

When Do Imposed Sanctions Work? The Role of Target Regime Type

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Abstract

A number of studies on sanction effectiveness have highlighted the importance of regime type and how it affects the sensitivity of sanctioned states (target) to the economic costs of sanctions. The scholarly consensus holds that mainly because of their responsiveness to domestic audiences, democratic regimes are most likely to give in to the demands of the sanctioning state (sender). I argue that regime type is important not only in influencing leaders' sensitivity to economic costs—which create incentives to back down—but also to the audience costs—which create incentives to stand firm. I argue that taking the audience cost into account would lead to different predictions about the effect of democracy. Particularly, I argue that the effect of democracy is inverted- U shaped, where full democracies have no higher likelihood of meeting the demands of the sender than mixed (hybrid) regimes. Using a newly released dataset on economic sanctions between 1950–2020, I find robust support for my argument.

Introduction

Why do some leaders who come under foreign economic sanctions yield to pressure and make often unpopular concessions, while others stand their ground? Previous research has uncovered the effect of sanction characteristics such as the severity of the measures (e.g. [Drury \(1998\)](#)), the bilateral ties between the sender and the target (e.g. [Drezner \(1999\)](#)), and the presence/absence of multilateral collaboration and

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enforcement (Bapat and Kwon (2015)). Studies have also examined domestic political factors in influencing the decision-making in the sanctioned state ('target'). Particularly, whether a target is a democracy or not is found to be a significant predictor of sanction effectiveness (Lektzian and Souva (2007), Allen (2008b)). It is argued that democracies are particularly susceptible to coercive measures mainly due to their sensitivity to domestic audiences. Democracies are also likely to be more constrained in responding to sanctions due to a higher number of veto players (Jeong and Peksen (2019)). Leaders in autocracies, on the other hand, are both more insulated from potential public pressure to change policy, and have more room to take adaptive measures to offset the deleterious effects of sanctions. Non-democratic regimes can also pre-empt societal opposition with greater repression. The failure of sanctions against dictators like Manuel Noriega of Panama, Saddam Hussein of Iraq, or Kim Jong Il of North Korea is generally attributed to these factors (e.g. Kirshner (1997)). In short, the previous studies posit a linear relationship where the probability of sanction success is highest for democracies and lowest for autocracies. In this paper, I revisit this hypothesis.

I argue that an important shortcoming of the previous literature is its failure to account for the political cost of compliance for the target. Giving in to the demands of an adversary can be politically costly for leaders (e.g. Huth (2009), Zarpli (2020)). Making concessions during international disputes invite accusations of "backing down" or "being soft" (Fearon (1994)). That's why scholars have analyzed how governments can avoid domestic backlash for making compromises such as using third-party mediation and international legal dispute settlement mechanisms (Allee and Huth (2006), Beardsley and Lo (2014)). The risk of backlash is compounded by the fact that economic sanctions can harden the public opinion in the target towards the sanctioning state and reduce support for policy-change (Galtung (1967), Grossman, Manekin and Margalit (2018), Gueorguiev, McDowell and Steinberg (2020)). I argue that accounting for the leaders' incentives to avoid the 'audience cost' would lead to different predictions of target behavior. More specifically, I expect democracies to be discouraged from giving in due to their sensitivity to audience cost. Therefore, I do not expect full democracies to have any higher probability of compliance than hybrid regimes. In other words, the relationship between democracy and sanction effectiveness is likely to be inverted-U shaped.

I test this hypothesis using a newly-released time-series cross-sectional dataset on 1,064 economic sanction cases between 1950 and 2020 (Felbermayr et al. (2020)) and find robust support. Additionally, I use the U.S. sanctions against Turkey (in the 1970s) and Costa Rica (in the 2000s) to illustrate the main causal mechanism. The rest of the paper is organized as follows. First, I review the existing studies on the effect of regime type on sanction effectiveness. Then I present my theory regarding why democracy score should have a curvilinear effect on target capitulation. Next, I discuss two illustrative cases from Turkey and Costa Rica, followed by the section on quantitative analysis. I present the main findings and various robustness tests. The final section concludes.

