

# **The Domestic Political Costs of Economic Sanctions**

**Susan Hannah Allen**

**Texas Tech University**

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## *Abstract*

Marinov (2005) demonstrates that the imposition of sanctions can be costly for targeted leaders, but where do those costs come from? Many explanations of how sanctions work implicitly assume the targeted population to be one important source of these political costs, but this assumption has not been tested. Do economic sanctions lead to an increase in anti-government activity? How does the domestic political system of the targeted state affect the likelihood of anti-government behavior?

In this paper, I examine the impact that sanctions have on political activity within the target state. The findings suggest that sanctions may increase anti-government activity, but that increase is mitigated by the domestic political structures of the target state. In autocratic targets, political violence is less likely. These results suggest that sanctions may further handicap groups opposing exclusionary regimes, contrary to the desire of senders, who may hope to aid grassroots action within targeted states.

# Introduction

Despite the frequency with which economic sanctions are implemented, very little is understood about how these measures can and do bring about the political change they are initiated to create. With so much attention on whether or not sanctions *work*, research addressing why, how and by what processes sanctions influence behavior has only recently begun to emerge (Blanchard and Ripsman 1999/2000; Rowe 2001; Brooks 2002; Kirshner 2002; Marinov 200; Lektzian and Sprecher 2007).

Conventional wisdom suggests that economic sanctions can influence the behavior of leaders by imposing economic hardship on the targeted public who, in turn, will pressure their government to yield to the demands of the initiating states, but there is very little empirical evidence as to whether this is what occurs on the ground in states targeted by sanctions. Efforts to get away from the unitary actor assumption concerning the target state and explore the distributional effects of sanctions move research in the right direction (Kirshner 1997; Rowe 2001; Brooks 2002; Marinov 2005).

Domestic publics judge their political leaders, in part, on the basis of economic performance. If sanctions weaken a target state's economic performance, the population is likely to judge the leaders in power harshly. All actors within a state have tools to demonstrate their dissatisfaction with the regime. As Huntington (1968, 196) points out, "the wealthy bribe; students riot; workers strike; mobs demonstrate; and the military coup." Given this understanding of state-society relations, I examine whether or not these activities increase when economic sanctions are in place.

In this paper, I explore how international economic sanctions can be utilized to the greatest effect to create policy change, probing how economic sanctions affect the domestic political dynamics of targeted states. The findings presented here suggest that domestic political response to sanctions varies greatly by the regime type of the target. As states become more politically open, domestic public can – and do, to some degree – create political costs for leaders who resist sanctions. Conversely, in autocratic states, leaders may actually benefit from sanctions as domestic public

are unable to impose political costs and the economic constraints of sanctions often allow leaders to extract greater rents while overseeing the trade of scarce goods. In light of these findings, current sanctions policy, particularly US sanctions policy which frequently targets states with closed political systems, may be flawed. To increase efficacy, the domestic political institutions of the target state must be taken into account directly.

## Economic Coercion and Political Consequences

The modern concept of sanctioning developed from the early warfare tactic of the siege, whereby an attacker hoped to close off a walled city to such an extent that the citizens inside would be starved into submission (Simons 1999). The basic expectation is that sanctioning states apply economic pressure to bring about a change in political behavior of the targeted states. Despite formal work by Smith (1996) and some anecdotal evidence, I start from the assumption that states that impose sanctions do so in order to inflict economic costs on targets. While signalling may also be an important function of sanctions, senders typically describe their intentions in terms of imposing costs of targets.

Following from the logic of the siege, it is unsurprising that the economic effect of sanctions and the resultant isolation has been considered the single most important predictor of the coercive impact of these measures (Dashti-Gibson, *et al.* 1997; Drury 1998; Crawford 1999; Hart 2000). The Hufbauer, Schott, and Elliott (1990) study shows that successful sanctions have an average economic impact of a 2.4% decrease in GDP while failed sanctions only have an impact of a 1.0% decrease.

Economic effectiveness allows a sender state to put pressure on the economy of the target state with the expectation that economic deprivation caused by sanctions will create shifts in power within the target state. This logic is similar to that which underlies punishment strategies of air power (Pape 1996). When a punishment strategy is utilized (either with air power or economic sanctions), the coercive power attempts to impose costs on civilians. Italian air power strategist and early proponent of punishment strategies, Douhet (1921) perceived that these societal costs

would create mass-elite divisions in society, and a “swift social breakdown” could be achieved if elites could be detached from the masses (Freedman 1998). Douhet, in particular, advocated punishing bombing campaigns against urban centers in order to break the morale of the enemy population with the idea that inflicting high costs on civilians leads to popular uprising and demands for the target government to change its behavior in order to end the suffering of its people.

Recently, the morality of punishment strategies (both in terms of sanctions and air power) has been questioned, and efforts have been made to diminish the general impact of sanctions with the imposition of targeted sanctions, often in the form of financial sanctions on the private wealth of political figures. Theoretically, this is a good solution, but many practical challenges arise in implementation (Cortright, Lopez, and Rogers 2002). The coercive punishment logic is still consistent, however. Even in cases where elites are targeted, sanctioners aim to alter the power relationships within the target state, dividing masses from elites.

In practice, high levels of economic impact, and thus civilian punishment, have not always resulted in compliance by the target state, as recent sanctions episodes in Yugoslavia and Iraq demonstrate. Scholars have noted that there is no easily discernable transmission mechanism that causes social suffering to be translated into political change, even in democratic states, much less autocratic states (Jentleson 1999, Lopez 1999, Baldwin 1985). The economic hardship created by the Serb-led government of the crumbling Former Yugoslavia led not to political action, but to greater focus on survival, causing sanctions to fail (Woodward 1995). While the basic cost hypothesis does depict part of the story of sanctions, it ignores the possibility of adaptation by the target and does not go far enough in its explanation of the coercive mechanism behind sanctions (Galtung 1967; Renwick 1981).

Regardless of the amount of the economic pressure exerted, without political costs, there is no reason for targeted states to comply (Blanchard and Ripsman 1999/2000). Sanctions policies that are thought to fail often do have economic effects, but that impact is not successfully translated into the desired political outcome (Kirshner 1999). To effect change, sanctions must be politically costly relative to the issue at stake between the target and the sender (Morgan and Schwebach 1996).

According to Losman (1979, 128),

“For sanctions to be successful, the economic pressure must be sufficient to unleash domestic political pressure that will either topple an intransigent regime or bring about the adoption of new policies more in accord with the norms of the boycotting nation.”

In order to concede, targeted states must sufficiently value the benefits gained by compliance. When sanctions succeed, the benefits of compliance exceed the value of the offending behavior that triggered the sanctions initially. In this view, sanctions are a bargaining tool, rather than a punitive one. By imposing sanctions, a sending states hope to increase its bargaining leverage over the target. Successful sanctions then serve to encourage dialogue to gain compliance rather than creating isolation to do so (Cortright and Lopez 2000). From this perspective, sanctions may also be designed to create international political costs in addition to the domestic ones that are the focus of this study,<sup>1</sup> but unless there are political costs imposed on the leader, he or she is unlikely to alter the status quo policy.

## Sanctions and the Politics of the Target State

Domestic political change in the target state is often a goal for sanctions-sending states. Roughly twenty percent of cases in the HSE data (1990) have political destabilization of the target state as a goal. A greater percentage (roughly 70%) involve demands for smaller alterations in domestic policies in the target state. How such changes can and do come about is not well understood (Rowe 2001).

As discussed above, according to the most basic understanding of how sanctions bring about political change, the level of economic hardship that sanctions can create within the target state is critical to their success. As the economic pressure rises, coercive influence increases. Bearing the pain of sanctions is not in the national interest of states, especially if the issue at stake is of lesser value.

