69***	
	(0.47, 0.90)	
Rivalry X (1 - Reciprocation rate)		0.78***
		(0.52, 1.05)
Third-party ally presence	−0.06	−0.05
	(−0.30, 0.19)	(−0.29, 0.20)
Trade/sender GDP	0.48	0.48
	(−1.29, 2.25)	(−1.32, 2.28)
Trade/target GDP	1.29***	1.27***
	(0.52, 2.07)	(0.48, 2.05)
GDP ratio	−0.00**	−0.00**
	(−0.00, −0.00)	(−0.00, −0.00)
CINC ratio	−0.00	−0.00
	(−0.00, 0.00)	(−0.00, 0.00)
Polity ratio	−0.01	−0.01
	(−0.04, 0.02)	(−0.04, 0.02)
UN voting similarity	−3.10***	−3.11***
	(−3.65, −2.54)	(−3.67, −2.56)
US sender	3.63***	3.64***
	(3.34, 3.93)	(3.34, 3.93)
Ongoing sanctions	0.28**	0.30**
	(0.05, 0.52)	(0.06, 0.53)
Years since sanction	−0.01	−0.02
	(−0.07, 0.04)	(−0.07, 0.04)
$Years^2$	−0.00	−0.00
	(−0.00, 0.00)	(−0.00, 0.00)
$Years^3$	0.00	0.00
	(−0.00, 0.00)	(−0.00, 0.00)
Constant	−5.79***	−5.73***
	(−6.36, −5.21)	(−6.30, −5.16)
Observations	683,212	683,212
Log Likelihood	−2,469.39	−2,472.38

***Significant at the 1 percent level.
**Significant at the 5 percent level.
*Significant at the 10 percent level.

Table 2.3: Coefficients and 95 percent confidence bounds examining episode initiation (TIES), 1960-2005, including sanctions involving non-economic and non-environmental issues

	Episode initiation	
	Model 5	Model 6
State invovled in third-party rivalry?	0.60^{***}	
	(0.42, 0.77)	
Rivalry X (1 - Reciprocation rate)		0.68^{***}
		(0.47, 0.90)
Third-party ally presence	0.12	0.12
	(−0.09, 0.32)	(−0.08, 0.33)
Trade/sender GDP	0.75^{**}	0.75^{**}
	(0.05, 1.44)	(0.05, 1.45)
Trade/target GDP	0.73^{*}	0.71^{*}
	(−0.08, 1.54)	(−0.11, 1.53)
GDP ratio	−0.00	−0.00
	(−0.00, 0.00)	(−0.00, 0.00)
CINC ratio	-0.00^{**}	-0.00^{**}
	(−0.00, −0.00)	(−0.00, −0.00)
Polity ratio	-0.04^{***}	-0.03^{**}
	(−0.06, −0.01)	(−0.06, −0.01)
UN voting similarity	-3.31^{***}	-3.33^{***}
	(−3.76, −2.86)	(−3.78, −2.88)
US sender	3.57^{***}	3.57^{***}
	(3.32, 3.81)	(3.33, 3.82)
Ongoing sanctions	0.20^{**}	0.21^{**}
	(0.01, 0.39)	(0.02, 0.40)
Years since sanction	-0.04^{*}	-0.04^{*}
	(−0.08, 0.00)	(−0.08, 0.00)
Years^2	0.00	0.00
	(−0.00, 0.00)	(−0.00, 0.00)
Years^3	0.00	0.00
	(−0.00, 0.00)	(−0.00, 0.00)
Constant	-5.12^{***}	-5.08^{***}
	(−5.58, −4.66)	(−5.53, −4.62)
Observations	683,212	683,212
Log Likelihood	−3,538.30	−3,541.62

***Significant at the 1 percent level.
**Significant at the 5 percent level.
*Significant at the 10 percent level.

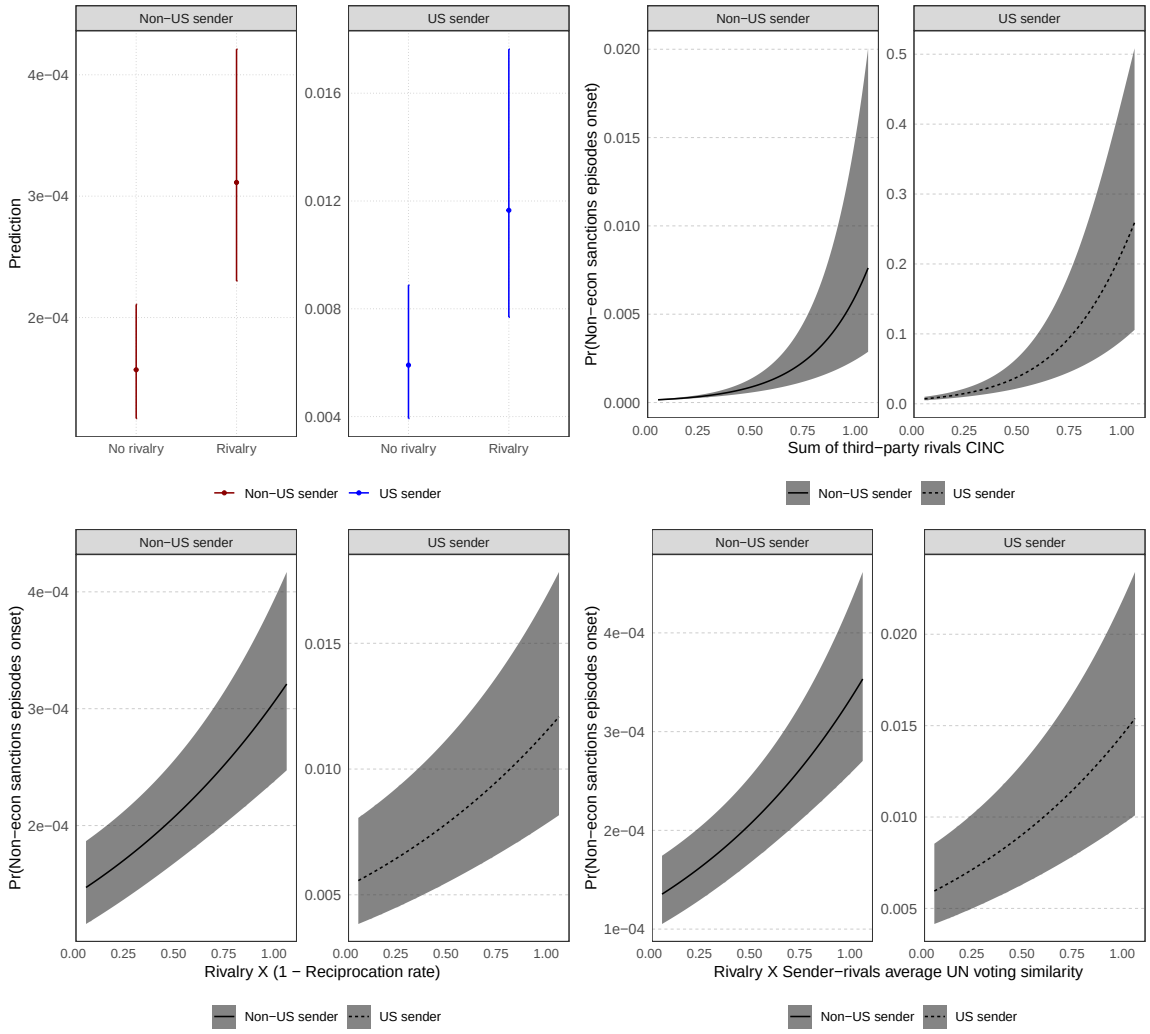

Figure 2.1: Predictions and 95% confidence intervals from Models 1-4.

Table 2.4: Change in Predicted Probabilities of Sanction Onset (No third-party rival vs. Third-party rival)

	Non-US dyads		US dyads	
	Δ Probability	Δ Percent	Δ Probability	Δ Percent
Sanctions imposition	0.000088	90.43%	0.0026	89.94%
Sanctions episode	0.00012	72.11%	0.0034	71.54%

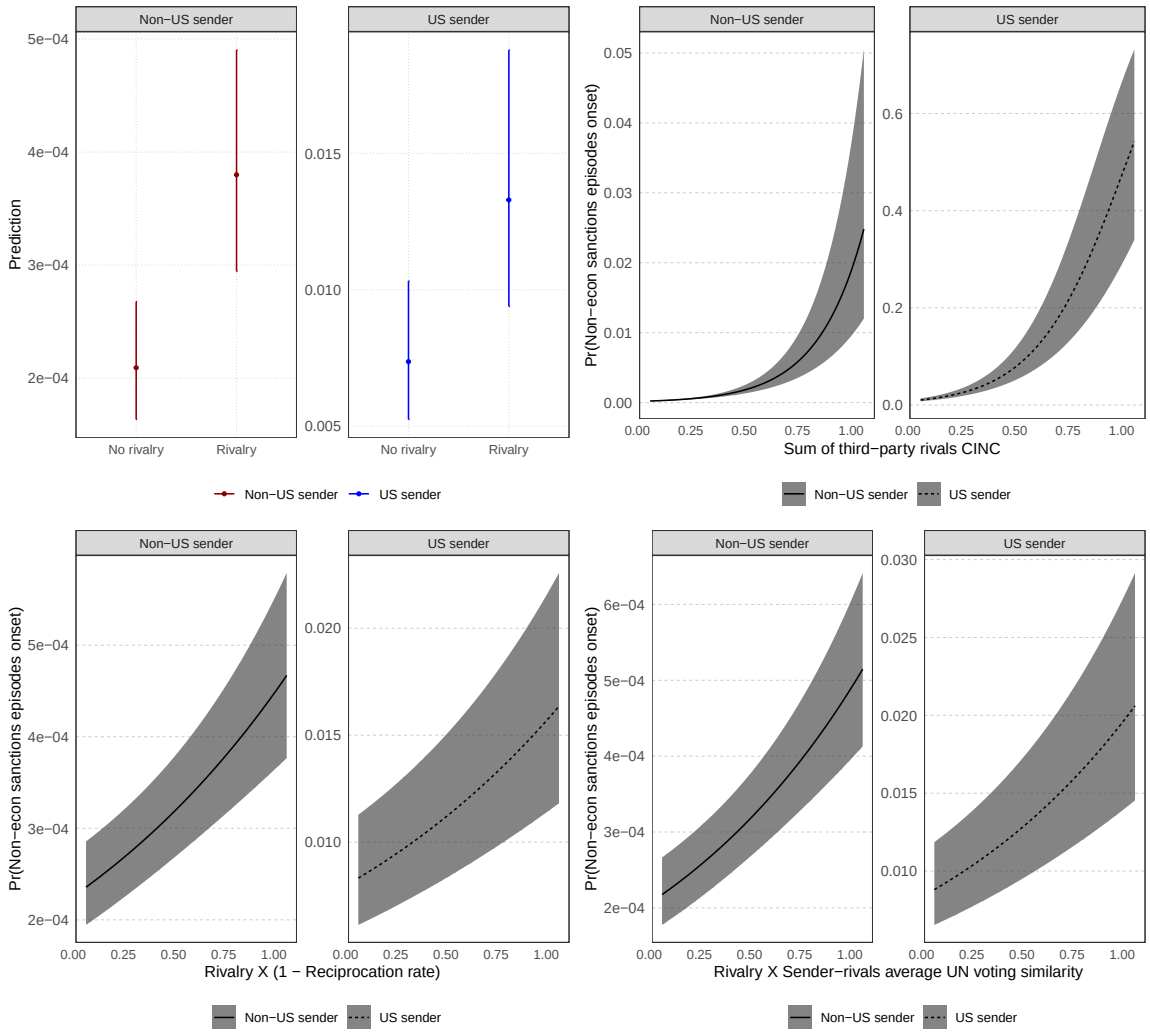

Figure 2.2: Predictions and 95% confidence intervals from Models 5-8.

Chapter 3

Sanctions and Rivals: How Third-Party Rivals Affect the Sanctions Outcomes

The expectations of the target's third-party rivals' behaviors of taking violent and aggressive actions towards the target state are likely to guide the decision of the target's resistance following economic coercion. This is because the target's reactions (such as acquiescence or resistance) to sanctions also convey information to her third-party rivals. Specifically, in this chapter, I argue that the target state is less likely to acquiesce following sanctions episodes if the target has active third-party rivals because backing down signals weakness to rivals and invites aggressions, which could further hurt the target's economy and the political survival. The target state is motivated to misrepresent her capabilities and resolve when involved in an interstate rivalry with third states by resisting sanctions. I find strong evidence supporting my claim in statistical tests of sanctions cases between 1960 and 2005. My results have implications for scholars and policymakers alike, the most important of which is a recommendation to consider a larger domain of sanctions effectiveness, signaling, reputation, and resolve. Expanding from the traditional way of examining sanctions effectiveness on a sender-target basis, we should also consider the possible impact of the third parties that can take future aggressive actions against the target state on the bargaining process between the sender and the target during sanctions episodes. I proceed with this chapter to discuss the determinants of sanctions success and the link between sanctions and third-party militarized conflict. I then present my theoretical argument, in which I develop my hypotheses connecting the presence of the target's third-party rivals and the expectations of the target's strategic response

to sanctions episodes. Next, I outline my research design, in which I use the Threat and Imposition of Sanctions (TIES) data (Morgan et al. 2009) to test my hypotheses. Finally, I present my analysis and discuss the implications of my results for theory and policy.