Existing Literature

The literature on sanction effectiveness has proposed that regime type in the sanctioned state plays an important role in the decision-making of the targeted leaders. It is posited that sanctions will be effective in leading to policy change if it generates political costs for the targeted leaders (Allen (2008a)) by affecting domestic groups that have the capability of generating pressure on the decision-makers (Kaempfer and Lowenberg (1988)). Thus studies have focused on regime type, which determines the groups that have influence over the decision-making processes, as a key factor in sanction effectiveness. For example, Lektzian and Souva (2007) argue that because democracies rely on a larger winning coalition and are more accountable to the general public, they are more likely to change course when the sanctions negatively affect the economic situation of the population. Non-democratic leaders, on the other hand, maintain power by distributing ‘private goods’—rather than public goods—to a much smaller section of the society and thus are able to shield their core supporters from the adverse economic effects (De Mesquita et al. (2003)). These regimes “can shunt the cost of sanctions off on to general public, who have little influence over policy outcomes” (Allen (2008b), 255). Some studies underscore variation within different forms of non-democratic regimes. For example, Escribà-Folch and Wright (2010) explore the effect of sanctions on the survival of targeted leaders across different authoritarian regimes. They find that among non-democracies, sanctions are most effective against personalist regimes because they are more sensitive to the economic costs due to their reliance on external rents and trade taxes. Nevertheless, an important strand of literature posits that autocracies, on average, are more impervious to sanctions than democracies.

Others focus on domestic institutions’ role in constraining the targeted leaders (Bolks and Al-Sowayel (2000), Jeong and Peksen (2019)). It is argued that initiating economic policies to counteract the negative impact of sanctions, such as forging economic ties with third-party states through offering trade and investment incentives, requires consensus among the key domestic political actors. And since there is a higher number of veto players that can block such efforts in democracies, leaders are less likely to be successful in avoiding the economic costs. In other words, democracies are argued to have “less freedom to devise countermeasures” (Bolks and Al-Sowayel (2000), 246). This makes it more likely for them to concede to the sender demands in order to avoid paying the continued costs of sanctions. Taken together, most previous studies posit a linear relationship between democracy and sanction success whereby democracies are the most susceptible to coercion. A number of studies (e.g. Bolks and Al-Sowayel (2000), Allen (2005), Lektzian and Souva (2007)) find support for this argument. Other studies, on the other hand, report mixed results. McLean and Whang (2010) and Bapat et al. (2013) find no statistically significant relationship between the target’s regime type and the probability of sanction success. Early (2011) finds that sanctions against democracies are *less* likely to work. What explains these disparate findings? One possible reason for the mixed empirical record is that these studies do not consider the potentially non-linear effect of democracy.

Theoretically, previous studies mainly focus on the economic and political costs of sanctions, which create incentives to reach a compromise. This overlooks the possible role of audience cost faced by the targeted leaders. Leaders may pay a political price for giving in to the demands of an external power. This omission is puzzling given that the research on sanctions has highlighted how costly it can be for the sides to back down during a sanction episode. For example, [Hart \(2000\)](#) argues that an important reason why democracies are more effective ‘sanctioners’ is that they face domestic punishment should they back down after imposing sanctions. This allows democracies to signal their resolve more credibly and succeed at extracting concessions from the target. Similarly, [Krustev and Morgan \(2011\)](#) argue that audience costs discourage the senders from making concessions. [Lektzian and Sprecher \(2007\)](#) posit that democratic senders are more likely to escalate during sanction episodes by taking military actions due to the audience cost of backing down. What about the audience cost faced by the target? We should expect the targeted leaders to face political costs for backing down after coming under economic sanctions. In fact, the size of this cost should be even larger for the targets than the senders. It is arguably more difficult to “accept settlements that appear imposed upon” a government ([Gottfried and Trager \(2016\)](#), 244), especially given how individuals in many countries tend to be skeptical of foreign interference in domestic affairs. It is one thing to fail to coerce another state into changing its policies. It is another thing to fold to outside pressure.