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<sup>1</sup>For example, Marinov (2005) explores the idea that sanctions may also be imposed to strengthen the bargaining position of the sender *vis-a-vis* the target state. Senders may use the stick of sanctions in order to offer the carrot of lifting the sanctions, but even under these circumstances, domestic politics in the target state are still likely to heighten the desirability of having the sanctions lifted.

Embedded in this understanding of sanctions is the assumption that the opposition in the target state feels a sense of common cause (however vague) with the sender state, and that they will bring further pressure to bear on their government, forcing concession. If domestic politics are so vital to sanctions outcomes, direct consideration of these mechanisms should be included in models of sanctions outcomes.

Following the most conventional logic of the impact of sanctions, the expectation is a positive relationship between economic hardship and internal conflict. When the population feels the pinch of sanctions, this deprivation logic of sanctions anticipates a political response. The idea that the economic hardship caused by sanctions will lead to political action closely resembles relative deprivation theories of political violence (Gurr 1970). While not all anti-government activity that occurs during a given sanctions episode is directly caused by sanctions, the deprivation perspective suggests that there will be a significant increase in anti-government activity under sanctions as the public experiences economic hardship.

From the deprivation perspective, it is assumed that the response of targeted populations will be consistent regardless of the political context. In the face of any external threat, however, the interactions between the ruler and the ruled are complex. The domestic politics of the targeted state may greatly influence the response to sanctions pressure. Drawing on rational actor explanations of political violence (Jenkins and Schock 1992), I explore the possibility that the opportunities afforded by domestic political institutions will moderate the relationship between political action and economic hardship. Following the political opportunities explanation of political violence, I suggest that targeted publics will take action against their government when the benefits associated with such action are high and the costs are reasonably low. When sanctions are in place this pattern should be more pronounced than in their absence.

## **Sanctions and Political Division**

As previously described, the deprivation explanation for the coercive impact of sanctions suggests that there are limits to what a society can and is willing to withstand,

and after that threshold is reached, political disintegration will quickly occur. Following this logic, one likely consequence of sanctions is internal conflict, as sanctions exacerbate divisions in society. As citizens begin to feel the economic pinch of sanctions, they may be motivated to act in order to encourage their government to concede to sanctions pressure.

The idea that economic hardship caused by sanctions will lead to political action closely resembles that of relative deprivation theories of political violence (Gurr 1970), which suggest that when citizens have a sense that they are entitled to a certain level of goods but feel as though they are unable to attain that level (“value expectations” exceed “value capabilities”), their frustrations will lead them to lash out at the government. The economic scarcity caused by sanctions can heighten feelings of deprivation, and relative deprivation theories suggest that these feelings should lead to action against the government. Collective interest in survival leads to collective action.

Drawing on psychological studies, scholars have found a link between economic hardship and human frustration and aggression (Dollard et al. 1939). Unable to attain their “just desserts,” citizens will experience increased frustration as the economic hardship of sanctions affects them more and more. One innately human response to perceived feelings of deprivation is discontent or anger. Anger can lead to acts of aggression and violence. Gurr (1970) suggests, “the frustration-aggression mechanism is in this sense analogous to the law of gravity: men who are frustrated have an innate disposition to do violence to its source in proportion to the intensity of their frustration.”

Societies that are divided or naturally heterogeneous prior to sanctions may become further splintered by the economic effects of sanctions. These divisions will like enhance feelings of deprivation, especially if the economic pain is not equally distributed across groups in society. In Rhodesia, like South Africa, the ethnic minority in power had a vested interest in maintaining the status quo. To this end, the government worked to shield white supporters from the pain of sanctions, which in turn, exacerbated racial tensions. Under sanctions, support for the Rhodesian government increased among among whites, but the white community only accounted

for four percent of the population.<sup>2</sup> The other ninety-six percent of the population felt the international opprobrium of sanctions validated their anti-government efforts (Baldwin 1985).

Inflation and unemployment, which often occur in the wake of severe economic effects of sanctions, further increase the intensity of feelings of deprivation. Under sanctions in the early 1990s, inflation in Haiti increased by 138 percent,<sup>3</sup> while employment in the manufacturing sector dropped by 80 percent (Gibbons 1999). Conditions such as these are likely to create economic discontent, which is a prerequisite for political violence (Gurr 1970).

When the economic burden is not equally spread across the population, the distributional effects of sanctions may heighten feelings of deprivation. Sanctions frequently broaden the gap between rich and poor (Niblock 2001; Gibbons 1999), especially if economic elites are able to profit from black marketeering. The opening of this gap was particularly problematic in Libya in the 1990s because the regime had staunchly touted egalitarianism as a key societal value, refuting Western economic theory. Prior to sanctions, there was no private investment, and individual wealth was strictly limited (Niblock 2001). Sanctions destroyed that enforced equality, creating social tensions, particularly classism, that were problematic for the regime. Those individuals in Libya with international connections and access to foreign currency were suddenly in a position of privilege, leaving others in only a position of envy. This type of societal jealousy between classes can lead to increased anti-government activity.

The strong feelings of the public may also aid the cause of senders, endeavoring to exploit these societal divisions in order to increase the likelihood of concession (Blanchard and Ripsman 1999/2000). Sanctions against South Africa further divided black and white Africans on the future of the apartheid system, eventually helping to convince F. W. de Klerk that there was no political future for the racist National Party (Edgar 1990).

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<sup>2</sup>Rowe (2000) posits that this increase in support resulted from the RF government's efforts to make white economic elites dependent upon the government.

<sup>3</sup>Sanctions alone did not cause this inflationary pressure. Poor economic policy by the Cedras regime created the economic conditions for inflation to rise, and sanctioned heightened the increase.

In their response to the economic and social pressures created by sanctions, average citizens often feel drawn to their most elemental ties - whether they be familial, tribal, ethnic, religious, etc. Competition for resources also leads to a breakdown of community structures (Niblock 2001). Rather than thinking about the good of the state or the community more broadly, individuals look to their kindreds to sustain them. These feelings of identification at a sub-state level may increase the likelihood that citizens will act against the government, which they no longer feel deserves their primary allegiance. Elites may no longer be able to maintain control over popular energy with appeals to nationalism (Snyder 2000), and violence may be a consequence of this decreased sense of national identity and heightened sense of deprivation.

Relatedly, the economic pressure of sanctions can exacerbate tensions between societal groups, driving people away from compromise and community action. International actors may attempt to exploit these internal political divisions within a target state (Rasler 1992). If some modicum of cohesion does not exist between the various groups in a sanctioned society prior to the implementation of sanctions, international pressure may heighten tensions between groups (Morgan and Bickers 1992), particularly between those who support and those who oppose the government. This was seen in both Rhodesia and South Africa where sanctions further distanced blacks from whites who had a vested interest in maintaining the status quo (Doxey 1996). Such pre-existing tensions may further the efforts of opposition groups, leading Kaempfer and Lowenberg (1999,51) to suggest that “the black resistance fighters in Rhodesia, Solidarity in Poland, and anti-Communists in Nicaragua were perhaps the greatest beneficiaries of the sanctions campaigns aimed at those countries.” This type of societal pressure may have large-scale impact as Marinov (2005) finds that sanctions can serve to destabilize leaders.

If the direct economic impact of sanctions does not create tension in society, efforts to evade sanctions may. Members of the regime are often able to redirect the economic pressure onto vulnerable sectors of the population while protecting themselves and their supporters (Cortright and Lopez 2000). Feelings of frustration may become intense among those not benefiting from the sanctions economy, increasing

the chances that such emotions will spill over into violence in the streets (Baldwin 1985, Gurr 1970).