3.1 Determinants of Sanctions Success

Senders apply economic pressure to induce the target's political leadership to comply with their demands. Historically, studies of economic sanctions tend to focus on sanctions effectiveness and conclude that sanctions rarely succeed in forcing the target to make policy changes.[1] To explain when sanctions are more likely to be effective, one strand of the literature has focused on the interaction between the sender and the target state, analyzing their domestic features and strategic behaviors. This body of scholarship demonstrates that economic coercion is more effective between allies than between rival countries because allies are more inclined to maintain their relatively strong political and strategic ties with the sender by making concessions to the sender's demands. On the other hand, rival states might defy foreign pressure due to future conflict expectations as well as possible repetitional costs of capitulation (Drezner 1998; 1999; Hufbauer et al. 2007; Whang 2010). Additionally, studies theoretically expect that close economic ties between senders and targets would create more incentives for the targets to concede to external pressure. The structural assumption in the literature on trade and politics holds that political leaders hope to retain welfare gains from trade and could be punished for not doing so. Yet, most studies find counterintuitive results that the degree of the target's economic depen-

[1]As mentioned in the Introduction Chapter at the beginning, the remainder of this dissertation (i.e., chapters 3 and 4) mostly favors the interpretation of sanctions effectiveness of those that result in full target compliance or policy change in line with the stated policy objectives of senders. Sanctions are successful tools about 10% of the time according to this interpretation of effective sanctions (Hufbauer et al. 2007; Morgan et al. 2014). Statistical tests results are consistent when applying the lower threshold of sanctions success.

dence on its sender has no significant effect on the target's decision to resist or to acquiesce following sanctions episodes (Dashti-Gibson et al. 1997; Drury 1998; Whang 2010; Bapat et al. 2013; Jeong and Peksen 2019) possibly due to the leak of economic coercions (Andreas 2005; Early 2009; Lektzian and Biglaiser 2013; Early and Spice 2015; Peksen and Peterson 2016; Early and Peksen 2018). In cases, targets might survive pressure by developing new trade and investment ties with third-party countries (Early 2009; 2015; Lektzian and Biglaiser 2013; Peksen and Peterson 2016). Targets could also use black markets and other transnational illicit channels to access scarce goods and products or sell their own products to survive in sanctions (Andreas 2005; Early and Peksen 2018). Others find that democracies are more likely to make concessions than dictatorships in sanctions episodes because democratic leaders are more representative of the public and responsible for trade gains. In contrast, autocratic leaders tend to be more defiant as they often escape the intended costs of the coercion to themselves and their support base by adopting repression or co-optation (Brooks 2002; Kaempfer et al. 2004; Allen 2005; Lektzian and Souva 2007; Allen 2008b; Major 2012; Peksen 2019).

Another branch of the literature highlights the significant role of international institutions and the target's third-party allies in sanctions outcomes, looking beyond the sender-target base scope in determining sanctions effectiveness. This body of scholarship shows that institutionalized cooperation contributes to sanctions effectiveness because institutionalized sanctions reduce the extent of "sanctions-busting" by opportunistic third-party government and private actors (Early 2011; Early and Spice 2015). Additionally, international institutions could better monitor the enforcement of sanctions regimes to increase their effectiveness (Martin 1993; Drezner 2000; Miers and Clifton 2002; Drezner 2003; Bapat and Morgan 2009). Looking into the variation of the target's third-party allies, Peksen and Peterson (2016) discover the relationship between the target's allies' economic capabilities and sanctions effective-

ness. These authors demonstrate that the U.S. is less likely to sanction its trade partners with wealthier allies (partially due to its few expectations of sanctions success). Within this scope of analysis looking beyond the sender-target relationship in terms of sanctions effectiveness, the role of the target's third-party rivals is completely overlooked.

Perhaps the most important finding of modern sanctions research is that successful sanctions are more likely to end at the threat stage since targets prefer to avoid costs associated with potential conflict and imposed sanctions (Drezner 2003) while empirical studies that only examine cases in which sanctions were imposed are flawed (Smith 1995; Eaton and Engers 1999; Lacy and Niou 2004). Following the compilation of the TIES data set (Morgan et al. 2014) which allowed sanctions scholars to address the selection bias resulting from the previously commonly used sanctions data (i.e., (Hufbauer et al. 2007)), the emerging formal models of threat effectiveness (Drezner 2003; Lacy and Niou 2004; Whang et al. 2013) start guiding empirical research on threats effectiveness with the emphasis on coercion, information, and public commitment. Sanctions threats are more likely to succeed as the expected cost to the target of a sanctions regime increases (Morgan and Schwebach 1997; Drury 1998; Schultz 1999; Drezner 2003; Lacy and Niou 2004; Whang et al. 2013; Bapat and Kwon 2015; Whang and Kim 2015). Sanctions threats are effective when they successfully change the target's belief about the resolve of the sender (Schultz 1999; Whang et al. 2013) and when resolve is better signaled as the diplomatic distance between the sender and the target decreases (Spaniel and Smith 2015; Katagiri and Min 2019; Walentek et al. 2021). At last, democratic senders who experience a higher domestic audience cost are more likely to succeed at the threat stage (Kertzer and Brutger 2016; Gartzke et al. 2017; Bas and Schub 2018). Furthermore, some factors, for example, the types of policy objectives, may contribute to the success of imposed sanctions but not mere threats (Lindsay 1986; Hufbauer et al. 2007; Ang and Peksen 2007). Additionally,

Peksen (2019) finds evidence that military regimes and single-party regimes are less likely to acquiesce following sanctions imposition while sanctions against personalist regimes are as effective in achieving their intended goals as sanctions directed at democratic regimes. In this sense, personalist regimes are inclined to acquiesce to foreign pressure due to their lack of strong institutional capacity to weather the costs of the sanctions. My theories developed in this chapter apply to a broader study of sanctions episodes (including both sanctions threats and imposed sanctions) given my focus on the target's strategic response to sanctions rather than the de jure and de facto costs associated with threats and imposition, respectively.[2]

Sanctions convey a great deal of information of the senders' reluctance to employ their militaries (Hoffman 1967; Schwebach 2000) or a rather strong resolve of taking possible military actions with strong dissatisfaction with the target as senders willingly impose costs on themselves when they use sanctions (Baldwin 1985; Drezner 1998). Studies also show that sanctions can convey information to third parties by signaling the sender's disapproval with the target (Doxey 1972) and, consequently, increase the likelihood of third-party countries' militarized violence against the target (Peterson and Drury 2011). Existing literature constrains our understanding of the signaling effects of sanctions as such signaling is most of the time interpreted as mono-directional.[3] By mono-directional, it means that sanctions only convey information to the target state and the third parties when the sender uses sanctions (Peterson 2013; 2014; Miller 2014). Subsequently, after sanctions are levied, the target state and the stakeholders (i.e., the third parties of interest) take actions in accordance with how

[2]My theories also apply to sanctions threats effectiveness and sanctions imposition effectiveness separately. Results from the statistical tests are consistent when looking at threats and imposition separately as shown in the Appendix.

[3]Peksen and Peterson (2016)'s study on sanctions initiation sheds some light on the opposite direction to look at the signaling effect, arguing that the (possible) targets' wealthier allies signal the easiness for target states to escape the intended costs of the coercion and for the senders to not employ sanctions.

they read this information conveyed by sanctions episodes. The role of third parties (i.e., especially rival states discussed in this chapter) in the literature on sanctions effectiveness is overlooked as the learning process (among the sender, the target, and the third parties) continues before the target responds to economic coercion rationally and strategically following sanctions onset. Strategically, the target's response (of either acquiescence or resistance) following sanctions episodes also signals the target's resolve on the issues involved in current sanctions not only to the direct sender(s) but to the other states (especially the target's adversaries) which are not directly involved in the sanctions episodes as well. Consequently, a rational target should notice that the way how they decide to respond would signal its resolve on the issues especially involved in current sanctions and its capabilities. Eventually, the target's response affects the third parties' decision to apply similar sanctions as a solution to deal with their adversaries (i.e., the target) or even initiate attacks during this learning process. Target acquiescence signals third parties that coercive economic measures are likely to elicit concessions from the target state. Therefore, I expect that the target state would strategically use her response to current sanctions episodes to signal their resolve and positions on certain issues, especially to inform their major adversaries of the target's resolve and capability. I then expect a connection between the target's active rival(s) and the target's response to current sanctions (which determines sanctions effectiveness).

3.2 Signaling to Third-party Rivals and Sanctions Effectiveness

Signaling has been studied in the context of the bargaining theory of war and sanctions alike, where both actors are better off with a negotiated settlement rather than paying the costs of fighting or using sanctions. A rich game-theoretic literature explains how actors can signal credibly in various situations using sanctions, and emerging research also discovers the third-party signaling effect of sanctions (Peterson 2013; 2014; Miller

2014). However, the possibility that the target could also utilize its response to current sanctions to signal its third-party rivals is overlooked.

Signaling occurs when one actor knows something relevant to another actor's decisions (Morrow 1999). As long as states are rational, the target state is motivated to respond to sanctions strategically and alter strategic interactions with third states, especially its adversaries. In this chapter, I argue that the target uses sanctions resistance to signal its resolve and capability to its third-party rivals to prevent attacks or sanctions from third states.

Rival states often pose credible security threats to the target country compared to those that remain peaceful relations with the target (Klein et al. 2008). Facing the question of whether to resist economic coercion, the target state needs to take its third-party rivals into account because the response to sanctions conveys information and has a signaling effect on the third parties' decision-making, such as using military forces or sanctions against the target to solve disputes. Evidence shows that the target of sanctions threats looks to the sender's actions against prior resistant targets as sender's backing down in history infers empty threats which harm sanctions effectiveness (Peterson 2013). Therefore, a rational target should respond to sanctions strategically as its response to current sanctions could signal its resolve on issues involved in current sanctions and convey specific information to its third-party adversaries. Therefore, when the target has active rivals other than the sender, the decision to make concessions to the sender's demands releases information that could weaken the target's resolve on certain political issues involved in sanctions and put the target at a disadvantage in negotiations on similar issues with its third-party adversaries if any. First, sanctions break the trade ties that bind states to each other or convey to potential aggressors that the ties are broken. Therefore, target acquiescence in sanctions episodes signals the target's economic vulnerability or at least the unwillingness to bear economic damage for resistance. Second, making concessions

to the sender's demands signals that the issues involved in the current sanctions are negotiable. Anyhow, target acquiescence increases the likelihood of third-party rivals' confidence in taking some (similar) aggressive actions towards the targets. That is because these rivals are more likely to elicit concessions and force the targets to alter their policies, given the fact that issues involved in current sanctions are negotiable and the target state will be unwilling to bear economic losses for resistance. From the target's perspective, there is not much difference in the importance between the sender and the third-party rivals when the target needs to decide whether to resist if the sender happens to be the target's rival. Eventually, the target should respond strategically, considering its third-party rivals, if any, because the primary sender has made specific coercive actions towards the target once sanctions are either threatened or imposed. In contrast, its third-party rivals' move is uncertain and can be affected by the target's response. In other words, the sender's behavior is fixed while third-party rivals' is still uncertain during sanctions episodes. Following the sanctions episodes, the target should concern more about the uncertain (but foreseeable) aggressive actions that are very likely to be taken by its third-party rivals before the target decides how to respond to current sanctions.[4] The decision of whether to acquiesce in current sanctions depends on not only the calculation of how much the target will suffer (from the direct sender(s)) if the target resists but also a question of how much they will suffer (from the third-party rival states) if they acquiesce. The first concern can be addressed from the trade ties between the target and the sender(s). However, to answer the second question, we need to examine the third-party rivals' likelihood, capabilities, and credibility of taking potential aggressive actions against the target. The target is more vulnerable and more likely to be invaded by its third-party countries (especially its rivals) not involved in the current sanctions when it is sanctioned

[4]Peterson and Drury (2011) find that imposed sanctions both weaken and stigmatize the target, inviting attacks.

because (imposed) sanctions both weaken and stigmatize the target (Peterson and Drury 2011) and invite attacks. When a state is sanctioned, its third-party rivals then pose credible security threats to take violent or non-violent actions towards the target. Consequently, if the target is rational, the presence of the target's active third-party rivals is expected to have a significant impact on the target's response to current sanctions as the response could be used as a means of signaling.

For instance, with an average of six active rivals (such as Iraq, Syria, Lebanon, Saudi Arabia, Jordan, and Iran) between 1945 and 2005, Israel is one of the targets with the most active rivals.[5] Israel has been frequently sanctioned in history. According to the TIES's records, 36 sanctions were either threatened or imposed against Israel between 1945 and 2005. Thirty-five of these sanctions involve security issues. In the 1990s, Israel has been unilaterally sanctioned by the United States, the United Kingdom, France, and Iraq. However, Israel rarely acquiesces in any of these sanctions attempts, especially in Arab countries' sanctions.[6] The presence of a large number of active rivals makes Israel's acquiescence in these sanctions episodes difficult and even impossible, although Israel suffers a great deal of economic damage. Israel has been sanctioned mainly due to its refusal to withdraw from the occupied territories and refusal to remove the separation barrier in the West Bank. Israel's acquiescence in any single sanctions attempt would signal Israel's active rivals that Israel is no longer able to bear further economic damage or the security issue, which is the core interests of Israel, turns to be negotiable. Whatever the above information read by Israel's rivals following Israel's acquiescence, it encourages Israel's active (third-party) rivals to take further coercive actions with optimism to solve disputes with Israel given Israel's economic vulnerability and the government's reluctance to resist on security

[5]The mean of the target's active third-party rival states is 2.5.

[6]Among the 36 sanctions attempts, Israel only made concessions to the US sanctions four times and institutionalized sanctions three times.

issues implied by Israel's acquiescence. At least, the signals conveyed to the third-party rivals put Israel at a disadvantage in future negotiations with its rivals as Israel behaved in a shaky way on some issues regarding its core interests if Israel acquiesces. The same logic can be used to explain at least in part of North Korea's and Iran's frequently being sanctioned and resistance in sanctions episodes historically.