While some studies acknowledge that sanctioned leaders may face a political cost for backing down, they “assume [the economic costs] to be greater than the reputational costs of giving into the sender” ([Bolks and Al-Sowayel \(2000\)](#), 246). However, why the audience cost should necessarily be lower than the economic and political cost of resistance is not clear. A large body of literature in international relations shows that audience cost can lock actors in a spiral of escalatory behavior, sometimes pushing the actors into costly wars that make both sides worse off ([Fearon \(1994\)](#)). Governments sometimes tolerate significant costs in order to maintain their domestic and international reputation. In fact, ‘saving face’ is “one of the few things worth fighting over” ([Schelling \(1966\)](#), 124). Similarly, in the sanctions literature, [Dorussen and Mo \(2001\)](#) argue that targeted leaders may continue to endure economic costs in order to avoid the political costs of compromising. These authors, however, do not explore how audience cost influences the effectiveness of sanctions against different regime types. This study aims to address this gap.

Theory and Hypothesis

Sanctions and Audience Cost

Previous studies highlight that sanctions are likely to induce compliance to the extent that they generate significant political costs for target governments ([Blanchard and Ripsman \(1999\)](#)). Even when foreign pressure inflicts major economic deprivation on the target population, compliance is not ensured because economic costs may not

translate into political costs for the targeted leaders (Kirshner (1997)). “Without political costs, there is no reason for targeted states to comply” (Allen (2008b), 918). Leaders take into consideration how compliance vs. non-compliance “will affect their re-election chances, their support among key constituencies” (Blanchard and Ripsman (2013), 24). Recent comprehensive multilateral sanctions against Russia for its invasion of Ukraine is a case in point. Despite the considerable impact sanctions have had, with the Russian economy projected to shrink by 6% in 2022 (Gontmakher (2022), Inman (2022)), these measures have not been effective in stopping the invasion.

I likewise argue that political costs faced by the targets play a key role in sanction effectiveness. However, most studies overlook an important source of political cost: the cost of capitulating to the sender (i.e. audience cost). They overwhelmingly focus on the economic cost as the primary source of political costs. Domestic actors that are hurt by the adverse economic conditions punish the target leader for the policy failure. Thus it is argued that the reason why severe measures do not work is that they fail to hurt the *right* groups (e.g. Lektzian and Souva (2007), Allen (2008b)). “Only where sanctions harm the target’s ruling coalition”, it is argued, are they likely to be effective (Brooks (2002), 2). I depart from this literature by arguing that the issue is not only about whether the economic costs target the right sections of the society. Instead, we need to also take into consideration the political costs associated with giving in to the demands of an outside actors. I also argue that the extent to which this audience cost influences sanction effectiveness varies by regime type.

Ending conflicts by making compromises is risky business (Schultz (2005)). Concessions (e.g. political, territorial, economic, military) may be exploited by an adversary to its own advantage. Such concessions may also undermine the reputation of an actor as a ‘tough negotiator’ and embolden potential third party challengers in the future.¹ Partly because of these reasons, leaders who give in to sender demands may be accused of weakness and incompetence by domestic audiences. The opposition actors can portray compromises as a foreign policy defeat. Thus for a leader, “continuing the dispute... is often better than offering concessions” (Fravel (2005), 53). For example, an important reason why the 2009 Iran-US nuclear fuel swap agreement failed was the political backlash against President Ahmendinejad, who was attacked by the opposition actors for “giving too much away” and not securing sufficient guarantees from the U.S. (Hurst (2016), 549). The political costs discouraged compromise and resulted in the resumption of the sanctions regime.

The role of audience cost during economic sanctions, however, remains relatively under-explored in the empirical literature. The canonical model of audience cost is used to explain the behavior of actors that are engaged in a ‘war of attrition’ (Fearon (1994)). Leaders pay a political price for backing down from fighting after escalating a crisis. The public may punish the leaders because backing down undermines the nation’s “credibility, face, or honor” (Fearon (1994)) or because it signals the leader’s incompetence (Smith (1998)). In this respect, audience cost has been mostly studied in the context of military conflicts and as something that leaders *deliberately* generate as a way to signal their resolve. However, cases of economic sanctions are also likened to a

war of attrition, whereby the sender and the target, who pay continued costs as the dispute drags on, hold out in the hopes that the other side will give in first (Bonetti (1994), Dorussen and Mo (2001)).