To summarize the deprivation perspective, economic sanctions alter the behavior of targeted governments when domestic actors, feeling burdened by the economic hardship of sanctions, engage in anti-government behavior. In light of that pressure, the government of the targeted state will likely concede to sanctions in order to maintain their hold on power. The basic hypothesis that emerges is:

*Deprivation Hypothesis: Political violence and protest will increase in states targeted for economic sanctions.*

## **Sanctions and Political Institutions**

Paralleling the political opportunity literature on political violence is the idea that a public's response to sanctions will be moderated by the political context of the target state (Kirshner 1997). According to this school of thought, collective political action (which may be violent or nonviolent) can be explained best in terms of the cost-benefit analysis of opposition actors. Political structures affect the costs of political action, and the costs attached to collective behavior are often high. Benefits that accrue from the use of collective political action are also dependent on political structures.

Political action does not occur in a vacuum. The form that political conflict will take is influenced by the political structures of the state. According to theories of political opportunity, when repression in a state is low, regular channels for expressing political discontent exist, so violence will not be necessary (and may in some cases, be counterproductive) for the greatest level of political benefits to be obtained. When the level of repression in a state is high, the costs of collective political action may be prohibitively high, resulting in a lack of action, as the costs will nearly always outweigh any potential benefits. If repression is at an intermediate level, however, collective action (and particularly violent action) is most likely – as the probability of gaining benefits will be sufficiently high to counteract the moderate costs associated with action in these societies. Together, these propositions

create the “inverted U” of opportunity and action.<sup>4</sup>

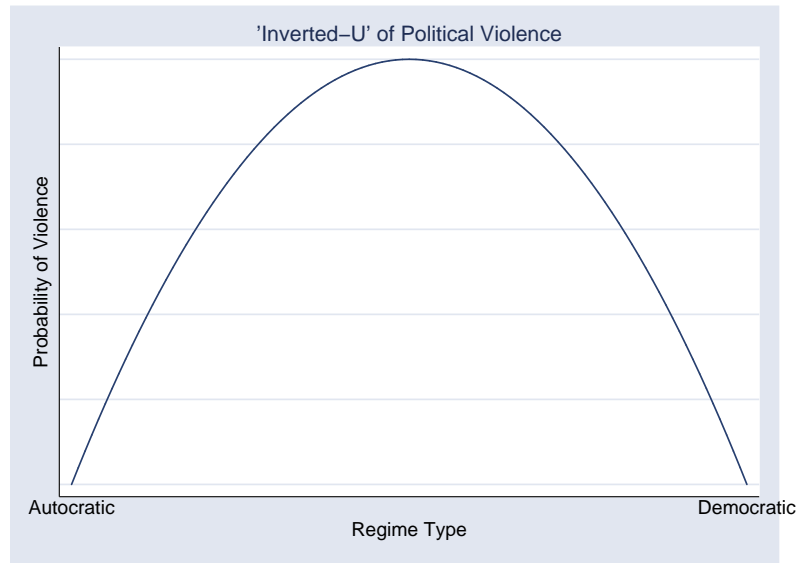


Figure 1: Opportunity for Political Action

The inverted-U proposition taps concepts of both civil and political rights. The ability to mobilize for political action is a matter of civil rights, whereas access to the state is a matter of political rights. These are both closely related to measures of democratization. The institutional structure of democracies, which promote openness, are conducive to nonviolent protest, while the violent rebellion is likely in more closed states (Gurr 1989).

Political structures have an additional impact when sanctions are in place. Not only will political opportunity affect when violence will occur (Muller and Weede 1990; Tarrow 1994), the political institutions of the target state will affect the degree of economic hardship that the public will bear, thus also moderating feelings of deprivation.<sup>5</sup> In autocratic states, key supporters of the government (such as the military) may be shielded from the pain of sanctions, making them unlikely to rebel. When state institutions are weaker and leaders lack in public accountability, as may be the case in mixed regimes, it is more difficult for the state to minimize the costs of sanctions being borne by critical elements of society.

<sup>4</sup>This concept was originally advanced by Eisinger (1973) to explain urban violence by city political structure.

<sup>5</sup>The idea of institutions as a moderating variable has been discussed in the political violence literature, particularly by Schock (1996).

Drawing on the political opportunity literature, I suggest that the deprivation logic cannot completely predict how targeted publics will respond to sanctions. The political institutions of the state will greatly affect whether or not citizens choose to rebel. From the political opportunity perspective, a general hypothesis can be constructed.

*Political Opportunity Hypothesis: Political violence under sanctions will be moderated by the existing opportunity structure.*

As discussed above, political opportunity is shaped by both the costs and benefits of action. Public action may become more costly under sanctions. When governments are threatened externally as they are by sanctions, most are likely to increase internal repression (Mahoney-Norris 2001). The governments that are most likely to use repressive measures successfully are already doing so at some level (Gelpi 1997), but they may use sanctions to justify tightening them. This shift makes political action that was already costly even more so. In sanctioned autocracies, the costs were already prohibitively high, making the likelihood of an increase in anti-government activity in those states improbable.

The greater impact of sanctions can be seen on the benefits side of the equation. With validation from an outside source, demonstrators in non-autocracies may be emboldened. International sanctions are often read as a signal of things to come by a targeted public, causing them to believe that engaging in anti-government activity may yield greater benefits. When sanctions are in place, anti-government activity will increase if the potential benefits are high and the costs are low. Anti-government activity is likely to increase the most in mixed regimes. For democratic publics, the benefits of non-institutionalized political activity will not always be greater than the benefits of institutional activity (like voting).

## **Lack of Opportunity in Autocratic States?**

Political action is one means that the public has to prick a government's sense of accountability. In response, in an autocratic society, the government may use repression to quell that public expression. When regimes are threatened from the

outside (as is the case with economic sanctions), they often do whatever possible to limit concurrent internal threats. To do so, states play to their strengths, and states that choose repression typically have strong tools of force at their disposal (Krain 2000).

Government repression increases the population's costs for political violence. As discussed previously, many government clamp down on public expression under sanctions, and this curtailment is accepted by the people who are fearful of the outside threat. When this societal control is exploited to its fullest, the government in power may be able to repress with impunity. With the added costs (both economic and political) of sanctions, the political costs to the government of suppression may be less than those of responding to demands of either the people or the sender (Brooks 2002).

In addition to the added risk of repression under sanctions, average citizens in these states are already unlikely to engage in anti-government activity. Under these regimes, political violence may simply be too costly for the citizenry. The "masses" are not wholly unimportant in authoritarian states, but their influence is more diffuse than it would be in a more democratic setting.

In states like these with high levels of societal controls, few opposition actors who are willing to act are often caught in a double-bind by both domestic controls and the international economic pressures of sanction. Members of the opposition are frequently unable to organize effectively due to a lack of materials and resources. In Serbia, opposition leaders found themselves isolated, unable to contact the international NGOs that had been supporting them and unable to spread their message domestically, as the Milošević government restricted access to valuable supplies such as newsprint (Lopez and Cortright 1995; Licht 1995). As result of increased repression and decreased resources for opposition actors, political activity will likely decrease under sanctions in these states.