Additionally, sanctions against South Korea also demonstrate the discrepancy between sanctions use and sanctions efficacy, which has been historically overlooked. Starting in the 1990s, South Korea was frequently sanctioned by the United States, India, Canada, Germany, China, Colombia, and Indonesia. However, South Korea seldom made any acquiescence to these senders' demands. Considering the international environment in which South Korea survives, the interstate rivalry (with Japan and North Korea) might play an important role in impelling South Korea's resistance against sanctions. South Korea and Japan have unsolved territorial disputes over the Liancourt Rocks. Both countries claim sovereignty over the Liancourt Rocks, a group of small islets in the Sea of Japan, which are referred to as "Dokdo" in Korean and "Takeshima" in Japanese. Additionally, the decades-long conflict between South Korea and North Korea is more salient, threatening to reach a breaking point any time. Given the fierce international environment in which South Korea survives, the country is motivated to misrepresent its resolve and capabilities to its two major adversaries of Japan and North Korea, which have strong military strength, by resisting ongoing sanctions.[7]

[7]According to the 2021 *Global Firepower* military strength report, Japan is ranked the fifth most militarily powerful country. North Korea has one of the largest standing armies in the world, with more than one million soldiers and estimated reserves of some five million in 2021.

3.2.1 Target Resistance: Fear, Scapegoat, and a Commitment Problem

Building upon Fearon (1995)'s contribution to the bargaining scholarship, I theorize the third-party rivals' effects on target acquiescence (or resistance) following sanctions episodes focusing on how the external threats and "fear" motivate the target to misrepresent its capabilities and resolve. I argue that target resistance is a means of signaling the resolve to prevent itself from attacking by potential aggressors.

External rivals can also serve as a focal point for nationalist sentiments. Politicians can benefit politically by rallying constituents around a common external threat (of the primary sender) that can also serve as a convenient scapegoat to distract attention from domestic problems. On the other hand, a state with no rivals has less incentive to bear economic costs and thus sees little value in prolonging being sanctioned.

In either case, discussed above, the target country's strategic priorities determine whether they are willing to be bearing costs associated with sanctions. When the attention and resources of a target are not focused on the pursuit of an interstate rivalry, sanctions could possibly be effective. However, when the target is part of an interstate rivalry, the sanctions will be counterproductive for the reasons described above.

Additionally, the sender states attach conditions on sanctions removal, which the target must fulfill if it wishes to alleviate sanctions by the sender. For the sender, this is the most attractive (or at least a commonly used) strategy to induce target acquiescence, as it is relatively cheaper compared to costly wars (Fearon 1995; 1997; Whang and Kim 2015). However, for conditionality to serve as an effective coercive mechanism, carrots of removing sanctions must be viewed by the target as credible (Bapat 2011; Boutton 2014). When the target state has active third-party rivals, such conditionality for sanctions removal is often not credible, given the findings that third-party rivals invite sanctions in chapter 2. Additionally, political leaders from

the sender are often under considerable domestic political pressure to "do something" about sanctions threats to serve the sender country's political interests, which are well known as "playing to the home crowd"(Whang 2011). Therefore, sanctions recurrence is likely when the target is an easy target by having third-party rivals, and sanctions removal is not credible. The story I tell here is that when a sender such as the U.S. uses sanctions against the target country, which faces salient security threats, the target country's strategic priorities determine whether they will be bearing costs associated with sanctions.

With the premise that interstate rivalry deserves the highest political priority of the target state, I expect the target to be less likely to make concessions to the sender's demands when the target has active third-party rivals, excluding the primary sender(s). Based on the reasoning discussed above, the first hypothesis is specified as follows:

Hypothesis 4. *The target is more likely to resist sanctions when she is involved in interstate rivalry with third states.*

The additional refinement to my theory is the credible threat effect. As the target's third-party rivals' national and economic capabilities increase, it is more likely for these third-party rivals to use military forces and coercive economic measures as a solution to solve their disputes with the target state. The target state could signal to its third-party rivals that the sanctioned state is economically healthy and politically resolved, therefore, a formidable target by resisting sanctions, which involve security issues. Strategically, from the target's perspective, target acquiescence would be expected to decrease the likelihood of third-party rivals attacking the target and using sanctions because the target behaves as it can easily evade sanctions. At the same time, the third-party rivals also need to bear the costs associated with aggressive behaviors though capable, which makes aggressive behaviors inferior choices. Target acquiesce in sanctions because they need to prevent (potential) economic damage or

minimize economic damage from current sanctions used by the sender. The target resists sanctions because they hope to prevent future and further economic damage caused possibly by its third-party rivals. Target state would resist stoutly in current sanctions if its third-party rivals are economically and militarily powerful because powerful enemies make the possible attacks more credible. On the other hand, target acquiescence might favor the third-party rivals' bargaining position if the target reveals its vulnerable economy and indecisive resolve by making concessions to the current sender's demands on security issues. Therefore, the third-party rivals' strong capabilities and their history of using military forces strengthen the third-party rivals' credibility of attacking the target. To prevent possible attacks from its third-party rivals. A rational target must consider the signaling effects of its reaction to sanctions and signal its capability and resolve by resisting sanctions. Consequently, the more credible these security threats posed by third parties are, the less likely the target will reveal its economic vulnerability by making concessions to the current sender's demands. My second and third hypothesis follows:

Hypothesis 5. *The target is more likely to resist sanctions as the capability and credibility of attacks from her adversaries increase.*

Hypothesis 6. *The target is more likely to resist when the sender has similar political interests with the target's third-party rivals.*

3.2.2 Sanctions Onset, Target Acquiescence, and Backwards Induction

One might argue that senders are supposed to be engaged in the backward induction associated with the target's expected response in chapter 2. My responses are discussed from the following different aspects. First, theoretically, sanctions put a hardship on the target's international trade and economy and therefore invite attacks by third parties (Peterson and Drury 2011). Therefore, third parties' possible economic coercion and potential attacks following current sanctions together favor the

sender's bargaining position during sanctions episodes no matter whether the target acquiesces. Second, the possible senders and the third-party rivals are not necessarily always facing a free-riding problem because the demands from multiple stakeholders are rarely consistent (Bapat and Morgan 2009). Third, sanctions could be used as means of "playing to the home crowd" (Whang 2011). And if it were the case, then the target's expected response might not be a major calculation of the costs and benefits associated with foreign policymaking before implementing sanctions. Fourth, senders utilize the signaling effects of sanctions on third parties (Peterson 2013; 2014; Miller 2014) to ignite the powder keg. In an ideal case, when the target is extremely vulnerable to sanctions facing powerful third-party rivals, the sender seizes the opportunity and threatens sanctions against the target. The target concedes on the issue, knowing that failure to comply will lead to an even worse outcome, such as fighting against the rivals under sanctions. In contrast, if the target faces no external security threats, sanctions are unlikely to coerce compliance because the target can utilize all its resources to evade the costs associated with sanctions and find alternative markets more easily in a benign international environment. The sender fails to threaten sanctions because she knows that the strategy will prove ineffective. However, the sender will never know the true capability of the target state due to asymmetric information. The corresponding uncertainty gives weaker target incentives to bluff strength. Faced with this uncertainty, the sender sometimes imposes sanctions to catch potential bluffers (Spaniel and Smith 2015).

3.3 Data and Research Design

To capture the third-party rivals' effects on the target's decision-making in sanctions episodes, I only focus on unilateral sanctions cases in which the sovereign state is the target.[8] I also exclude those cases in which an international institution is a pri-

[8]Looking at unilateral sanctions allows me to isolate the possible third-party rivals' effects on the target state's behavior.

mary sender.[9] Additionally, I removed sanctions cases in which the only issue at stake is related to trade or environmental policy, given the potentially distinct–and less severe–nature of trade disputes (Drezner 2003). Looking at sanctions episodes involving hi-politics issues is also consistent with my conceptualization of rivalry characterized by militarization. I also look into sanctions threats and imposed sanctions in separate models in order to speak to a broader existing literature on sanctions effectiveness with different focuses.[10]

The unit of analysis is the case. The dependent variable is target acquiescence. I code two variants of acquiescence, the first of which is equal to 1 if TIES records the outcome of the sanctions as complete acquiescence to the sender's demand (that is, where the TIES final outcome variable is equal to 2 or 7), and otherwise equal to 0.[11] The second measure of acquiescence is relaxed, coded as equal to 1 when the target acquiesces fully or partially to the sender's demands (that is, where the final outcome variable in TIES is equal to 1, 2, 6, or 7).[12] Given the construction of these binary dependent variables, I use generalized linear mixed models (GLMM) with a logit link

[9]Excluding cases in which international institutions initiate sanctions helps me to identify the target's third-party rivals.

[10]The majority of sanctions efficacy literature focuses on threatened sanctions since Drezner (2003) while scholars emphasize imposed sanctions applying the Heckman selection models.

[11]According to TIES, 2 denotes "complete acquiescence by the target to threat" and 7 denotes "total acquiescence by target state following sanctions imposition." These variables examine acquiescence in either the threat or imposition stage of the sanctions episode. In models presented in the Appendix, I demonstrate that results look essentially identical if I code the dependent variable is equal to 1 only in cases when the target acquiescence during the threat stage (excluding the imposed sanctions).

[12]In TIES, 1 denotes "partial acquiescence by the target to a threat" and 6 denotes "partial acquiescence by the target state following sanctions imposition."

function that includes random intercepts for target states to access support for my hypotheses.[13]

In an admittedly oversimplified scenario, the sender only chooses to impose sanctions if its expected payoff would exceed the sender's costs associated with sanctions. Otherwise, sanctions are not worth it to the sender, and the sender falls back on other statecrafts (such as foreign aid, cyber strategy, etc.) Then the sample of imposed sanctions, for which we observe outcomes, is selected from those in the population which are less likely to succeed and associated with relatively low sender costs because target states are more likely to concede to foreign pressure when they are threatened with sanctions (Nooruddin 2002; Drezner 2003; Lacy and Niou 2004; Drury and Li 2006). To address the sample-selection bias, I use and compare logit models, generalized linear mixed-effects models with random intercepts for the target state, modified selection models, and strategic selection models (presented in the appendix) to increase

[13]As a robustness check, in the Appendix, I use ordered logit regressions in which I specify an ordinal outcome variable, where no acquiescence is coded as 0, partial acquiescence is coded as 1, and complete acquiescence is coded as 2. Given that third-party rivals affect both sanctions onset and target acquiescence, one might assume that the potential initiator in chapter 2 would engage in backward induction associated with the expected response from the target in chapter 3. That is, the senders leverage third-party rivals when considering whether to impose sanctions, while targets simultaneously refuse to back down under these conditions. If it is the case, strategic selection into sanctions onset is an important factor that could lead to bias in models examining sanctions episodes as if they were randomly selected events. However, I decided not to rely on strategic selection models(Signorino 2002) for two reasons. Theoretically, sanctions could be used as a means of "playing to the home crowd" (Whang 2011) while not always necessarily being used strategically to purpose foreign policy goals. Empirically, selection models create problems with the unit of analysis. The unit of analysis for my onset equation in chapter 2 is the dyad year. I aggregate the case data (TIES and ICEWS) to code the onset of at least one sanctions onset in that dyad year. However, in my target acquiescence equation in chapter 3, the unit of analysis is the case. It turns out to be a tricky proposition to aggregate the outcome indicators since it matters to whom the target acquiesces, as selection models require the combination of my onset and outcome equations. As a robustness check, the coefficient results from strategic selection models are consistent with the results from my main models though there is a problem with the unit of analysis. See Appendix for more details.

confidence that my results are not an artifact from biased sample observations. An alternative statistical method to accomplish the same results as the Heckman model (as it is unclear that a good variable exists that would satisfy the exclusion restriction in a two-stage model) is to estimate the selection model using maximum likelihood (ML) for both equations simultaneously.[14]

3.3.1 Coding Threats of Potential Aggressive Actions

The primary explanatory variables measure the potential aggressive actions taken by the target's third-party rivals against the target, adopted from the variables used in chapter 2. The first explanatory variable of *third-party rival* is the presence of the potential target's active rival(s) excluding the primary sender state–operationalized as a dichotomous variable equal to one when the state maintains a peace scale below 0.25 with at least one other state (Klein et al. 2008), otherwise zero.[15] My second explanatory variable is *rivals' attacking credibility*. To code this variable, I adopt Weeks (2008)'s measurement of audience cost. The variable *RECIP* in the Militarized Interstate Disputes (MID) data set takes value one if the target state responded with a militarized action, and zero if the target state made no militarized response to the challenger's threat or use of force (Schultz 1999; 2001). On average, one should expect that initiators with a high ability to generate audience costs should be less likely to face resistance than states with a low ability to generate audience costs. Therefore, I aggregate the *RECIP* variable by the initiator, then divide the sum of *RECIP* by the sum of MID initiations. The higher this *reciprocation rate* is, the less capable of generating audience costs, and thus less attacking credibility. In my model, the *"Rivalry x (1-Reciprocation rate)"* variable measures the target's third-

[14]These selection models assume a known distribution (i.e., multivariate normal) of error terms. Because of this, the instruments (i.e., exclusion restrictions) are not necessary (Henningsen and Toomet 2008).