Further, scholars acknowledge that audience cost can arise not only in cases where leaders back down after issuing explicit military threats. Leaders can face audience cost for making concessions, giving into others' demands, or cooperating without reciprocation (e.g. Colaresi (2004), Allee and Huth (2006)). At its root, audience cost is about the ability of citizens to punish their government "for inappropriate behavior" (Slantchev (2006), 450). Thus scholars have also paid increasing attention to how the behavior of other actors can cause 'provocation' and tie the hands of the leaders (e.g. Kurizaki (2007), Cho (2018), Dafoe, Hatz and Zhang (2021)). Public threats are said to create audience cost for the opponent as well (Fearon (1992)), engaging the receiver's domestic audience and locking "the adversary into a situation where she has no choice but to stand firm" (Kurizaki (2007), 554).

This line of research demonstrates how audience cost can be consequential during economic sanctions where the targets do not necessarily make public statements for the purpose of costly signaling. The audience cost in these situations are likely to be particularly high for two main reasons. First, the salience of the contested policy for the target and the level of distrust between the actors are likely to be higher. This is mainly because the presence of sanctions indicates an initial breakdown of bargaining. Indeed, many inter-state disputes are resolved either through peaceful negotiations or *threats* of sanctions (e.g. Nooruddin (2002)). Therefore, the fact that sanctions are imposed indicates that the parties failed to resolve their differences through other means and that the dispute has escalated. This expectation is consistent with Fearon (1994) who argues that audience cost increases "as the public confrontation proceeds" and crisis escalates (577). Thus the domestic political salience of contested policies, incompatibility of preferences, and the distrust among actors are likely to be higher during sanction episodes compared to other disputes. This could increase the political cost of making compromises for the target government.

Secondly, the act of imposing sanctions can cause provocation that makes compromises by the target more difficult. It may trigger a heightened sense of nationalism in the target society as individuals can perceive sanctions as an assault on the country as a whole (e.g. Galtung (1967), Grossman, Manekin and Margalit (2018)). Such a rally-round-the-flag effect, in turn, can harden the resolve of the targets, making them less likely to "bend to the demands of foreigners" (Pape (1997), 93). Coercive actions can "put the reputation and honor of the leader and nation at stake" and increase the cost of backing down (Dafoe, Hatz and Zhang (2021), 382). Even in cases that do not include explicit coercive actions such as economic sanctions, aggressive rhetoric by foreign leaders is found to influence the public opinion in the target state highly negatively. In particular, such rhetoric engages the honor of the target, and makes compromises less popular and more politically costly (Gottfried and Trager (2016)).

For example, in April 2010, Iran made a set of important concessions concerning its low enriched uranium (LEU) stockpile in a trilateral agreement with Turkey and Brazil.

The Iranian government agreed to relinquish a significant portion of its stockpile in return for fuel rods for the Tehran Research Reactor. The same Iranian government, however, had refused to make the identical concessions towards the United States in December 2009 in the face of serious domestic political backlash where President Ahmedinejad was “savagely criticized across Iran’s political spectrum” (Karon (2009)). The trilateral agreement, on the other hand, did not elicit a similar reaction by the domestic audiences. In fact, it received near-universal support in Iran. Even groups that were sharply critical of President Ahmedinejad, including figures from the Green Movement, “extended their blessing to the deal” (Parsi (2012), 192-193). In short, the same compromises caused radically different reactions by the Iranian political actors within the span of a few months. This was mainly because the deal with Brazil and Turkey allowed the Iranian regime to avoid criticism that it was bending to the will of the United States, which had placed comprehensive sanctions against Tehran. This suggests that while concessions are difficult to make in general in international affairs, it is even harder for a state to comply with the demands of a country that imposes sanctions.