In autocratic states, economic sanctions can have the perverse consequence of strengthening the regime in power, increasing its ability to limit the activities of opposition forces. In these societies, there is often a strong relationship between those with political power and those with economic power. Control of scarce resources

coming in and out of the state will give those in power leverage over their rivals (Woodward, 1995, Gibbons 1999, Cortright and Lopez 2000). The government and its supporters are also likely to profit from black market activities that spring up in the wake of sanctions (Niblock 2001).<sup>6</sup>

Beyond strengthening the regime, sanctions that harm the country may not hurt the leaders in power. Under certain circumstances, it may be that sanctions are costly for states but not for leaders.<sup>7</sup> Sanctioned leaders and elites in political systems with a limited number of veto players may be able to consolidate power under sanctions. In Yugoslavia in the early 1990s, militia groups used their control of security check points and transportation routes to enrich themselves monetarily while also increasing their political influence.

Given the likelihood of repression increasing the political (and perhaps also economic) costs of political action under sanctions (when economic costs are increased), a more specific hypothesis of autocratic opportunity can be developed.

*Autocratic Opportunity Hypothesis: The difference in occurrence of anti-government activity will be smallest for autocratic regimes.*

## **Range of Opportunities in Democratic States**

States with high levels of societal controls are likely to use repression, but not all leaders can use repression effectively (Gelpi 1997). Both democratic principles and institutions are thought to deter elites from using violence against their citizenry (Gurr 1986). These realities affect the decisions that governments make concerning sanctions response and may result in concession by states that cannot use repression.

Democratic leaders, who are held accountable for their actions in regular elections, are unlikely to make the unpopular choice to impose repressive measures in response to anti-government behavior. Democratic societies, however, have created

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<sup>6</sup>Niblock (2001) also points out that the economic power of the government to control goods within the sanctioned state can increase dependence by the population on the regime, as government-run rationing programs may be the only regular source of essentials available.

<sup>7</sup>This echoes Goemans (2000) sentiments about wars that may hurt states but not the leaders in power. In the case of sanctions, the difference in the interests facing leaders and states may be even greater since leaders often control lucrative smuggling networks. In these cases, not only are leaders not hurting as much under sanctions as the average citizen, they may actually be profiting from the sanctions.

a range of “appropriate” methods of expressing political discontent. By institutionalizing public political expression through regular elections, democracies have reduced the incentives for irregular anti-government activity. The norms of democratic societies such as the rule of law and the importance of individual freedoms like freedom of speech further decrease the benefits for anti-government activity.

Tilly (1978) described political violence as the outcome of conflict between the ruler and the ruled in which government responds to protest by repression, which in turn sparks more violent opposition. In democracies, not only are the means of expressing discontent institutionalized, so too are the means of response by the government. Democratic leaders are unlikely to resort to repression because of the political costs that would be associated with such a move. Without the repression, the need for a violent response is minimized. Sanctions do not greatly change the benefits associated with anti-government activity in a democracy.

Leaders in sanctioned democratic countries are forced to make difficult decisions. If the decision is made to resist sanctions, how can scarce resources be distributed in order to keep enough supporters happy? Leaders in these states are constantly endeavoring to maintain or increase public support, and sanctions put this support in jeopardy. A democratic public’s support for their leaders may weaken under conditions of economic deprivation unless citizens feel as though a public good is generated by resisting the international pressure. Having a larger selectorate weakens a democratic government’s bargaining position, not only *vis-a-vis* the sender state, but also *vis-a-vis* domestic opposition.

Leaders in sanctioned democratic countries are forced to make difficult decisions. If the decision is made to resist sanctions, how can scarce resources be distributed in order to keep enough supporters happy? Leaders in these states are constantly endeavoring to maintain or increase public support, and sanctions put this support in jeopardy. This fact helps explain why more democracies concede to sanctions pressure and do so more quickly than do other states (Allen 2004, Allen 2007). Anti-government activity may not be necessary in these states to bring an end to sanctions.

Falling between democracies and autocracies in terms of costs and benefits are

mixed regimes. Individuals engaging in anti-government activity in these states face neither the high costs of repression as in autocracies nor the low benefits of such action in democracies. Leaders in mixed regimes lack the power and influence to that autocrats have at their disposal. At the same time, they also lack the societal mechanisms for orderly public expression as well as the sense of legitimacy that their democratic counterparts enjoy. In these states, the likelihood of anti-government behavior is greatest, a fact that is enhanced by economic sanctions. Feelings of deprivation increase under sanctions, but the costs associated with anti-government activity do not. This leads to a final political opportunity hypothesis.

*Mixed Opportunity Hypothesis: The difference in the occurrence of anti-government activity will be greatest for mixed regimes.*

## Data and Methods

### Methodology

To examine the public political response to sanctions, patterns of political action are observed. Do more political activities like demonstrations and riots occur in the presence of sanctions? Unfortunately, it is impossible from the data available to discern whether anti-government activity under sanctions is a response to the sanctions themselves. Some or perhaps all of the anti-government activity may be in response to the proscribed government policy that triggered the sanctions initially.<sup>8</sup> This, however, does not present an impossible problem for this research. At a basic level, sanctioners anticipate that their policy may cause anti-government activity in direct and indirect ways. For this reason, I believe it is appropriate to consider all anti-government activity and the differences in rates of activity between sanctioned and unsanctioned periods.

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<sup>8</sup>Of course, the possibility also exists that anti-government activity may occur during a sanctions episode that is completely unrelated, and I recognize that I am taking a risk of comparing some apples (unrelated events) to the oranges (sanctions-related actions) that I am truly interested in. One potential extension for this research would be to machine-code events data specifically about sanctions-related violence. As these data are not at present available, I use these data with the belief that they are a good proxy.

The nature of the outcome variables being examined (the number of the political events that occurred) limits the types of analysis that are appropriate. The values that the dependent variables can take on are bounded, in that there cannot be negative numbers of events. These values are also constrained to be integers. Because of these characteristics, the data are necessarily heteroskedastic (Greene 1997), thus requiring special methodological consideration.

Event count data such as these can be modeled in several ways, depending on the dispersion of the dependent variable. In the data considered here, I anticipate positive contagion (political action breeds more action in the future), which leads to overdispersion. Since the rate of occurrence ( $\lambda$ ) of these events is not constant, the basic Poisson model is unsuitable. Overdispersed count data has a variance greater than its mean, which also violates one of the basic assumptions of the Poisson model. To avoid inefficient estimates (which result from using the Poisson model to estimate relationships in overdispersed data), a negative binomial event count analysis is appropriate (Liao 1994, King 1989).

## **Dependent Variables**

To perform the analysis, measures of political activity are needed. In an attempt to get the broadest data coverage, I use measures from the Cross-National, Time-Series Archive (CNTSA), 1948-1997 (Banks 2003).

Mass political conflict is popular mobilization for non-institutionalized collective action. For the purposes of this analysis, I look at two distinct measures of domestic political action in order to capture both protest and rebellion events. Protest events are largely nonviolent, and participants hope by their actions to change policies. Scholars have focused on these events as evidence of strong civil society (Carter 1971; Bond, Jenkins, Taylor and Schock 1997). Anti-government demonstrations are typical protest events. Protest events are the more likely form of collective action against the government in more open states (Gurr 1989). The Cross-National Time-Series Archive codes demonstrations events that meet the following criteria: “Any peaceful public gathering of at least 100 people for the primary purpose of displaying or voicing their opposition to government policies or authority, excluding

demonstrations of a distinctly anti-foreign nature” (Banks 2003).

In contrast, rebellion events are more violent, as participants aim to change more than policies, looking to alter the system itself. Riots typify rebellion events. These events are more likely forms of expression in closed societies (Gurr 1989). By including these events, I hope to discern whether or not distinct patterns of action under sanctions emerge – both as society type varies as well as event intensity. Riot events are coded under the following definition: “any violent demonstration or clash of more than 1000 citizens involving the use of physical force” (Banks 2003).