[15]The peace scale has values 0.0 – serious rivalry, .25 – lesser rivalry, .50 – negative peace, .75 – warm peace, and 1.0 – security community. These categories and the coding criteria are described in detail in (Goertz et al. 2016).

party rivals' (if any) attacking credibility by using the average *Reciprocation rate* of these rivals. The third variant calculates the sum of the Composite Index of National Capabilities (CINC) score (Singer et al. 1972) of the potential target's third-party rivals. This score incorporates information on population, urban population, military expenditure, military personnel, coal and steel production, and energy consumption. Additionally, in the Appendix, I also measure the relative capability of rivals to the target state instead of using the target's absolute capability as the relative capability measures the rivals' leverage against the target. The results remain consistent. The last variant of the primary explanatory variable presented in the main dissertation document captures the ties between the sender and the target's third-party rivals. The *Rivalry x Sender-rivals average UN voting similarity* variable measures the average political interest similarity between the sender and the target's third-party rivals (if any). Using the United Nations (UN) voting data set (Gartzke 1998; Strezhnev and Voeten 2013), I also calculate the maximum and minimum of the UN voting similarity between the sender and the target's third-party rivals, respectively (presented in the Appendix), to capture the political ties between the sender and the rivals.

3.3.2 Control Variables

I also include a battery of control variables to account for the major covariates of sanctions effectiveness. First of all, I control the presence of the target's third-party ally.The targets are less vulnerable to sanctions when their allies (if any) are wealthy countries. These targets are expected to be more defiant following sanctions (Peksen and Peterson 2016) compared to those without economically powerful allies. The presence of the target's third-party rivals captures the possibility that its allies defend the target during sanctions. The COW Formal Alliance (v.4.1) data (Gibler 2009) is used to capture third-party commitments to defend the target.[16] Alterna-

[16]Available at: http://www.correlatesofwar.org/data-sets/formal-alliances. The network method allows going beyond the dyadic approach and capturing greater variation in international relations. See Cranmer et al. (2014) and Cranmer and Des-

tively, I adopt different variants of the alliance variable in models where my primary explanatory variable varies.[17]

Next, I control for the target's likely costs associated with sanctions. Specifically, I create the *trade/target GDP* variable, which is calculated by using the target's total trade (exports and imports) with the primary sender divided by the target's GDP, using COW's Bilateral Trade Dataset (v4.0) (Barbieri and Keshk 2012). It assesses the extent of a target state's reliance on trade with the sender given that sanctions should be more effective when the target's economy depends largely on the sender (Galtung 1967).

I include five additional dummy variables. The first dummy variable identifies the target's regime type. I identify democratic targets with a dichotomous variable coded as one if a target's 21-point combined Polity score is greater than six, while non-democracies are those with Polity combined scores equal to or less than six (Marshall and Jaggers 2014). I also include a variable to distinguish institutionalized sanctions from those initiated by states to capture episode-specific features. The *institutionalized sanction* variable is directly adopted from TIES. This variable takes a dichotomous measurement equal to 1 when an international institution sponsors sanctions, otherwise 0. Given the potentially greater legitimacy of these sanctions and better sanctions implementation, sanctions with international institutions' cooperation are more effective (Bapat and Morgan 2009; Early and Spice 2015). In

marais (2016) for examples. However, since it is unclear how third-party allies might act collectively to defend the target state, I only adopt the dichotomous measure for dyadic alliance relationship between target and its third-party allies to capture the possibility of being supported during sanctions.

[17]In the Appendix, the control variable for the target's third-party allies' propensity is adjusted accordingly with the variants of my primary explanatory variable included in different models, i.e., the sum of third-party allies' CINC, log of the sum of third-party allies' GDP, third-party major-power rival presence, etc. See appendix for details. My results are robust when I control the third-party rival presence consistently in different models without the adjustments.

models focusing on imposed sanctions, I also include the *threat* variable in my models to test whether sanctions with a prior threat stage (i.e., threatened sanctions) are less effective than those without a threat phase. This variable takes the value of 1 if a sanction begins with a threat stage and 0 otherwise. In models with an emphasis on threatened sanctions, I account for the sanctions imposition stage. The *imposition* variable is equal to one if a sanction is eventually imposed, otherwise zero. Finally, I identify the United States as a sender, given its unique status as a global hegemon that uses sanctions often. The summary statistics are presented in the appendix.

3.4 Analysis

I find strong support for my main expectation that third-party rivals are associated with a lower probability of the target's acquiescence following sanctions episodes. Table 3.1 presents coefficients and 95% confidence bounds for nine models examining the target's acquiescence to the sender's demands following sanctions episodes (excluding those involving economic and environmental issues), covering episodes that begin between 1962 and 2005. Models 1, 2, 5, and 6 examine *target's acquiescence* in sanctions threats (no matter whether sanctions are eventually imposed), while Models 2, 4, 6, 8, and 9 examine *target's acquiescence* in imposed sanctions. Models 1, 3, 5, and 7 only include the least variables, while Models 2, 4, 6, 8, and 9 include all my controls as my full models.

Results from these nine models provide support for my hypothesis. Considering coefficients, I find that *third-party rival presence* is negative and significant ($p < 0.01$) in all nine models. As such, the target's active third-party rivals, if any, appear to decrease the probability that a target state acquiesces following sanctions episodes. Since the quantity of coefficients in the logistic regression function delivers the logarithm of the odd, which does not convey the direct meaning of my research interest, I turn to Figure 3.1 which presents two related plots that illustrate the substantive

magnitude of my predictions for sanctions use from models 2 and 4, to better visualize the predicted probabilities associated with the *third-party rival presence*.

These two plots in Figure 3.1 illustrates the predicted probabilities of the target's acquiescence (i.e., *total acquiescence* following sanctions threat and imposed sanctions, respectively. In each plot, the probabilities of the target's acquiescence are calculated for the U.S. sender and non-U.S. senders separately: the U.S. sender on the left in red and non-U.S. senders on the right in blue, as well as their 95% prediction intervals. To calculate the corresponding predicted probabilities, I set a majority type of the target, which has no third-party allies, has an autocratic regime type, is involved in a sanctions case with no support from any international institution. The trade dependence is set to be at the median value. The variables of *threat, imposition, and U.S. sender* are adjusted accordingly when making different prediction plots.

The differences of target acquiescence probabilities between third-party rival presence and third-party rival absence are further illustrated.I examine changes in the predicted probabilities of target acquiescence. The presented predicted probability changes are calculated using Models 2 and 4 from Table 3.1 corresponding to Figure 3.1.

In the first two columns (i.e., under Non-US dyads), I hold the trade dependence variable at its median level.[18] The first two columns calculate target acquiescence probabilities for non-US senders. I find that third-party rival(s) presence is associated with approximately a 67.13% decrease in the probability of the target's complete acquiescence following sanctions threats. [19] The presence of third-party rival(s) is

[18]The setting up for other control variables is consistent within Figure 3.1. I set a majority type of the target, which has no third-party allies, has an autocratic regime type, is involved in a sanctions case with no support from any international institution.

[19]All probability changes are calculated as (probability with third-party rival presence - probability without third-party rival presence)/probability without third-party rival presence, multiplied by 100.

associated with approximately a 66.28% decrease in the probability of the target's complete acquiescence following sanctions imposition.

Moving to Table 3.2, I find strong support for my hypotheses 5 and 6 that the target is more likely to resist sanctions as the capability and credibility of attacks from these third-party rivals increase, and when the sender share similar political interests with the target's third-party rivals. Table 3.2 presents coefficients and 95% confidence bounds for six models examining the target's acquiescence to the sender's demands following sanctions episodes (excluding those only involving economic and environmental issues), covering episodes that begin between 1962 and 2005. Models 1, 2, and 3 examine *target's acquiescence* in sanctions threats (no matter whether sanctions are eventually imposed), while Models 4, 5, and 6 examine *target's acquiescence* in imposed sanctions.

In Models 1 and 4, from Table 3.2, the primary explanatory variable is the sum of the target's third-party rivals' capabilities. I find preliminary evidence that the higher capability of the third-party rival(s) suggests a lower likelihood that the target acquiesces following sanctions episodes. Similarly, there is evidence that the credibility of the third-party's use of military force against the target is negatively associated with the target's acquiescence in sanctions. Finally, I find evidence that the target is less likely to acquiesce in sanctions threats when the sender and the target's third-party rivals share similar political interests. I also use visualizations to provide a complete explanation of probabilities and marginal effects associated with the *third-party rival CINC* variable, the credibility variable, and the variable measuring the ties between the sender and the target's third-party rivals. Specifically, Figure 3.2 illustrates the effects of *third-party rival CINC*, *rivalry x (1-reciprocation rate)*, and *rivalry x sender-rivals average UN voting similarity* as estimated in Models 1-6. In the top three graphs in Figure 3.2, I graph the marginal effect of *third-party rival CINC*, *rivalry x (1-reciprocation rate)*, and *rivalry x sender-rivals average UN vot-*

ing similarity on target acquiescence following sanctions threat. The bottom three graphs in Figure 3.2 illustrate predicted probabilities of the target's acquiescence following imposed sanctions as these three explanatory variables increase within their ranges.These six graphs suggest that more the target state is more likely to resist sanctions when the attacks from its third-party rivals become more possible and credible. These findings provide support for my hypotheses. Results from statistical models also demonstrate support for my expectation that the close political ties between the sender and the target's third-party rivals are negatively associated with the target's likelihood of making concessions to the sender's demands.

3.5 Conclusion

This chapter finds evidence that the target's third-party rivals influence the target's decision-making following sanctions episodes. Target states have incentives to misrepresent their true resolve and capabilities when they are involved in an ongoing international rivalry with third states. Target resistance following sanctions is an ideal means to signal intense resolve to those third parties that are not directly involved in current sanctions episodes and distract attention from domestic tensions, if any, due to the government's inability to solve interstate disputes with third states. Target's third-party rivals also bring a sender commitment problem that sanctions withdrawal is less credible, and sanctions recurrence is likely given the findings in chapter 2. Therefore, a target state with (more powerful and credible) active third-party rival(s) is less likely to acquiesce to sanctions episodes.

Table 3.1: Coefficient and 95 percent confidence bounds examining target acquiescence following sanctions episodes (excluding sanctions involving environmental and economic issues)

	Complete Acquiescence	
	Model 2	Model 4
Target invovled in third-party rivalry?	-0.72^{**}	-0.73^{**}
	$(-1.39, -0.04)$	$(-1.45, -0.01)$
Third-party ally presence	-0.47	-0.22
	$(-1.25, 0.31)$	$(-1.06, 0.62)$
Trade/target GDP	2.10	-1.66
	$(-1.24, 5.44)$	$(-6.36, 3.03)$
Democracy	-0.30	0.25
	$(-0.99, 0.39)$	$(-0.47, 0.96)$
Autocracy	0.29	1.24
	$(-0.87, 1.44)$	$(-0.73, 3.20)$
Institutional sanction	-0.37	
	$(-1.04, 0.29)$	
Imposition		-0.44
		$(-1.20, 0.31)$
Threat	0.94^{**}	0.56
	$(0.02, 1.87)$	$(-0.32, 1.44)$
US sender	-1.26^{**}	-0.97^{*}
	$(-2.41, -0.10)$	$(-2.02, 0.08)$
Observations	247	200
Log Likelihood	-120.10	-100.10

***Significant at the 1 percent level.
**Significant at the 5 percent level.
*Significant at the 10 percent level.

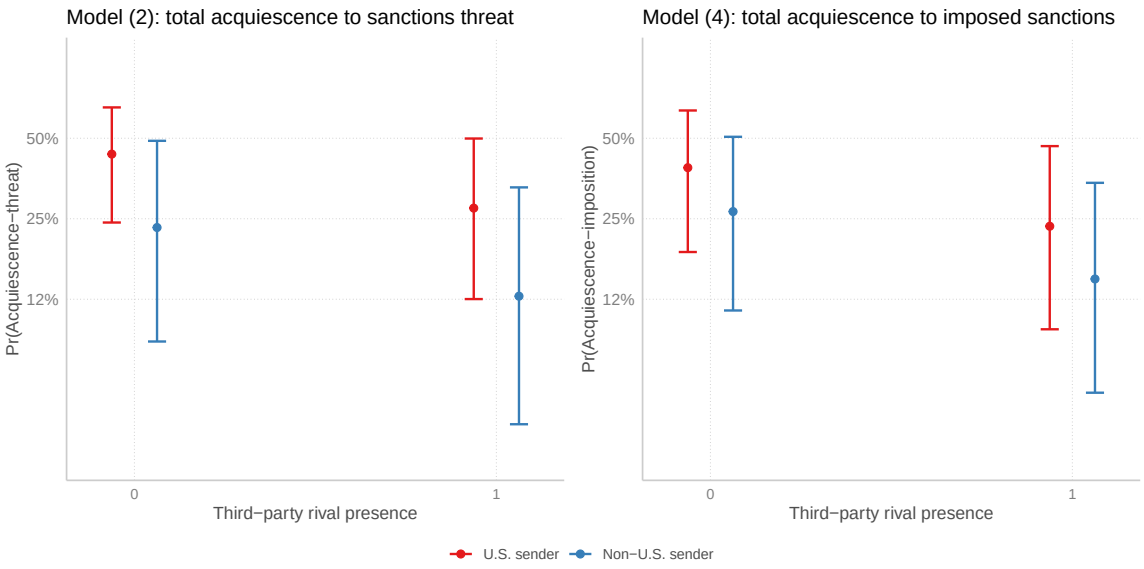

Figure 3.1: Predictions and 95% confidence intervals from Models 2 and 4 in Table 3.1.