In short, sanctions may trigger audience cost for the sanctioned leaders, deterring them from complying with sender demands. If the sanctions lead to a considerable rally-effect by engaging the national honor of the target state, leaders would pay even greater political cost for capitulation. Therefore, the magnitude of the rally effect would influence the magnitude of the audience cost. But even if the sanctions do not lead to a heightened nationalism in the target, capitulation may still have reputational costs for the leader as it may signal the leader’s incompetence. In short, while the rally-round-the-flag effect would worsen the audience cost faced by the target leaders, in its absence, the targets could still pay a political cost for backing down.

The Role of Regime Type

How does the political cost of backing down influence the behavior of leaders across different regime types? As previous studies have highlighted, domestic institutions play an important role in influencing the political cost by shaping the size of the winning coalition, the extent to which leaders are accountable to the general population, and the availability of repressive instruments to address potential societal discontent. In this sense, one could expect democracies, which have large winning coalitions and diminished ability to employ repression, to be particularly vulnerable to economic coercion. The economic costs could potentially incentivize them to make concessions. But they would also be sensitive to the domestic political cost of compromising. I argue that audience cost is an important factor that can offset the incentives for compliance. Therefore, I do not expect the probability of sanction success to linearly increase along the autocracy-democracy continuum. Rather I expect the sanctions to have a lower rate of success against full democracies than hybrid regimes.

While fully democratic regimes would be deterred from giving in to sender demands due to prohibitively high audience cost, non-compliance by full-fledged autocracies is

likely to be due to their insulation from the economic costs. As the previous literature suggests, autocratic regimes would be able to shield their small winning coalition from the adverse economic effects. They can maintain power by distributing ‘private goods’ to a relatively small section of the population (De Mesquita et al. (2003)). Thus they are less motivated to devise policies that maximize the welfare of the general public. Because closed autocracies “do not have any of the architecture of political competition and pluralism” (Diamond (2002), 26), they face a minimized risk of political punishment for policy failures. These regimes tend to also deploy repression more readily. Autocratic leaders may even exploit sanctions to solidify their rule. More specifically, because they have better control over the economic activities in the country, they are better positioned to extract rents that help them hold onto power (Lektzian and Souva (2007)). For example, in Iraq, the UN sanctions imposed substantial costs on the economy as a whole with serious humanitarian consequences such as increased child malnutrition, infant mortality and foodborne and waterborne diseases (Popal (2000), Alnasrawi (2001)). However, the sanctions did not significantly weaken Saddam Hussein. On the contrary, people became even more dependent on the regime for their survival (Dorussen and Mo (2001), 407).

In contrast, hybrid regimes are not as insulated from the likely adverse economic impact of sanctions as closed autocracies. These regimes encompass mainly two types of political systems (Bogaards (2009)). The first is authoritarian regimes with competitive multiparty elections (Levitsky and Way (2010)). They hold legal elections and tolerate a degree of pluralism and interparty competition (Schedler (2002)). At the same time, government critics face severe limitations, and elections are subject to systematic irregularities, and thus do not qualify as democratic (Schedler (2006), 3). The second is electoral democracies where elections meet the minimum criteria to be qualified as democratic. Yet these regimes lack sufficient institutional checks and balances and respect for civil rights and liberties to qualify as fully-consolidated liberal democracies.

In this sense, compared to autocracies, hybrid regimes have larger winning coalitions, and thus are not as insulated from the economic costs of sanctions. However defective, elections are broadly competitive and they are highly consequential. In these regimes, the opposition parties “contest vigorously—and at times successfully—for power” (Levitsky and Way (2010), 3). Even in competitive authoritarian regimes, elections include “dramatic and often unexpected swings in support” for the ruling parties (Miller (2015)). Thus even when the elections are manipulated and fall below the democratic standards, they can contribute to popular accountability. Therefore, leaders still need to cater to a sizable segment of the society. That is why these regimes tend to perform better on many indicators of human development compared to autocracies (Miller (2015)). Further, because political power is more diffused compared to closed autocracies, they are also unlikely to be as effective in extracting rents, due to their incomplete control over the economy. This does not necessarily mean that there is less corruption in hybrid regimes. In fact, Mohtadi and Roe (2003) show that hybrid regimes exhibit greater rent-seeking behavior. However, as opposed to closed autocracies, where rent-seeking tends to be tightly controlled by the political elites, in

hybrid regimes, patron-client corruption networks are less likely to be centralized and thus used by the leaders to solidify their rule (Rock (2009)).