## Independent Variables

The primary independent variable of interest is the occurrence of sanctions (primarily from the HSE dataset with forward coding (1990-1997) by this author<sup>9</sup>). This indicator variable is scored as a one for every year that the sanctions were in place and zero otherwise, for a total of 958 sanctioned years.

A complementary line of theorizing to that presented above is the idea that different types of sanctions affect leaders and populations in different political systems in different ways (Brooks 2005). To this end, indicators of sanctions type are also included in the analysis. These data come from HSE with forward coding by this author. Financial sanctions when directly target the assets and movement of elites are believe to have the greatest effect on autocratic leaders (Brooks 2005). If the public not directly affect by the sanctions, anti-government activity is unlikely to increase.

Export sanctions tend to create stakeholders in the target state who benefit as long as sanctions remain in place (Selden 1999). This suggests that impact of export sanctions on increasing political action should be weaker than the impact of other types of sanctions. On the other hand, import sanctions do not provide the same opportunity for domestic substitutions, and thus should be associated with higher levels of political action, or a “fifth column effect” in the parlance of Selden (1999).

Ideally, I would also be able to include a dynamic measure of the costs of the

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<sup>9</sup>Sources for this coding include Jentleson 2000, Cortright and Lopez 2000, and O’Sullivan 2003, Marinov 2005, Drury 2005.

sanctions. Unfortunately, this poses a difficult challenge over the full time period of interest (1915-1990). Estimates for GNP and GDP are not consistently available for most states prior to 1950, so an alternative measure must be used. The HSE data includes an estimated annual change in GNP due to sanctions, but their measure is a single average estimate for each sanctions episode rather than a measure that varies over time during the sanctions period. Marinov (2005) updated this measure, and I use these data to measure the cost of sanctions.

To capture the domestic politics of the target state, I use Polity IV (2003) democracy–autocracy scores. This variable ranges in value from -10 to 10. In addition to the simple scores, the political opportunity literature suggests a curvilinear relationship, which can be picked up by including a squared Polity term. Further, when the political opportunity idea is applied to sanctioned states, the expectation is that impact of sanctions should vary across regime types and so an interaction term is also included.

I have also included the regime durability measure from Polity IV. Stable regimes are thought to have less irregular political action than transitional states (Snyder 2000). This variable is measured as time since the last regime transition or first year of independence. Summary statistics for these characteristics of the targeted regime variables (as well as the other independent variables) can be found in Table 1 below.

Table 1: Summary Statistics for Independent Variables

<b>Variable</b>	<b>Mean</b>	<b>Std. Dev.</b>	<b>Min.</b>	<b>Max.</b>	<b>N</b>
Presence of Sanction	0.14	0.35	0	1	6700
Polity * Sanctions	-0.28	2.55	-9	10	5997
Sanctions Costs	0.295	1.542	0	14.7	6614
Polity Score	-0.73	7.5	-10	10	5997
Polity Score <sup>2</sup>	56.82	31.49	0	100	5997
ln(Population)	8.75	1.82	3.18	14.04	6684
ln(Energy Consumption)	8.09	2.64	0	14.82	5612
Regime Durability	20.11	26.68	0	188	6007

The success or failure of previous political action like demonstrations and riots is likely to influence the decision to employ these methods in the future. The political violence literature also suggests that violence often breed violence (Lichbach and Gurr 1981). For this reason, a lagged dependent variable is included to control

for non-independence across time. Standard errors are also clustered by country to further account for dependence within country-units.<sup>10</sup>

In addition to these sanctions and political variables, I also control for other factors that are likely to influence the number of political events occurring. Jenkins and Schock (1992) strongly recommend the need to control for population size, and so an indicator of population (logged) is included in the analysis. Not doing so ignores the possibility of the simple hazard of collective action occurring as an explanation. Economic conditions are also important for the prediction of political violence, almost as much so as political conditions (Gurr 1989). Because of the difficulty of getting comparable data across all the necessary time periods, I include energy consumption as a proxy for the level of development in the target state following Jackman (1983). This variable is measured as the natural log of thousands of coal-ton equivalents. Both of these variables are drawn from the Correlates of War Capabilities data (Singer and Small 1996).

## Results

The results of the negative binomial regression analysis for political demonstrations appear in Table 2. The first model is for all sanctions while the other three models break down the effect of sanctions by type.

The results across the four models are largely consistent. First, previous political action does appear to lead to further political actions, as the positive coefficients on the lagged dependent variables suggest. Publics who have engaged political action in the past are more likely to do so again, following the earlier findings of Hibbs (1973). This result, along with the statistical significance of the positive dispersion parameters, also suggests that the data are overdispersed and that the negative binomial model is the correct specification.

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<sup>10</sup>Stata also allows for both cluster and robust to be specified, which allows for non-independence within clusters of observations. This option was specified for this analysis to further compensate for correlation between observations. Results produced by `-xtnbreg-` with random effects are similar to those included here. For ease of interpretation, the simpler model is presented. The results produced by `-xtnbreg-` with fixed effects are slightly different, but this may be an artifact of the reduction in countries included in the analysis due to lack of variation. Losing twenty countries makes this model unappealing.

Table 2: Negative Binomial Analysis: Political Demonstrations, 1948-1997

Variable	All		Financial		Import		Export	
	Sanctions	Sanctions	Sanctions	Sanctions	Sanctions	Sanctions	Sanctions	Sanctions
Lagged Dependent Variable	0.234** (0.039)	0.231** (0.039)	0.231** (0.039)	0.227** (0.039)	0.237** (0.039)	0.237** (0.039)	0.237** (0.039)	0.237** (0.039)
Polity Score	0.030** (0.010)	0.030** (0.010)	0.030** (0.010)	0.025** (0.010)	0.025* (0.010)	0.025** (0.010)	0.025** (0.010)	0.025** (0.010)
Polity Squared	-0.012** (0.002)	-0.012** (0.002)	-0.011** (0.002)	-0.012** (0.002)	-0.012** (0.002)	-0.012** (0.002)	-0.012** (0.002)	-0.012** (0.002)
Polity * Sanctions	0.026 (0.021)	0.039 (0.026)	0.039 (0.026)	0.073** (0.028)	0.065* (0.028)	0.073** (0.028)	0.065* (0.028)	0.065* (0.028)
Presence of Sanction	0.687** (0.167)	0.820** (0.191)	0.820** (0.191)	0.695* (0.290)	0.590* (0.251)	0.695* (0.290)	0.590* (0.251)	0.590* (0.251)
Sanction Costs	-0.035 (0.037)	-0.078* (0.034)	-0.078* (0.034)	-0.051 (0.044)	-0.040 (0.043)	-0.051 (0.044)	-0.040 (0.043)	-0.040 (0.043)
Regime Durability	-0.004 (0.003)	-0.003 (0.002)	-0.003 (0.002)	-0.004 (0.002)	-0.004 (0.003)	-0.004 (0.002)	-0.004 (0.003)	-0.004 (0.003)
ln(Energy Consumption)	0.195** (0.039)	0.195** (0.040)	0.195** (0.040)	0.200** (0.039)	0.204** (0.040)	0.200** (0.039)	0.204** (0.040)	0.204** (0.040)
ln(Population)	0.260** (0.063)	0.268** (0.063)	0.268** (0.063)	0.279** (0.064)	0.266** (0.063)	0.279** (0.064)	0.266** (0.063)	0.266** (0.063)
Intercept	-4.633** (0.475)	-4.708** (0.479)	-4.708** (0.479)	-4.756** (0.487)	-4.669** (0.474)	-4.756** (0.487)	-4.669** (0.474)	-4.669** (0.474)
Dispersion Parameter								
$ln(\alpha)$	1.112** (0.113)	1.110** (0.113)	1.110** (0.113)	1.114** (0.111)	1.121** (0.110)	1.114** (0.111)	1.121** (0.110)	1.121** (0.110)
N	4725	4725	4725	4725	4725	4725	4725	4725
Wald $\chi^2$	495.07	468.05	468.05	529.19	511.12	529.19	511.12	511.12
Prob > $\chi^2$	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Log-likelihood	-3592.231	-3590.988	-3590.988	-3593.288	-3594.560	-3593.288	-3594.560	-3594.560

Significance levels: \* : < 5% \*\* : < 1%

The findings concerning regime type are a bit more nuanced. The Polity term and the Polity Squared term combine to predict one non-linear impact on the predicted numbers of events. The negative sign on the squared term indicates that the curve opens downward. The shape of this relationship can be more easily understood graphically in Figure 2.