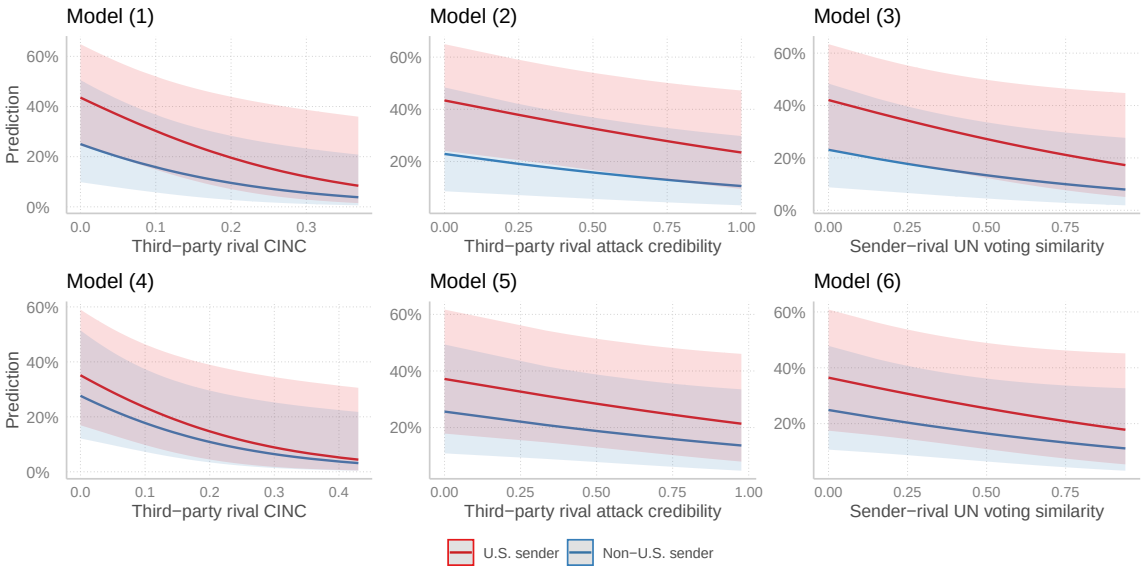

Figure 3.2: Predictions and 95% confidence intervals from Models 1-6 in Table 3.2.

Table 3.2: Coefficient and 95 percent confidence bounds examining target acquiescence following sanction episode (excluding sanctions involving environmental and economic issues)

	Complete Acquiescence Sanctions threats (Logit)		
	(1)	(2)	(3)
Third-party rival CINC	−5.77**		
	(−10.52, −1.01)		
Credibility		−0.92**	
		(−1.77, −0.07)	
Sender-rivals			−1.33**
			(−2.65, −0.01)
Third-party ally presence	−0.60	−0.47	−0.48
	(−1.37, 0.17)	(−1.25, 0.31)	(−1.26, 0.29)
Trade/target GDP	1.62	2.20	1.87
	(−1.67, 4.91)	(−1.16, 5.56)	(−1.43, 5.16)
Democracy	−0.18	−0.29	−0.30
	(−0.85, 0.50)	(−0.98, 0.39)	(−0.98, 0.38)
Institutional sanction	0.37	0.29	0.37
	(−0.80, 1.54)	(−0.86, 1.45)	(−0.79, 1.52)
Imposition	−0.42	−0.38	−0.34
	(−1.08, 0.24)	(−1.04, 0.28)	(−0.99, 0.32)
US sender	0.84*	0.95**	0.88*
	(−0.09, 1.77)	(0.02, 1.87)	(−0.04, 1.81)
Constant	−1.14**	−1.28**	−1.26**
	(−2.26, −0.02)	(−2.43, −0.13)	(−2.39, −0.12)
Observations	247	247	247
Log Likelihood	−118.41	−120.01	−120.23

***Significant at the 1 percent level.
**Significant at the 5 percent level.
*Significant at the 10 percent level.

Chapter 4

Micro-dynamics of Sanctions Success: Trade Openness, Institutions, and Sanctions Success

A large body of scholarship and policy analysis has explored the circumstances under which economic sanctions might achieve their intended policy objectives. Among these factors (discussed in Chapter 3), sanctions appear to be more effective when they inflict major economic harm on the supporters of the objectionable policy in the target state (Kaempfer and Lowenberg 1988; Dashti-Gibson et al. 1997; Morgan and Schwebach 1997; Drury 1998; Kaempfer et al. 2004; Hufbauer et al. 2007), and when sanctions are imposed on democracies (Brooks 2002; Kaempfer et al. 2004; Allen 2005; 2008b; Lektzian and Souva 2007; Major 2012; Peksen 2019). The first strand of sanctions literature emphasizes the impact of economic costs of sanctions on sanctions success. The second line of research studies the possible connection between the target's political regime (and institutional characteristics) and sanctions success (i.e., micro-dynamics of sanctions introduced by the public choice approach (Kaempfer and Lowenberg 1988)). The findings from existing literature also reveal that sanctions, as well as their consequences (i.e., economic and financial consequences, currency crises, and the surge of informal economies), disproportionately affect competitive sectors and different interest groups of the target state (Kirshner 1997; Peksen and Son 2015; Pond 2017; Peksen 2019; Early and Peksen 2019; 2020). It then raises a puzzle in the sanctions literature: do less democratic countries (autocracies in the extreme) unconditionally immune from sanctions by taking advantage of their small size of ruling coalitions and the flexibility to use various repressive tactics to endure the costs of the coercion no matter to whom (of either the incumbent government or the

public) the target government is responsive and representative in sanctions episodes, compared to democracies? This chapter proposes a general theoretical explanation for sanctions success, arguing that the target's trade openness and institutional structure have an interactive relationship with target acquiescence.

Instead of examining the impact of trade ties and target political regimes on sanctions outcomes (i.e., target acquiescence discussed in this chapter) separately, I view sanctions as exogenous constraints on the target's exposure to foreign markets and the detriment of trade activities (due to sanctions) disproportionately affect the incumbent coalition and its opponents in different political regimes. As a result, the effects of trade ties (specifically trade openness) on sanctions outcomes are conditional on domestic institutions that determine the winners and losers in sanctions episodes and affect the flexibility and capability of the government to take actions following sanctions.[1] I argue that the positive relationship between trade openness and the likelihood of target acquiescence is less prevalent in more democratic regimes because (1) democracies ameliorate the effects of social cleavages when the trade is harmed since democracy can result in changes in fiscal redistribution and economic structure that favor the welfare gain on average compared to non-democracies (Acemoglu et al. 2015); (2) less democratic regimes (for example, autocracies) are more sensitive to economic interruptions due to their less stability, greater clarity of responsibility. This is because the dominant party or the ruling coalition control over policymaking and hold longer terms of governance in autocracies. Additionally, less democratic regimes are more disproportionately influenced by sanctions (i.e., the ruling coalition is more disproportionately harmed because it is the biggest beneficiary in trade, if not the only one) compared to democracies when trade openness is high. Finally, it is difficult for the target's government to adjust her current policies of the sender's

[1]The other way round, the effects of domestic institutions on sanctions outcomes are conditional on trade openness (i.e., trade-open country vs. trade-close country) of the target state.

political interests to defy sanctions when the political leaders are subject to strong institutional constraints, especially when many beneficiaries dilute the harm of the economic sanctions in trade-open countries. Therefore, my main theoretical expectation is that democratic countries are less likely to acquiesce in sanctions when they have more open trade because the interruption of trade activities harms the incumbent government and the broader constituents (and the opponents of the incumbent government) more proportionately. Conversely, authoritarian (and less democratic) countries with more open trade are more likely to acquiesce in sanctions because sanctions harm the incumbent coalition and the opposition more disproportionately.

To assess the empirical merits of the theoretical claims, I combine data on economic sanctions from the Threat and Imposition of Economic Sanctions (TIES) dataset (Morgan et al. 2009) with the Varieties of Democracy (V-Dem) Project data (Coppedge et al. 2020) and with the trade data from both Barbieri et al. (2008) and UN Comtrade Database. Results support my argument that there is a significant crossover interaction effect between trade openness and electoral institutions on sanctions outcomes.

In addition to complementing sanctions literature, this study is also relevant to the scholarship on the possible impact of sanctions on political survival. Hankla and Kuthy (2013) find that more institutionalized authoritarian regimes will tend to adopt more open trade policies. Escriba-Folch and Wright (2010; 2015) conclude that sanctions are likely to speed up the removal of leaders in personalist dictatorships while having no discernible effect on the stability of other authoritarian governments. Moving beyond the sole focus on the question of leadership stability (Escriba-Folch and Wright 2010; 2015; Grauvogel et al. 2017), this study expands this line of research assessing the economic condition on which domestic institutional dynamics of target political regimes might affect the success rate of sanctions.

The remainder of this chapter unfolds in four sections below. The first section reviews sanctions literature with the focal points on the micro-foundations of sanctions success and the effect of the target's institutional characteristics. The second section discusses the theoretical claims explaining how the influence of trade openness on sanctions outcomes is conditional on structural institutions (such as the domestic electoral institutions, the legislative constraints, the judicial constraints, and the party system). The third section introduces the data, variables, and methodological approach. The final section reports the results, followed by a discussion of implications for future research and policy-making.

4.1 Economic Foundations, Domestic Institutions, and Sanctions Success

Yet, most studies find that the degree of the target's economic dependence on its sender(s) has no significant impact on its decision to resist or acquiesce in sanctions (Dashti-Gibson et al. 1997; Drury 1998; Whang 2010; Bapat et al. 2013; Jeong and Peksen 2019). Scholars explain the lack of strong support for the dependence argument by noting that targets might survive pressure from their economic partners through developing new trade and investment ties with third-party countries (Early 2009; Lektzian and Biglaiser 2013; Early 2015; Peksen and Peterson 2016; Peterson 2020). Targets also use black markets and other transnational illicit channels to gain access to scarce goods and products or sell their products to evade the costs associated with sanctions (Andreas 2005; Early and Peksen 2018). Some targets might also receive economic assistance from their allies that would help them bear the costs of sanctions pressure (Hufbauer et al. 2007). Overall, there is robust evidence in the literature that the strength of the targets' economic ties with non-sanctioning countries and their ability to access scarce goods through illicit channels significantly condition whether sanctions will exact the intended costs on the targets to elicit behavioral change.

According to another body of work on the connection between target regime types and sanctions outcomes, autocratic leaders are more inclined to resist as they often escape the intended costs of economic coercion. They evade sanctions by intervening in the economy to divert existing wealth and resources made scarce by sanctions towards their supporters and away from their rivals and average citizens. Democratic leaders, on the other hand, are more restricted in their ability to endure the costs of the coercion through the selective delivery of goods and resources. Since their coalition of support includes a broader mass base and popularity, it is harder for democratic regimes to offer positive inducements to retain their constituents' loyalty compared to non-democratic regimes. Further, because of the strict rule of law traditions and functioning checks and balances systems, democratic governments are also unlikely to quell growing opposition instigated by the economic suffering through repression. Therefore, democracies have more incentives to acquiesce in order to remain in office. Studies also show that sanctions can also be effective against personalist regimes because of their lack of strong political capability and developed institutions, while single-party and military regimes, on the other hand, are unlikely to capitulate to the sender's demands (Escriba-Folch and Wright 2010; 2015; Peksen 2019).

One major shortcoming of the relevant research on sanctions focusing on economic ties and political regimes is that this strand of the literature assumes that trade ties and political regimes influence sanctions outcomes independently without distinguishing the winners and losers in sanctions episodes. The basic premise made in these works of literature is that the ruling coalition in autocratic regimes always have the motivations to suffer sanctions and do better in escaping the intended costs of the coercion to their support base compared to democratic leaders, no matter how much damage sanctions could cause on the target's economy and what certain groups within the target are more harmed. Notably, the focus on the target state as the unique player acting in sanctions episodes fails to capture the micro-foundations of

sanctions success. Unfortunately, only a few works have pointed out that economic factors of sanctions success disproportionately affect groups in the targeted country (Lektzian and Patterson 2015; Early and Peksen 2020). Early and Peksen (2020) argue that shadow economies hamper democratic targets' ability to resist sanctions by creating budgetary resource demands and deficits, and therefore leaders in democratic countries are more likely to concede to sanctions compared to autocracies. Similarly, Lektzian and Patterson (2015) find empirical evidence that sanctions are more successful when sanctions can hurt the group with political power relative to potential challengers. However, it is still unclear which factors cause the disproportionate distribution of the costs associated with sanctions in the target state.

Building from the studies discussed above, I demonstrate the interactive effect between the target's trade openness and the target's institutional structure on sanctions effectiveness. Figure 4.1 shows the numbers of sanctions onset grouped by the target's political regime types based on the data used in my analysis and the distribution of trade openness for autocratic regimes and democratic regimes separately. According to the figure, during the timespan of my analysis (1962-2005), 369 sanctions episodes are targeted democratic regimes, and 157 are targeted autocratic regimes (including military, personalist, and single-party regimes). Somehow surprisingly, according to the box-plot of trade openness distribution across different regime types, it shows that autocratic targets have higher trade openness compared to democratic targets on average. The fact deviates from our intuition that democracies adopt more open trade policies, which support the democracy-led liberal trade regime. It is probably because the authoritarian leaders are more responsive to trading interests and are more likely to adopt open trade policies to maximize their interests since she is one, compared to democratic leaders. Therefore, sanctions should have a more negative impact on the non-democratic targets whose economies heavily rely on international trade (Peksen and Son 2015; Pond 2017; Hatipoglu and Peksen 2018; Early and

Peksen 2019; Jeong 2020b;a). This fact creates an emerging puzzle in sanctions literature: how political leaders in power in autocratic regimes more successfully avoid the harm of trade interruptions than leaders in democratic countries do, given that authoritarian targets' economies more heavily rely on international trade, although implementing repression is possible but costly. It becomes essential to distinguish between winners and losers in sanctions episodes in different political regimes and their capabilities to make prompt policy changes, with different trade openness levels to understand target resistance and acquiescence in sanctions better.