Why wouldn't democracies be more susceptible to economic sanctions than hybrid regimes? I argue that both hybrid and democratic regimes have economic incentives to push for the removal of sanctions. As mentioned above, even though hybrid regimes have smaller winning coalitions than democracies, they cannot turn a blind eye to the median voter altogether. The presence of democratic channels (however defective) allows the public to mobilize. External shocks such as economic sanctions can offer a window of opportunity for the opposition actors to overcome the daunting collective action problems they face in normal times. In fact, Allen (2008 *a*) finds that sanctions lead to the greatest level of anti-government mobilization in hybrid regimes. Further, Reuter and Gandhi (2011) show that economic crises significantly increase the risk of elite defection in electoral authoritarian regimes. As such, despite having a smaller winning coalition, leaders have sufficient incentives to push for the termination of the sanctions. Therefore, similar to democracies, but unlike autocracies, hybrid regimes have strong economic incentives to take action to end the sanctions.

At the same time, hybrid regimes are relatively more insulated from public opinion, which reduces the political cost of compliance. Importantly, the freedom of press, speech, and association are often curtailed. In many cases, the media is captured by economic elites that are closely linked with the government. In this sense, these regimes also have greater influence over the flow of information to their citizens (Ottaway (2003), 138). This allows them to limit the negative coverage of the concessions. In other words, compared to democracies, leaders in hybrid regimes have greater capacity to reduce the audience cost of capitulating to the sender. In short, in contrast to autocracies, hybrid regimes have the sufficient incentives to end sanctions. Further, unlike democracies, they have more room to make unpopular concessions towards the senders.

Hypothesis: Economic sanctions are more likely to be successful against hybrid regimes than democracies and autocracies.

Illustrative Cases

The U.S.' threat and imposition of sanctions against Turkey in the 1970s and Costa Rica in the 2000s can be used to illustrate the causal mechanisms linking regime type and sanction effectiveness. They show how audience cost matters during sanction episodes and how regime type influences the behavior of the targets. They also demonstrate that these targeted states may choose to endure the economic costs of sanctions if they believe that the audience cost of giving in to sender demands is prohibitively high. In the first case, Turkey became the target of U.S. threat and imposition of sanctions over the 'opium poppy dispute'. The sanctions succeeded in extracting concessions only after an *exogenous* regime change that led to a relative democratic erosion in the country. The concessions were reversed once Turkey transitioned back to a democratic rule. In the second case, the U.S. sanctions failed to convince democratic Costa Rica to

agree to sign a bilateral non-surrender agreement with regards to potential International Criminal Court (ICC) indictments due to concern about a domestic backlash.

U.S-Turkey: The Poppy Problem

Beginning in early 1960s, the U.S. urged the Turkish government to restrict the cultivation of opium poppy (Robins (2007)). The question of poppy production in Turkey, the second largest exporter of legal opium in the world at the time, became a particularly contentious issue in bilateral relations by the end of the decade. As concerns about heroin addiction in the U.S increased, the poppy problem “shot to the top of American foreign policy concerns with Turkey” by 1969 (Spain (1975), 298). Some claimed that up to 80% of the heroin in the U.S. came from Turkish opium.² The Nixon administration, which defined illicit drugs as a “serious national threat” (Evered (2011), 302), intensified its pressure on Ankara to impose total ban on this crop. First, the U.S. offered to buy the entire crop, which was turned down by the Turkish side. Then the U.S. demanded that Turkey cease production and plough up the crop in 1970. Turkish PM Demirel rejected this by saying that he would not be able to “find any Turk who would drive bulldozers to destroy poppy fields” (Uslu (1994), 277).