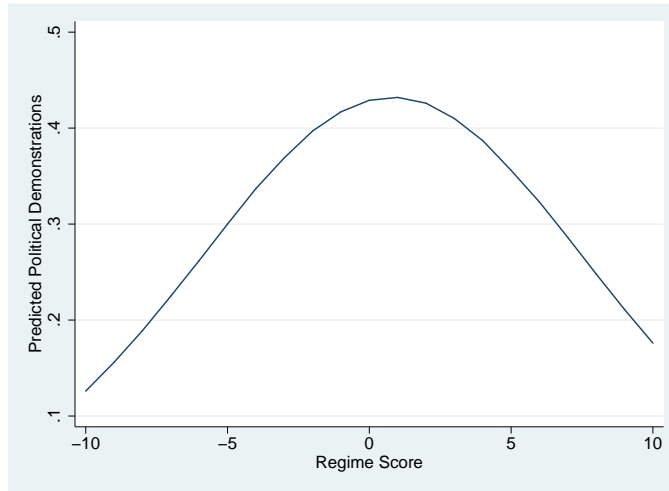


Figure 2: Effect of Regime Type on Predicted Numbers of Events

The expected number, in this case, of demonstrations occurring is initially increasing, peaks somewhere around 2 on the Polity scale, and then turns over (as expected given the negative sign on the squared term).<sup>11</sup> This shape is generally in line with the “inverted U” hypothesis of political opportunity that suggests that political action should be most likely when political constraints are at a moderate level, neither high as in autocracies nor low as in democracies. The predicted number of demonstrations in democracies is not as low as it is in autocracies, likely evidence of the idea that nonviolent protest is the method of choice for political action in free societies (Gurr 1989).

Most significantly for the purposes of this project, the effect of economic sanctions must be evaluated. Because the sanctions variable is used to create the interaction term to test the conditional hypothesis that the impact of sanctions varies by regime

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<sup>11</sup>This graph and the others presented in this paper were created using Clarify (King, Tomz, and Wittenberg (2000)). In this case, with the other variables held at their mean (or median if more appropriate), the two polity terms were allowed to vary together and expected counts were estimated.

type, it is necessary to determine the marginal effects of sanctions alone. The coefficient offered in Table 2 is instructive only for states with a Polity Score of zero. Following the procedures laid out in Brambor, Clark, and Golder (2006), I calculated and graphed the independent marginal effect for sanctions across the Polity scale.<sup>12</sup>

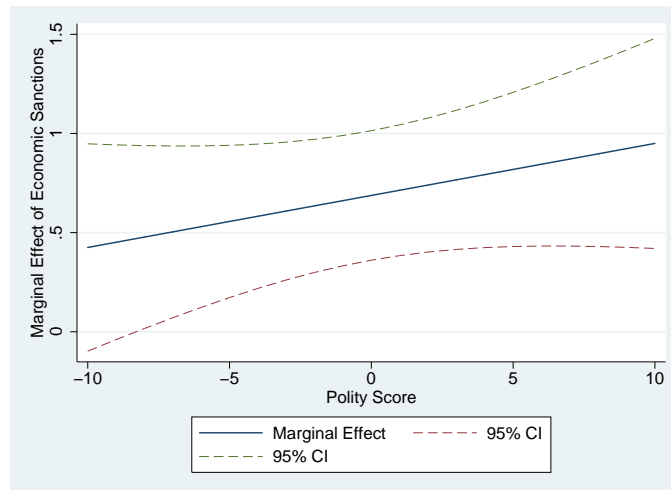


Figure 3: Marginal Effect of Sanctions on Anti-Government Demonstrations

From this figure, it is possible to see that for states with Polity Scores higher than -9,<sup>13</sup> sanctions have a statistically significant positive impact on the likelihood of anti-government demonstrations. This finding lends some credence to the *Deprivation Hypothesis* that economic sanctions will create a sense of economic deprivation that will in turn acts of political violence. The fact that the magnitude of the effect increases as states become less autocratic provides some support for the *Autocratic Opportunity Hypothesis*.

Interestingly, the direction and size of coefficients is roughly the same for all types of sanctions. Anti-government activity appears to increase whenever sanctions are in place. Selden (1999) anticipates that import sanctions are the sanctions most likely to encourage mass political action, but the coefficient estimate for import sanctions does not stand out in comparison to the other types of sanctions. Financial sanctions, which are thought to have the greatest impact on elites, should be least likely to create economic hardship for the general public and thus should be

<sup>12</sup>Because the size and the direction of the coefficients for all types of sanctions are similar, these marginal effects were calculated for the model with the indicator for all sanctions.

<sup>13</sup>There are no states in the data that score lower than -9.

less likely to inspire anti-government behavior. The results do not provide support for this theory. On the other hand, the interaction term itself only obtains statistical significance for import and export sanctions, suggesting that for more democratic states sanctions these sanctions are likely to increase anti-government behavior. Perhaps Selden's arguments are correct, but only for states where political opportunity exists for the use of protest behavior like non-violent demonstrations.

The cost of sanctions does not obtain statistical significance in the majority of the model runs (the exception being for financial sanctions), mirroring the results of Jing, Kaempfer, and Lowenberg (2003). Using a simultaneous equations model to capture how the choice of coercion tool (military action, trade sanctions, or financial sanctions) affects the outcome of sanctions episodes, they find the cost to the target to be an insignificant predictor of outcome. Marinov (2005) also found that the costs of sanctions were not a significant predictor of leadership change.

The *Relative Deprivation* school of thought suggests that as the cost of sanctions increases, feelings of deprivation are likely to increase, which in turn should lead to an increase in anti-government activity. The lack of support for this variable may be due to the lack of a dynamic measure of costs or it may be due to the fact that the deprivation idea is an oversimplification. One of the key criticisms of the relative deprivation explanation for political violence generally is a lack of clear understanding of when individual feelings will result in mass action.<sup>14</sup> The same can be true for this explanation for how sanctions should affect the domestic politics of the target. Another possibility is that anti-government behavior is triggered by more than just feelings of deprivation. Perhaps sanctions also signal international support to domestic political opposition actors, which is perceived as increasing the benefits for anti-government behavior.

Additionally, the control variables for population size and energy consumption (as a proxy for level of development) also attain statistical significance. Both have a positive relationship with the likelihood of demonstrations occurring. The population finding supports Jenkins and Schock's (1997) idea that increasing the population

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<sup>14</sup>For this type of explanation, perceptions of deprivation rather than absolute hardship are the triggers for political action.

size increases the baseline hazard rate for incidence of demonstrations. More people introduce more possible causes for anti-government activity. The positive coefficient for the energy consumption variable is a bit more surprising, suggesting that as states become more developed, demonstrations are more likely to occur. This result may be driven by the fact that populations in the poorest states are unable to engage in political action, as they are forced to devote all their energy to subsistence (Niblock 2001).