Building upon the extant literature on economic sanctions and political institutions, the primary purpose of this chapter is to assess the possible crossover interaction effect between trade openness and domestic institutions on sanctions outcomes. Thus, this study offers a more complex and nuanced examination of the connection between economic factors, political institutions, and sanctions effectiveness.

4.2 Theoretical Model: Trade Openness, Public Choice, and Target Acquiescence

Sanctions-induced economic disruptions and hardships have a wide range of adverse economic impacts on target economies. A volume of sanctions literature has explored the extent to which economic coercion affects the economic performance of the targets' economies. These studies examine the performance indicators of economic growth, inflation, unemployment, foreign direct investment, global investment, private property and wealth, financial and monetary crises, and stock markets (Hufbauer et al. 2007; Biglaiser and Lektzian 2011; Dizaji and van Bergeijk 2013; Lektzian and Biglaiser 2013; Neuenkirch and Neumeier 2015; Peksen and Son 2015; Peksen 2017; Hatipoglu and Peksen 2018; Biglaiser and Lektzian 2020). Intuitively, sanctions negatively impact targets' economies when the targets' economies heavily rely on international trade. From the liberal perspective, targets are expected to secure their long-term sustainability of economic growth and the consistency of open trade policies in sanc-

tions episodes, especially when these countries are trade-open countries and therefore are very likely to make concessions to sender demands in order to resume trade. However, sanctions are known to have a disproportionate economic impact on citizens of the targeted country rather than the leadership (Drury and Li 2006; Lopez and Cortright 1997) and the economic costs associated with sanctions that disrupt interstate commerce are likely to be felt disproportionately across groups in the targeted country (Lektzian and Patterson 2015). Hence, domestic institutional structures might significantly alter the potential positive relationship between trade openness and target acquiescence, affecting sanctions effectiveness.

Similar to the work by Escriba-Folch and Wright (2010; 2015) on sanctions and the longevity of autocracies, I begin with the fundamental premise that target regimes will remain defiant against sanctions to the extent that they can withstand the possible economic and political burdens of the coercion. Extending from Peksen (2019)'s theory that the decision to defy foreign pressure partially depends on a target regime's ability (1) to provide positive inducements to its support coalition, and (2) to use repression to quell dissent, I theorize that such a defiant capability and motivation are conditional on the target country's trade openness and institutional structure. In general, material incentives and political repression are two possible instruments that the target might employ to maintain the domestic stability when sanctions episodes harm the supporters' economic interests, (Wintrobe 1998; Bueno de Mesquita et al. 2003) or when sanctions episodes raise the level of public criticism, protests, and demonstrations against the government (Allen 2008a). However, trade openness might significantly affect the motivation and feasibility of different regimes to employ these two instruments, thereby affecting the target's resistance to sanctions.

Autocracies care trade. Chang and Wu (2016) find empirical evidence that autocracies prefer to sign trade agreements because PTAs help dictators reduce economic inequality by enriching poor laborers and thereby attenuate the threat of regime col-

lapse. Additionally, more stable autocratic regimes will have longer time horizons and, therefore, more generous incentives to adopt open trade policies (Hankla and Kuthy 2013). The informational theory of autocracy holds that dictators survive by convincing the public, primarily through adopting open trade policies in modernization behind recent global political trends demonstrating their competency, rather than employing force or ideology (Guriev and Treisman 2019; 2020b). If citizens conclude that the leader is incompetent, they overthrow him. Since citizens do not directly observe the leader's type in less democratic regimes, the informative effect increases when the target countries have a higher level of trade openness because manipulating information is more difficult when the trade is terribly interrupted by sanctions. To conclude, autocracies are more sensitive to economic interruptions for several reasons compared to democratic countries. First, trade matters in autocracies while greater repression actually predicts lower approval (Guriev and Treisman 2020a). Therefore, it is essential for the ruling party in autocracies to secure victories through direct economic appeals from the continuous and stable accumulation of trade gains and to secure the regime's ability to distribute rents and prevent their "loyal friends" forming subversive coalitions both by members of the ruling elite and by outside rivals (Magaloni 2008). Second, voters penalize incumbents when economic volatility increases. Democracies, compared to autocracies, are characterized by less volatility in economic growth rates. Democratic stability does not appear to arise because democracies ameliorate the effects of social cleavages (Quinn 2001). Therefore, the relationship between economic performance and votes should be less pronounced in more democratic regimes. Third, economic performance has a more significant impact on voting where clarity of responsibility was greater (Powell and Whitten 1993). According to Powell and Whitten (1993), "true minority governments...are less likely to lose votes in elections than are their majoritarian counterparts, and voters seem less likely to penalize incumbent governments that are made up of multiple parties"

(pg.410). Therefore, incumbents in less democratic regimes should be more sensitive to trade interruptions because fewer institutional actors are responsible for economic growth. Furthermore, ruling coalitions in autocracies have a greater opportunity to receive credit or blame for the effect of policies given the absence of term limits and thus should be more responsive to sanctions compared to incumbents in more democratic regimes. According to the above discussion, I argue that democracies and non-democracies are comparable in their sensitivity and responsiveness to trade openness, looking into the different electoral institutions of the different regimes when trade openness is high.

For the first instrument that the target might employ to maintain the domestic stability, to protect its supporters in autocratic regimes and the constituency in democracies from adverse economic effects of sanctions, target leaders might supply a range of material incentives to maintain their supporters or constituency's welfare gain. This, in turn, maintains their cooperation levels from their support base and thus enhances leadership stability (Wintrobe 1998; Bueno de Mesquita et al. 2003; Escriba-Folch and Wright 2010; 2015). In political regimes with small ruling coalitions in less democratic countries, leaders tend to selectively distribute rewards and perks, such as targeted tax breaks and transfers and scarce goods access. As the support base's size increases in more democratic countries, the regime would be more inclined to provide public goods and services to all citizens or a large segment of the citizenry. The implicit assumption behind the rationale in sanctions literature is that sanctions always precisely hurt the supporters' interest. Compared to authoritarian regimes, leaders in democracies are more attentive to the public's welfare in general (Allen 2005; Lektzian and Souva 2007; Allen 2008b). However, this fact also undermines their capabilities to retain power by not adversely affecting the well-being of the electorate in resistance if sanctioned. As a result, democratic governments are more likely to make concessions to foreign pressure because the larger size of their

support base (compared to autocracies) restricts their ability to offer positive inducements to minimize defections from their support coalition (Peksen 2019). The above reasoning follows that authoritarian regimes are more resistant to sanctions, given that nondemocratic governments can redistribute goods and resources to offset the economic loss for a smaller size of supporters with few structural constraints.

Political repression is another strategy the sanctioned regimes might pursue to maintain the status quo. The poverty, unemployment, and other adverse economic conditions caused by sanctions are important sources of economic grievances and dissatisfaction against the government, especially among economically marginalized groups (Allen 2008a; Weiss 1999). Earlier research finds evidence that target leaders employ a range of repressive tactics such as torture, political imprisonment, media censorship, and the curtailment of political pluralism and participation in response to dissent and opposition (Wood 2008; Peksen 2009; Peksen and Drury 2010). In this sense, the use of repressive tools subsequently helps the regime avert their authority's erosion. Peksen (2019) contends that democratic governments are more constrained by various institutional mechanisms such as the strong systems of checks and balances and removal of the government through the popular vote (McCormick and Mitchell 1997; Davenport 1999; Poe et al. 1999), and thus are more likely to defer to the demands of sender countries to cease the economic suffering and eventually remain in power.

However, these two possible instruments that the target might employ to maintain the domestic stability only explain the non-democratic target's resistance to sanctions episodes in the ideal cases that sanctions proportionately harm the ruling coalition and its opponents in the target country and the target's economy does not heavily rely on trade. In fact, this is not always the case (Lektzian and Patterson 2015; Early and Peksen 2020). Autocracies might be more vulnerable to trade interruptions when they have relatively higher trade openness compared to democracies from the per-

spective of political leaders in power. It is because the political leaders in autocracies are the major beneficiaries. Otherwise, trade would not be open. Further, if sanctions enhance the political effectiveness of the opposition groups within the target, then the prices of both repression and loyalty will increase. Therefore, relatively speaking, target leaders are more likely to acquiesce since sanctions favor their domestic adversaries because the ruling coalition in authoritarian regimes is the largest beneficiary in trade. In contrast, consistent with the public choice literature, if the sanctions harm the target country's economy to such an extent as to impoverish the public, the domestic opposition's ability to exert influence might be weakened (Kaempfer et al. 2004). This counterproductive effect of sanctions is expected to be more pronounced in more democratic countries since trade is proportionately beneficial for the ruling coalition and the public in democratic countries compared to the welfare distribution in autocracies. Hence, in more democratic countries, the ruling party and the constituents are more proportionately harmed. Therefore, democratic countries should be less responsive to trade interruptions than autocracies when trade openness is high. The ruling coalition is disproportionately more harmed (because she is the one who benefits more from trade).

Similarly, Kaempfer and Lowenberg (1988)'s public choice approach holds that sanctions work better if they weaken those interest groups' economic and political power that support the objectional policy rather than harming the opposition's well-being and the target society as a whole. Sanctions can weaken the incumbent regime and strengthen its opponents and provide them with the opportunities to exercise their newfound strength in autocratic (or less democratic) countries. This is because trade is disproportionately beneficial for the ruling coalition and its opponents due to the nature of the autocratic institutional structure, which favors the ruling coalition and suppresses the opposition. When trade-open target states are autocracies, sanctions harm the incumbent ruling coalition more than they do to the opposition

because incumbents benefit more from trade than the public as well as their opponents before the trade is interrupted. Relatively speaking, the opposition is less weakened in autocracies in sanctions. Suppose sanctions disproportionately harm the incumbent coalition, either through a relative decline in available resources or through increasing the regime's costs of implementing repression and patronage. In this case, the sanctioner could create a situation where their objectives are more likely to be achieved. Moreover, the regime's capability to repress dissent might increase if an indigent populace is more readily policed in more democratic countries. Therefore, a trade-open autocracy is more likely to acquiesce, while a trade-closed democracy is less likely to acquiesce when trade openness is high.

Additionally, democracy reduces income inequality (Reuveny and Li 2003). Democracies are likely to implement policies that reduce wealth inequality simply because democracy redistributes political power in favor of the majority and therefore has more votes than the wealthy and thus involves equalizing policies (Lenski 1966; Acemoglu and Robinson 2000; 2006; Boix 2003). Although these arguments have been challenged on multiple fronts (Scheve and Stasavage 2017), the bottom line is that democracy can result in changes in fiscal redistribution and economic structure that favor the welfare gain on average compared to non-democracies (Acemoglu et al. 2015).[2] Therefore, democracies ameliorate the effects of social cleavages when the trade is harmed since democracy can result in changes in fiscal redistribution and economic structure that favor the welfare gain on average compared to non-democracies (Acemoglu et al. 2015), while less democratic countries fail to accomplish this as effectively as more democratic countries and thus are less defiant following sanctions

[2]See Haggard and Kaufman (2012) and Ansell and Samuels (2014) on regime change as well as Acemoglu et al. (2015) on whether democracy leads to lower inequality. Boix (2015) provides a further important discussion of the relationship between democracy and inequality.

episodes, especially when trade openness is high. In line with the discussion above, I advance the following hypotheses:

Hypothesis 7. *When trade openness is high, the target is more likely to resist sanctions as the extent to which the ideal of electoral democracy in its fullest sense achieved increases.*

Hypothesis 8. *Within countries that adopt open trade policies, authoritarian regimes are more likely to acquiesce in sanctions compared to democratic regimes.*

4.3 Data and Methods

To test my hypothesis developed in the previous section, I conduct a large N empirical analysis using the sanctions cases initiated between 1962 and 2005 documented by TIES data set (Morgan et al. 2014). This time frame is delimited on the left by the availability of data used to calculate trade openness and the right by the availability of sanctions data. The unit of analysis is the sanctions case. My dependent variable is *target acquiescence*, a dichotomous variable equal to 1 if the target gives in to sender demands and equal to 0 otherwise. The TIES data distinguish between complete and partial acquiescence; accordingly, I specify multiple versions of this variable. First, I code target acquiescence only if TIES reports total acquiescence by the target, i.e., it is coded one if the targeted state acquiesces to all of the sender's demands following the sanctions episode, and zero otherwise. Second, I create a broader measure of acquiescence that includes total or partial acquiescence equal to 1, otherwise zero. In the supplemental appendix, I code an ordinal version of the dependent variable with three categories (from lowest to highest acquiescence): no target acquiescence (=0), partial acquiescence (=1), and total acquiescence (=2). The results remain consistent. I code dependent variables for the year t, while all other variables are coded for the year $t-1$, to preclude feedback bias. Since the outcome variable *target acquiescence* is dichotomous, I estimate logistic models to test my hypothesis. In this

test period covered by TIES, the final outcome variable is not coded in TIES for 367 cases either because cases are still ongoing or the data are missing. I consider these ongoing cases with the outcome of the target's resistance since the target has not acquiesced as the date reported.[3]

4.3.1 Independent Variables: Trade Openness and Institutional Characteristics

Trade Openness

To determine whether different regimes with different institutional characteristics view trade differently and to determine whether the ruling coalition and the electorate benefit from trade proportionately and thus respond to sanctions divergently, I first measure the level of trade openness at the start of sanctions. *Trade openness* is commonly measured as the natural log of the target's total trade flows (exports and imports) as a percentage of its GDP (Russett and Oneal 2001). I follow this operationalization and use the UN Comtrade data (ranging from 1962 to 2005) to code this variable. A higher value of *trade openness* indicates more open trade and that the target's economy (measured by GDP) relies more on international trade.

Electoral Democracy Index

I then adopt the *Electoral Democracy Index* variable from the V-Dem data set to distinguish different institutional characteristics of different regime types with a focal point on the electoral institution.[4] It helps me better approximate how dispropor-

[3]The results are consistent when I drop these sanctions episodes from the analysis.

[4]There are many dimensions to democracy. For example, the measurement of veto players (Jeong and Peksen 2019) focuses on institutional constraints. The measurement of political cleavages (i.e., abundant factor vs. scarce factor) (Lektzian and Patterson 2015) emphasizes political segments. Polity score (Marshall and Jaggers 2014) is commonly used while failing to capture structural democracy. I focus on the government's representativeness and responsiveness to the public, using the EDI variable.

tionately the ruling coalition and the public (as well as the incumbent government's opponents) benefit from trade to look into the target country's electoral institutions. The index of electoral democracy is formed by taking the weighted average of the indices measuring freedom of association thick, clean elections, freedom of expression, elected officials, and suffrage (V-Dem Codebook).[5] Therefore, it is more prevalent that trade is the welfare gain on average in the target state with a higher EDI score. The *Electoral Democracy Index* variable ranges between 0 to 1. A higher electoral democracy score thus represents a more representative and responsible government. In these countries with a higher EDI score, open trade benefits more proportionately for both the incumbents and the public (including the incumbents' opponents). In contrast, autocracies receive a lower EDI score, and the incumbents receive more benefits from trade than the public and especially their opponents.

Figure 4.2 illustrates the association between the *electoral democracy index* variable and the *trade openness* variable. The graph includes all target states between 1962 and 2005. Different colors indicate different years in which these countries are documented. According to the graph, Singapore has the highest trade openness and a relatively low EDI score. Saudi Arabia has the lowest EDI score, while its economy moderately relies on trade. Some most democratic countries (with a high EDI score), for instance, Belgium and Switzerland, have very high trade openness, while democratic countries like Norway and India have relatively low trade openness. Overall, there is a relatively large variation of the distribution of trade openness across different regimes. Again, this distribution verifies the necessity to examine the possi-

[5]The electoral principle of democracy seeks to embody the core value of making rulers responsive to citizens, achieved through electoral competition for the electorate's approval under circumstances when suffrage is extensive; political and civil society organizations can operate freely; elections are clean and not marred by fraud or systematic irregularities, and elections affect the composition of the chief executive of the country.

ble interaction effect between trade openness and domestic institutions on sanctions outcomes.

Democracy

As an alternative, I identify democratic targets with a dichotomous variable coded one if a target's 21-point combined Polity score is greater than six, otherwise zero (Marshall and Jaggers 2014). The *Polity Score* is computed by subtracting the *AUTOC*[6] score from the *DEMOC*[7] score, ranging from +10 (strongly democratic) to −10 (strongly autocratic). The purpose of adopting *Democracy* variable as an alternative is to make my study and results comparable to existing works, given that prior focus on regime types tended to be narrowly limited to using Polity scores.

Regime Types

I also apply different approaches to categorizing regime types. First, among democracies, I distinguish proportional representation (PR) from majoritarian (SMDP) electoral systems and identify authoritarian regimes (specifically including closed autocracies and electoral autocracies) using data from V-Dem version 8 (Coppedge et al. 2020). In the alternate model, I omit the trichotomous regime type/electoral system variable in favor of a more nuanced categorization of the authoritarian regime.[8]. The data for the political regimes come from Geddes et al. (2014). The regime type vari-

[6]It is aggregated by the values of indicators of Competitiveness of Executive Recruitment, Regulation of Participation, and Openness of Executive Recruitment, Constraint on Chief Executive, and Competitiveness of Political Participation.

[7]It is aggregated by the values of indicators of Competitiveness of Executive Recruitment, Openness of Executive Recruitment, Constraint on Chief Executive, and Competitiveness of Political Participation.

[8]The classification of the autocratic political regimes is based on whether policy decision, leadership selection, or the security apparatus is under the control of the military institution (*Military*), a royal family, or a small group centered around an individual autocrat (*Personal*), or a dominant party (*Single Party*).

able controls for four binary variables: *Democracy, Military, Personal, and Single Party*. These variables are mutually exclusive and exhaustive. The reference group is democracy. At last, with a focus on democracies, I adopt the measure of institutionalized popular inclusion from Joshi et al. (2019). This IRT-estimated variable, which the authors call the Institutional Democracy Index (IDI), captures an ensemble of indicators capturing participation (universal suffrage, automatic voter registration, and compulsory voting), limits on elite veto players (unicameralism), and a more fine-grained indicator of the electoral system.

Institutional Features

The last set of explanatory variables measure the institutional features that could constrain the target's capability and flexibility to make policy changes in accordance with the sender's demands. These variables include *legislative constraints on the executive index*, *judicial constraints on the executive index*, and *party institutionalization index*. These variables range from zero to one. A higher value indicates more constraints on the executive power. For the *party institutionalization index* variable, a higher score on these attributes generally indicates a more institutionalized party system.

4.3.2 Additional Control Variables

I control for a set of control variables to account for the major covariates of sanctions success. First of all, I control for the presence of the target's third-party rival, given the findings in chapter 3. Next, I control for the presence of the target's third-party ally. The target is less vulnerable to sanctions when its allies are wealthy if any, and thus are expected to be more defiant following sanctions (Peksen and Peterson 2016). The *third-party ally* variable captures the possibility that the target's allies (if any)

defend the target during sanctions. The COW Formal Alliance (v.4.1) data (Gibler 2009) is used to capture third-party commitments to defend the target.[9]

To measure economic ties between the sender state and the target country, I adopt the *target trade dependence* measurement, which is calculated by dividing the target's total trade (exports and imports) with the sender by the target's GDP. It assesses the extent of a target state's reliance on trade with the sender. Target countries economically dependent on the sender might be more inclined to give in to the external pressure. The trade data are from Barbieri et al. (2009).

I also include the *institutional sanction* variable to account for the expectation that sanctions under the auspices of international institutions are more effective in achieving their intended policy objectives (Doxey 1987; Martin 1993; Bapat and Morgan 2009). It is a binary measure coded one if an international institution is a sender and zero otherwise. Sanctions led by international institutions might be more successful as multiple states exert pressure and thus limit the availability of alternative markets and third-party states for the target to redirect its trade and financial relations.

I also account for sanctions imposition. The *imposition* variable is coded one if a sanction is eventually imposed, otherwise zero.

Earlier research finds a significant association between the issue under dispute and sanctions success (Lindsay 1986; Ang and Peksen 2007). Sender states might be more motivated to see economic coercion success in disputes involving major political issues. I add the *trade issue* variable to my models to control for this assumption. Specifically, I code a binary variable equal to one when sanctions episodes solely

[9]Available at: http://www.correlatesofwar.org/data-sets/formal-alliances. The network method allows going beyond the dyadic approach and capturing greater variation in international relations. See Cranmer et al. (2014) and Cranmer and Desmarais (2016) for examples. However, since it is unclear how third-party allies might collaborate to defend the target state, I only adopt the dichotomous measure for the dyadic alliance relationship between the target and its third-party allies to capture the possibility of support during sanctions.

involve trade or environmental issues, otherwise zero. Finally, I identify the United States as a sender, given its unique status as a global hegemon that uses sanctions often. The detailed summary statistics of all my variables used in my models are presented in Appendix tables.

4.4 Analysis

The results of my statistical analysis show strong support for my hypothesis. Specifically, I find evidence that the potential target's trade openness influences the likelihood that the target acquiesces following sanctions threat in specifically authoritarian regimes.[10] However, as the target regime becomes more democratic (i.e., as the EDI increases), this association diminishes in magnitude and loses statistical significance. Table 4.1 presents the results of six logit models examining target *complete acquiescence*. Models 1 and 2 use *electoral democracy index* and *polity score* to measure the target's democracy respectively. Models 3, 4, and 5 examine the impact of different institutional features on the target's acquiescence following sanctions. Looking within democracies, in Model 5, the refined alternative measurement of democracy is the *institutional democracy index*. Examining the target's complete acquiescence, I find that the *trade openness* coefficient is positive and significant in models 1, 3, 4, and 5. In Model 1, because the variable interacts with EDI, the coefficient indicates only the impact of an increasing trade openness when the EDI score is equal to 0. Ideally, for the least representative and responsible governments, trade openness is positively associated with target acquiescence. This finding is consistent with my theoretical claims and the existing literature that the authoritarian target is more likely to acquiesce when its economy heavily relies on international trade because she is the one to whom she is responsive.

[10] A EDI score of zero represents the least representative and responsible government, although such an EDI score of zero does not exist.

From Model 1, examining the probability of target complete acquiescence, when EDI equals zero and holding the target characteristics of no third-party rival and no ally presence, with a median trade dependence on the sender of 0.031, and holding the sanctions episode features of the lack of international institution's support, sanctions threat on non-economic and non-environmental issues by a non-US sender, I find that an increase from zero trade openness to its median of 0.241 is associated with an increase in the probability of the target's acquiescence from 0.20 to 0.36, with a 77.51% increase.

The coefficient for EDI is also positive and significant in Model 1, given that trade openness equals zero. This seemingly violates the conventional wisdom that democracies are more likely to acquiesce to sanctions episodes. However, the coefficient for solely EDI is meaningless in reality, given that no one would actually care for sanctions if a country does not trade with other countries at all. The interaction term is negative and significant in Model 1. Although this result could suggest that the marginal effect of trade openness decreases as EDI increases, interaction terms offer little explanatory power in nonlinear models (Norton et al. 2004). Accordingly, I turn to Figure 4.3 to illustrate my conditional marginal effects.

In the upper-left plot of 4.3, the solid line indicates the probability of the target's complete acquiescence for states with low (10^{th} percentile) EDI (i.e., less democratic regimes) over the range spanning the 10^{th} to 90^{th} percentile of trade openness. The dashed line indicates the probability of the target's total acquiescence for states with high (90^{th} percentile) values of EDI (i.e., more democratic regimes) over the same range of trade openness. Shaded 95% confidence bounds accompany both lines. The upper-right plot complements these predictions with an illustration of the marginal effect of trade openness conditional on the value of EDI. The upper-left plot shows that when the target government's representativeness and responsiveness are low (i.e., when EDI is held at its 10^{th} percentile), an increase in target trade openness from its

10^{th} to 90^{th} percentile is associated with an increase in the probability of acquiescence, from roughly 0.1 to 0.25. However, when the target has a high value of EDI (i.e., when EDI is held at its 90^{th} percentile), an increase in target trade openness from its 10^{th} to 90^{th} percentile is associated with a decrease in the probability of acquiescence, from roughly 0.26 to 0.05. The top-right graph shows the same pattern: at lower levels of target EDI, trade openness has a positive and significant marginal effect on the probability of target acquiescence. However, this marginal effect diminishes and turns to be negative as target EDI increases. These findings provide support for my hypothesis.

The middle two plots in Figure 4.3 illustrate the "other side" of the interaction (Berry et al. 2012). Specifically, the middle-left plot illustrates the probability of target acquiescence for the 10^{th} (solid line) to 90^{th} (dashed line) percentile of the value of trade openness, over the range of low (10^{th} percentile) to high (90^{th} percentile) values of target EDI on the x-axis. The middle-right plot illustrates the conditional marginal effect of target EDI over the same range of target trade openness. As expected, these plots show that the EDI's effect on target acquiescence is less pronounced (i.e., democracies are less likely to acquiesce) when target trade openness increases. Thus, again, these results support my hypothesis.

Models 3-5 in Table 4.1 show that the interaction terms between *trade openness* and institutional features (i.e., *legislative constraints, judicial constraints, and party institutionalization* are negative and significant). These coefficients indicate that the positive impact of trade openness on the target's acquiescence decreases as the target faces more institutional constraints.

Turning to tests on domestic institutions' effect using a different measurement of *democracy*, Table 4.1 presents coefficients and 95% confidence bounds for three models examining the target's acquiescence. Model 1 examines the impact of the three-level regime type variable on the target's acquiescence. Model 2 uses a four-level regime

type variable with a more detailed categorization of the authoritarian regimes (i.e., military, single party, personalist, and democracy as the reference group). In model 3, the explanatory variable simply divides regimes into democracy and non-democracy. Results from Models 1-3 in Table 4.1 remain consistent with my hypothesis that the positive impact of trade openness on target acquiescence is less pronounced in democracies compared to non-democracies. As above, I use visualizations to provide a complete explanation of probabilities and marginal effects associated with the interaction of trade openness and regime type (i.e., democracy vs. non-democracy) displayed in Model 3.

Specifically, the bottom two plots in Figure 4.3 illustrate the interaction as estimated in Model 3 from Table 4.1. These two figures are set up like the other four in Figure 4.3, distinct only in terms of a part of the interaction term takes dichotomous values (i.e., 0 for non-democracy vs. 1 for democracy). In the bottom-left plot, the solid line indicates the probability of democratic target acquiescence. The dashed line demonstrates the probability of non-democratic target acquiescence. For democracies, trade openness is negatively associated with acquiescence. For non-democracies, trade openness is positively associated with acquiescence. The bottom-right plot shows that democracy is associated with a negative association between trade openness and target acquiescence, while non-democracy is associated with a positive association between trade openness and target acquiescence.