To clarify the substantive impact of all the variables, incidence rate ratios have been generated for both types of action. These ratios are presented in Table 3. Like odds-ratios for logit models, these ratios represent the relative change in the incidence rate for a one-unit change in a particular variable (Zorn n.d.). For example, the incidence rate for demonstrations under sanctions is 1.989 times what it would be in the absence of sanctions.<sup>15</sup> A one unit increase in Polity score leads to an increase in the incidence rate for both types of events of about 1.03. Moving from -10 to 10 on the Polity scale (or a twenty unit change) corresponds to an increase in the incidence rate ratio of 1.63. This means that holding all other variables constant, a democratic state with a Polity score of 10 will have 1.63 times more demonstrations than an autocratic state at the other extreme.

Table 3: Incidence Rate Ratios

	Demonstrations	Riots
Lagged Dependent Variable	1.264	1.250
Polity Score	1.030	1.032
Polity Squared	0.988	0.988
Presence of Sanction	1.989	1.925
Polity * Sanctions	1.027	1.036
Sanction Costs	0.965	0.967
Regime Durability	0.996	0.994
ln(Population)	1.297	1.386
ln(Energy Consumption)	1.215	1.131

Now turning to the analysis of riots, the findings are similar. In line with earlier scholarship and the above results, we see that previous violent acts (riots) increase

<sup>15</sup>These incidence ratios were created using the inclusive sanctions variable. Similar results were obtained using each sanctions variable type.

the probability of future violent acts. Regime maturity (measured by the durability variable) also decreases the likelihood of violent rebellion. This finding, which is much more strongly supported for the more violent act of riots than it was in the demonstrations model, has bearing on the scholarship on democratization and propensity for war (such as Mansfield and Snyder 1995). States in a state of flux are unable to quell violence either by repression or by creating lawful means of expression.

Table 4: Negative Binomial Analysis: Political Riots, 1948-1997

Variable	All		Financial		Import		Export	
	Std. Err.	Sanctions	Sanctions	Sanctions	Sanctions	Sanctions	Sanctions	Sanctions
Lagged Dependent Variable		0.222** (0.035)	0.213** (0.035)	0.221** (0.035)	0.220** (0.035)			
Polity Score		0.032** (0.011)	0.032** (0.011)	0.029** (0.010)	0.028** (0.011)			
Polity Squared		-0.012** (0.002)	-0.012** (0.002)	-0.013** (0.002)	-0.013** (0.002)			
Polity * Sanctions		0.034 <sup>†</sup> (0.020)	0.048 <sup>†</sup> (0.028)	0.072** (0.029)	0.070** (0.027)			
Presence of Sanction		0.689** (0.160)	0.846** (0.190)	0.601** (0.245)	0.707** (0.226)			
Sanction Costs		-0.071 <sup>†</sup> (0.038)	-0.079** (0.030)	-0.103** (0.036)	-0.079* (0.035)			
Regime Durability		-0.006** (0.002)	-0.005* (0.002)	-0.007** (0.002)	-0.006** (0.002)			
ln(Energy Consumption)		0.125** (0.043)	0.122** (0.043)	0.130** (0.044)	0.134** (0.044)			
ln(Population)		0.321** (0.061)	0.339** (0.062)	0.344** (0.063)	0.333** (0.060)			
Intercept		-4.425** (0.425)	-4.559** (0.446)	-4.572** (0.444)	-4.507** (0.423)			
Dispersion Parameter								
$ln(\alpha)$		1.140** (0.099)	1.140** (0.100)	1.136** (0.099)	1.142** (0.098)			
N		4722	4722	4722	4722			
Wald $\chi^2$		363.22	361.81	391.37	347.88			
Prob > $\chi^2$		0.000	0.000	0.000	0.000			
Log-likelihood		-3732.801	-3734.044	-3730.251	-3731.292			

Significance levels: \* : < 5% \*\* : < 1%

The relationship between regime type and riots is similar to that estimate for demonstrations. The basic shape of the relationship can be seen in Figure 4 below. Again, the states with the lowest predicted events are at the extremes – those states that are most autocratic and those that are most democratic. This shape is slightly more symmetrical, suggesting the riots are a less accepted means of expressing political discontent in highly democratic societies.

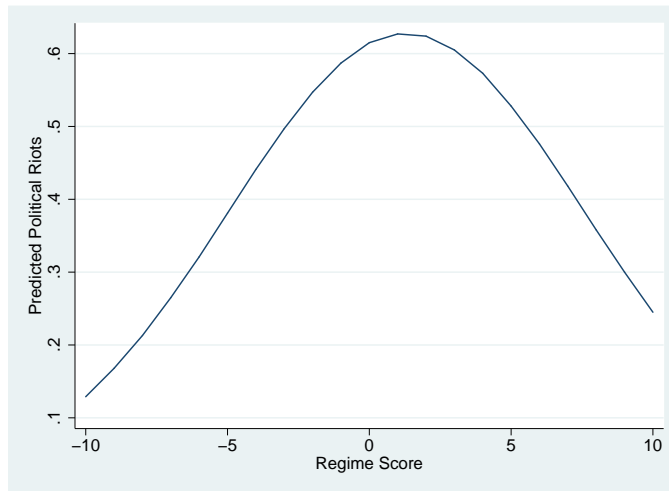


Figure 4: Effect of Regime Type on Predicted Numbers of Events

Focusing on the results related to sanctions, again marginal effects were calculated and these are presented in Figure 5. As was the case with demonstrations, we see that the presence of sanctions increases the likelihood of anti-government activity for most regime types. Sanctions appear to increase the likelihood of riots in a statistically significant way for states with regime scores higher than -5. This provides additional support for the *Autocratic Opportunity Hypothesis*. Sanctions do not appear to affect the cost-benefit calculations of opposition actors in the most autocratic states.

The results by sanctions type are again similar across the board – all positive and statistically significant. There appears to be no meaningful difference between the type of sanctions and the influence on anti-government activity. If different types of sanctions are more likely to alter behavior of different types of regimes (Brooks 2005), this difference does not appear to be due to domestic political costs.

Incidence rate ratios for the riots variable also appear in Table 3 for comparison

of substantive impacts across variables of differing scales. Here, the presence of sanctions increases the predicted number of riots by 1.75 times.

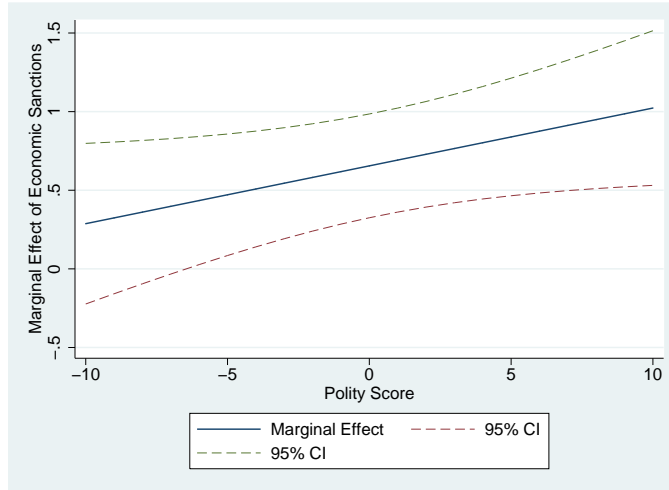


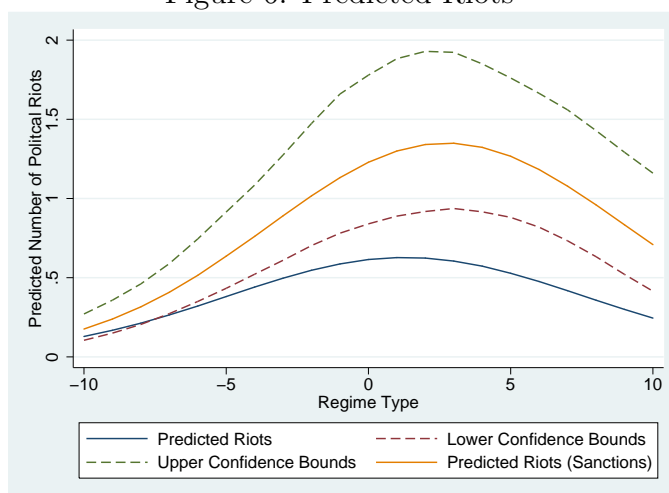
Figure 5: Marginal Effect of Sanctions on Anti-Government Riots