4.5 Conclusion

Moving to the target's domestic environment in which the target responds to sanctions, this chapter examines the interactive impact of trade openness and institutions on the probability of sanctions success. I assert that institutional structure, conditional on trade openness, motivates and constrains the target's leaders' decision to defy foreign pressure. Sanctions are more likely to succeed when they disproportionately harm the ruling coalition and the public in authoritarian regimes which adopt open-trade policies. Sanctions are less likely to succeed when institutions blur responsibility and ameliorate social cleavages introduced by trade interruptions in democratic countries, although trade openness is high in these countries. Additionally, it is difficult for the target government to adjust its policies to acquiesce sanctions in accordance with the senders' demands when the political leaders are subject to strong institutional constraints (such as legislative constraints, judicial constraints, and party institutionalization), especially when many beneficiaries dilute the harm of economic coercion in trade-open countries. It follows that sender states need greater awareness of the target's overall economic structure and the target state's institutional structure if they want to induce concessions from the target effectively.

My dissertation provides several avenues for substantively and methodologically innovative future projects. I am particularly interested in extending my dissertation into a book with a more nuanced analysis of the international environment network in which the target survives, further considering the relationship between the sender and the target's third-party rivals. Specifically, I intend to add a chapter to disentangle the impact of a triadic relationship among the sender, the target, and the target's third-party rivals (for instance, US-Pakistan-India) on sanctions use and sanctions efficacy using network analysis and another emphasizing the impact of complex interactions between systemic and domestic factors on sanctions propensities.

Table 4.1: Coefficient and 95 percent confidence bounds examining target acquiescence following sanctions threat

	Complete Acquiescence		
	(1)	(2)	(3)
Trade openness	−2.05	−3.15***	1.24
	(−4.92, 0.83)	(−5.38, −0.92)	(−0.25, 2.73)
Authoritarian	−1.24**		
	(−2.25, −0.22)		
Democracy-PR	−0.33		
	(−1.73, 1.07)		
Military		−1.33	
		(−3.47, 0.81)	
Single party		−2.13***	
		(−3.29, −0.96)	
Personalist		−3.48*	
		(−7.21, 0.25)	
Democracy			0.86**
			(0.00, 1.73)
Openness x authoritarian	3.41**		
	(0.38, 6.45)		
Openness x democracy-PR	−1.20		
	(−5.79, 3.39)		
Openness x military		7.34*	
		(−0.45, 15.13)	
Openness x single party		4.26***	
		(1.51, 7.01)	
Openness x personalist		20.31**	
		(0.19, 40.44)	
Openness x democracy			−3.48***
			(−5.88, −1.09)
Third-party rival	−0.31	−0.44	−0.28
	(−0.80, 0.17)	(−0.97, 0.09)	(−0.76, 0.21)
Third-party ally	−0.74**	−1.18***	−0.58**
	(−1.35, −0.14)	(−1.85, −0.50)	(−1.16, −0.00)
Constant	−0.03	0.46	−1.29***
Observations	628	606	635
Log Likelihood	−233.37	−211.58	−243.35

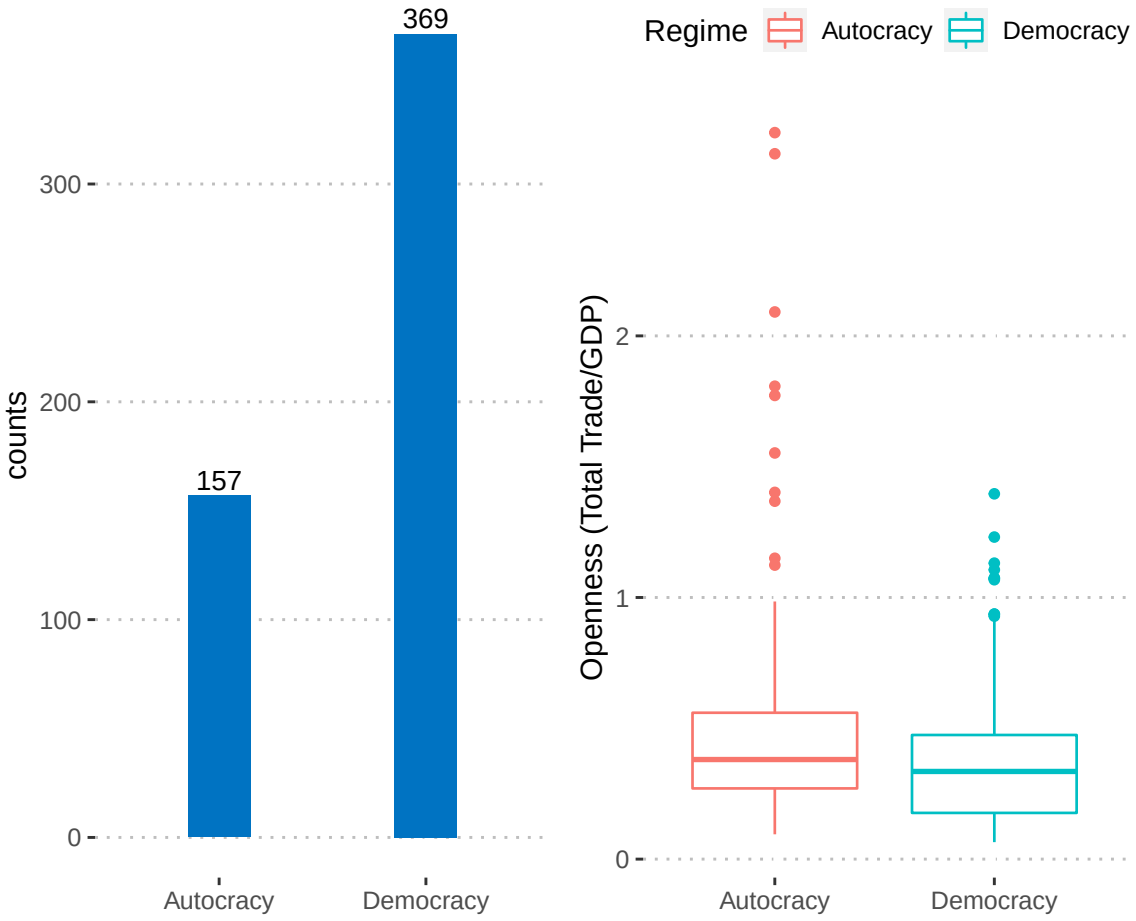

Figure 4.1: Sanctions Initiations by Target Regime Types and Distribution of Trade Openness (1962-2005)

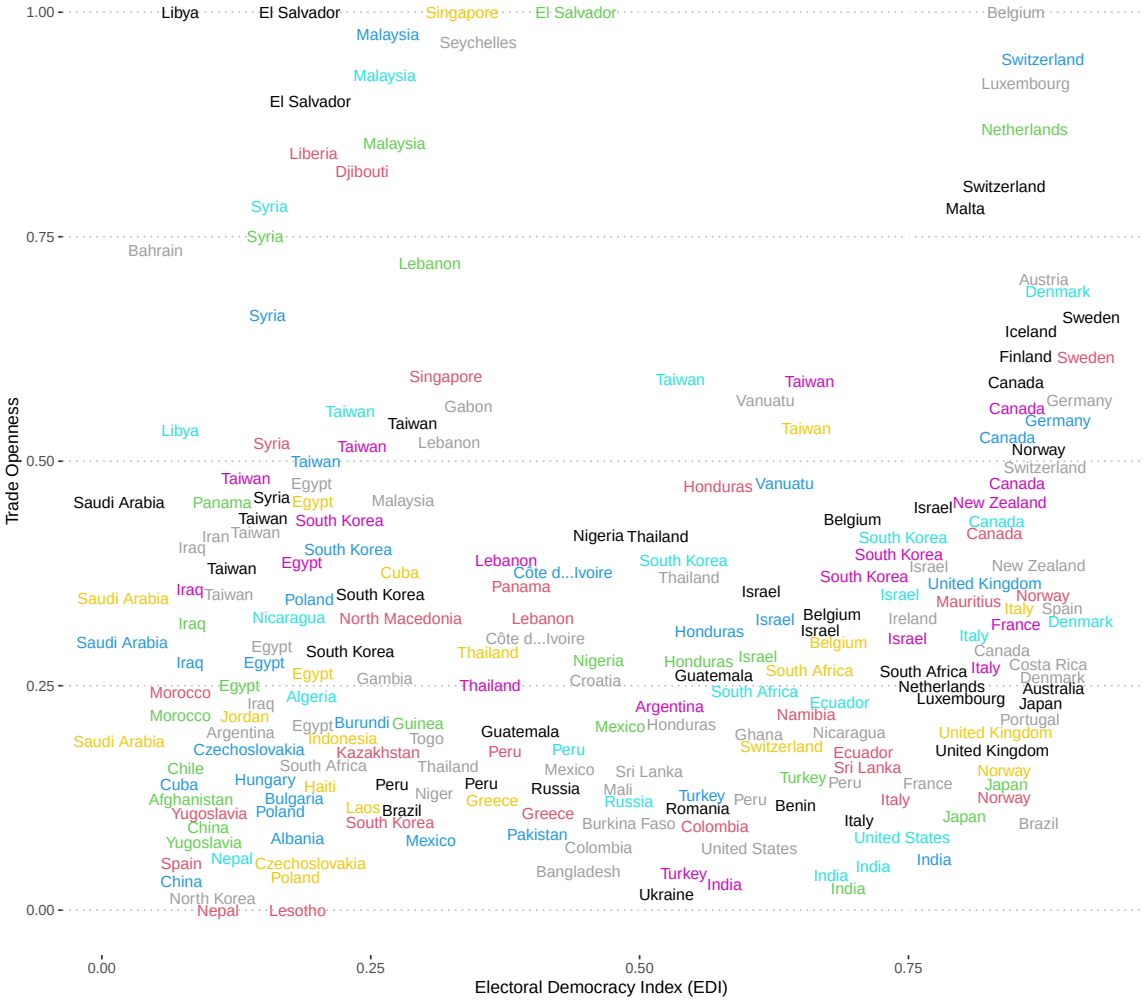

Figure 4.2: Textplot of Trade Openness against Electoral Democracy Index

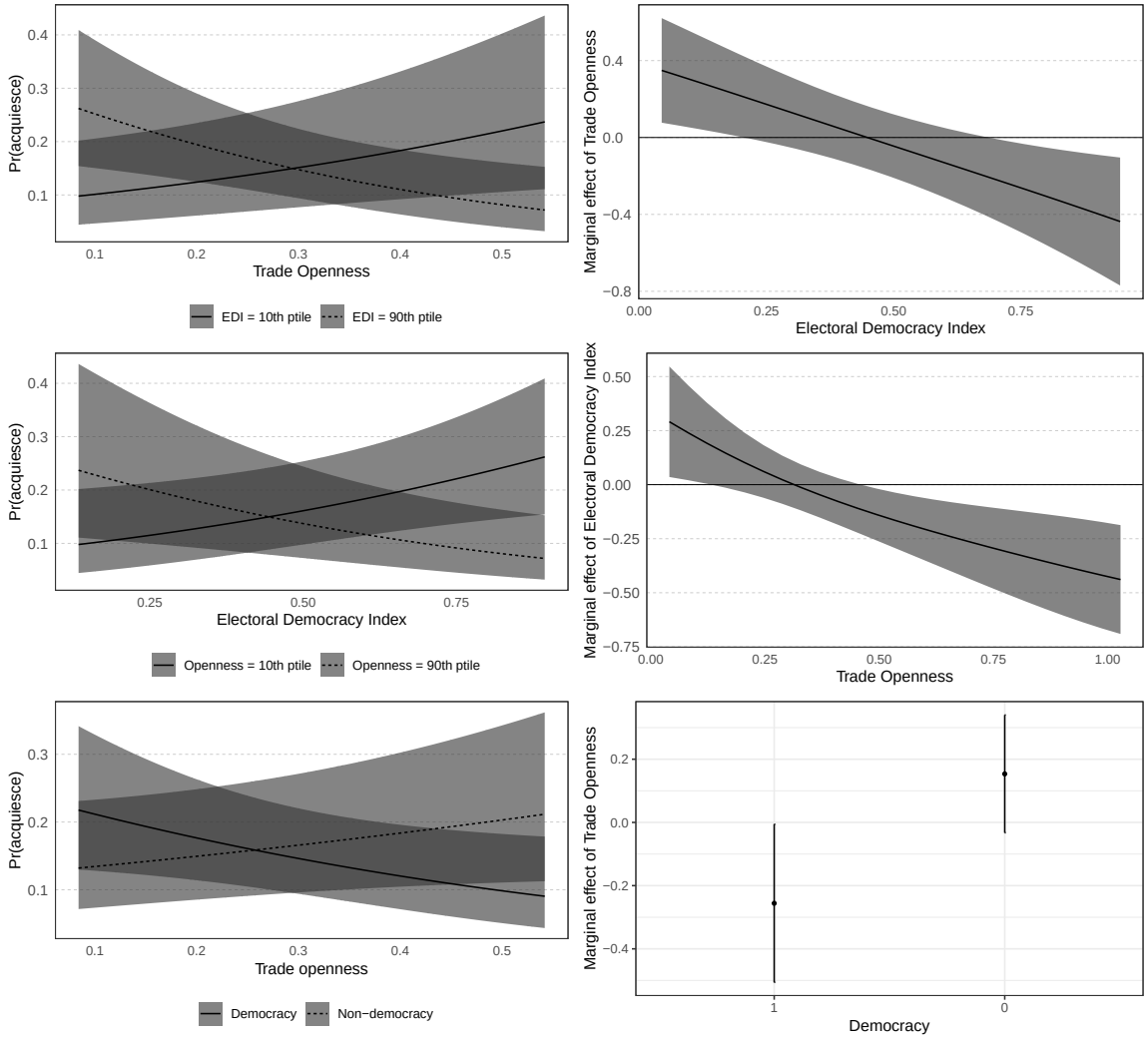

Figure 4.3: Visualization of the interaction terms of *Trade openness x EDI Trade openness x democracy*

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