In this analysis, the interaction term between the presence of sanctions and Polity score also attains at least a weak level statistical significance for all of the models, suggesting a positive effect on the likelihood of riots. Again, the effect is strongest for import and export sanctions and weak for financial sanctions. Under sanctions, as states become more democratic, they are more likely to experience riots. This finding is somewhat surprising since less violent forms of political action are typically associated with democratic societies.

In times of external stress such as sanctions, democratic publics may feel that their institutionalized tools are insufficient for expressing political discontent. This finding lends support to the *Political Opportunity Hypothesis*. Autocratic governments do not face a large increase in the probability of political costs due to public demonstrations when sanctions are in place. As result, the decision to resist sanctions is less costly in these states. In the case of riots, which represent more violent mass political expressions, the data indicate that sanctions lead to an increase in contentious behavior in the population. While the economic pain picture of sanctions has been described as naïve, there is support for the deprivation hypothesis that sanctions can create political division in the target state. Figure 4 illustrates the difference in the relationship between regime type and riots, both with and with-

out sanctions.<sup>16</sup> For all regime types, the number of riots predicted is higher when sanctions are in places than in their absence. That difference between the predictions is smallest for autocratic states and largest for anocratic states, which supports the *Mixed Opportunity Hypothesis*. For ease of interpretation, I only included the CI for the number of events under sanctions. When both sets of confidence bounds are included, the two intervals overlap for the most autocratic states (Polity scores -5 and above, in agreement with the calculations of the marginal effects), suggesting that political activity with and without sanctions is statistically indistinguishable.

Figure 6: Predicted Riots



Under sanctions, the relationship between regime type and political activity is not a simple one. For violent actions, which should be more costly for targeted governments, there is empirical evidence to support the political opportunity idea that patterns of violence under sanctions differ by regime type. The interactive term for Sanctions \* Regime score is statistically significant and positive, but the distance between the two lines is not equal across the spectrum of regime types. The difference in the number of riots in autocratic states with and without sanctions is comparatively small. If sanctions senders are hoping to inspire acts of discontent to threaten totalitarian leaders, they are likely to be disappointed.

<sup>16</sup>As with the predicted numbers of events, Figure 4 was generated using Clarify. First, predicted numbers of events (and associated confidence intervals) were calculated varying only the Polity and Polity Squared variables, leaving other predictors constant at their means (or medians). To examine the impact of sanctions on these predictions, the second set of predictions were generated by setting the sanctions variable to 1 and varying the Polity variables as well as the interaction term.

The economic deprivation created by sanctions does increase the likelihood of anti-governmental activity – both violent and non-violent. That increase, however, seems more pronounced in open societies than in closed ones. Sanctions appear to encourage publics to utilize their political opportunities for anti-government action, rather than create them. These results most closely support the *Political Opportunity Hypothesis*.

## Discussion

One possibility not considered in the initial discussion of the domestic political effects of sanctions is the idea that sanctions might lead to an increase in political cohesion within the target state. Group cohesion can be enhanced by conflict with an external group (Simmel 1955, Coser 1956), and this model of in-group/out-group behavior has been applied to state leaders through game-theoretic, principal agent models (Downs and Roche 1995, Smith 1996). International events are thought to spark a rise in popularity for the government, or a so-called “rally ’round the flag” effect (Mueller 1970, 1973; Ostrom and Job 1986). The possibility of sanctions causing a rally effect is hypothesized by Galtung (1967).

The imposition of sanctions enables targeted leaders to pinpoint a clear external threat, which can be used as a focal point for a leader to unify the state (Miyagawa 1985). Leaders can also place the blame for economic hardship on the sender state rather than on their own economic policies, leading some to posit the idea that rather than rally ’round the flag, sanctioned populations might rally against the enemy/sender state (Stein 2003).

Anecdotally, the idea of sanctions creating a rally is appealing. In the early 1960s, Robert Hurwich, the State Department’s officer overseeing Cuban affairs, noted that the desired effect of the embargo on the Cuban economy “might translate itself into open active opposition to the regime,” (quoted in Kaplowitz 1998). Instead, over the past forty years, the US sanctions have been used as a rallying point by Cuban regime. Saddam Hussein used the decade-long UN sanctions as a scapegoat for the economic devastation wrought on the Iraqi economy by his own excesses and

penchant for war-making.

The results presented here indicate that if domestic populations are rallying that does not curb their desire to take anti-government action. These findings do not rule out the possibility of rallies, but determining whether or not political rallying is also occurring is beyond the scope of this paper. Sanctions do appear to increase the domestic political costs for targeted leaders, particularly in states where the political opportunity exists for anti-government action to potentially be effective.

Where leaders possess strong repressive tools, sanctions will not have the effect of increasing the domestic political costs these leaders face. If sanctions are going to alter the behavior of such leaders, the costs must come from outside the targeted state. Rather than creating sizeable *domestic* costs, in these cases, it may be necessary for senders to create *international* economic costs that are larger than would be required in states where accompanying domestic political pressure could create additional leverage to change the proscribed policy.

## Conclusions

Sanctioners often impose sanctions with the expectation (or perhaps simple hope) that sanctions will lead to increased political fragmentation within the target. This assumption suggests that domestic political costs are an important predictor of sanctions outcomes, but the linkage has not been clearly understood. From this analysis, it is apparent that sanctions do lead to an increase in mass political action, but that increase seems to be limited in autocratic states.

The empirical analysis presented here does not clearly support a simple economic pain to political change relationship. While the presence of sanctions does lead to an increase in political activity, the impact is mitigated by the political institutions in the target state. Sanctions do not provide an impetus for local opposition actors to take action against their leaders, particularly in states where political freedoms are limited. These results help sort out and test the numerous ad hoc explanations of the political consequences of sanctions in the target state and give increased leverage over the question of when sanctions will be useful tools for bringing about political

change.

To craft effective sanctions policy, the political dynamics of the target state are a critical element of the mechanisms that underlie sanctions effectiveness. Sanctions response is not uniform across target states. The expectation that in all target states sanctions will lead to an outpouring of mass political action that will, in turn, create a sense of duty on the part of the targeted government is not supported. Differences in response are largely due to the impact that sanctions have on the political processes within these states.

Efforts to implement targeted sanctions may improve the effectiveness of sanctions against autocratic regimes. While comprehensive sanctions affect the entire targeted population, targeted sanctions are directed toward the heart of the interests of those in power. The sanctions levied against South Africa included not only general limitations on trade, but also on the trade of diamonds (which affected the purses of the business elite) as well as a ban on participation in international sporting competitions (which was viewed by white South Africans as a tragic punishment).

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