The U.S. Congress also intervened by threatening “punitive action”, in the form of the cutting of aid (which totaled in the excess of \$200 million a year), “if Turkey did not cease production” (Spain (1975), 298). The threat of sanctions, however, led to a serious backlash. PM Demirel stated that the threat was incompatible with the notion of sovereignty and was intolerable, whereas two members of his cabinet highlighted that “no country could punish Turkey and intervene in her affair” (Uslu (1994), 279). Despite the potential economic damage of the sanctions, the Turkish government under the popularly-elected PM Demirel resisted the U.S. pressure citing the likely adverse economic and social effects of a total ban. A number of provinces in Western Turkey were highly dependent on this crop making total elimination politically unpalatable. The issue was also seen by the wider population as one of sovereignty, and the U.S. demands were considered “as an act of imperialistic pressure” (Evered (2011)). So the question was viewed not only as a matter of “the cultivator’s right to grow opium poppies” but of “Turkey’s right to exercise autonomy” (Ahmad (1977), 418-419). Thus, PM Demirel did not want to be seen as if he was “yielding to U.S. pressure” (Uslu (1994), 288; Örmeci (2020)).

Nevertheless, the U.S. threat of sanctions ultimately worked in June 1971, when Ankara agreed to implement a total ban within a year. Why? In March 1971, the Turkish military forced the resignation of Prime Minister Demirel, replacing him with an unelected technocrat—Dr. Nihat Erim. The latter’s relative insulation from public opinion allowed him to take an unpopular step and give in to the demands of the U.S.³ The new government blamed the elected politicians for ignoring the criticism by other countries and not taking effective measures in banning opium production “because of electoral concerns”(Uslu (1994), 294). Unburdened by public opinion and electoral concerns, the new regime prioritized mending relations with the U.S.

The ban, however, proved to be short-lived. Unsurprisingly, the unpopular decision to abolish poppy production was reversed after the 1973 elections. Almost all political parties used the poppy ban during their electoral campaigns in which they “promised to...restore the independence, dignity and prestige of Turkey.” (Ahmad (1977)). Despite the continued threats by the U.S. that “the repeal of ban would be met with strong American counteraction” (Spain (1975), 304), the incoming Turkish government rescinded the ban in July 1974. In response, the U.S. cut all aid to Turkey in February 1975. US-Turkey relations continued to deteriorate with the outbreak of the Cyprus crisis and the U.S. decision to impose an arms embargo. Because of the embargo, “half of the Turkish military aircraft were grounded” due to a lack of spare parts for which Turkey relied heavily on the U.S. (Durmaz (2014), 48). But Turkey’s democratically-elected governments not only refused to give in to the sanctions, which were seen by many as “an intrusion into domestic affairs” (Güney (2008), 475). Ankara also took counter-measures. Most importantly, it closed down twenty-six of the twenty-seven U.S. military installations, including early warning radar stations and intelligence gathering facilities (Holmes (2014)). The U.S. lifted the sanctions in 1978 after failing to extract concessions on either the opium or the Cyprus issue.

This case illustrates that the political cost of compliance is a key factor that influences the decision-making in the target state. It also demonstrates that holding the contested issue, sender identity and the economic costs constant, changes in the target’s domestic political dynamics can have a significant impact on the likelihood of sanction effectiveness. A decline in Turkey’s democracy, manifesting in a government that was relatively more insulated than its predecessor, led to success of sanction threats on the opium question. However, the transition back to democratic elections resulted in the reversal of the policy-change. In the post-transition period, the U.S.’ threats and imposition of sanctions failed to change Turkey’s behavior.

U.S.-Costa Rica: The ICC Problem

Costa Rica, a founding member of the ICC, came under U.S. pressure to sign bilateral immunity (or non-surrender) agreement (BIA) in early 2000s. These agreements were intended to shield U.S. personnel from a potential prosecution by the ICC, which was founded in 2002 to hold individuals accountable for war crimes, crimes against humanity and genocide. BIAs ensured that, in case an American personnel is indicted by the ICC, they would not be turned over to the court in The Hague. The Bush administration had signed such agreements with over 100 countries (Nooruddin and Payton (2010)). Costa Rica refused to enter into such an arrangement with the U.S., and was placed under sanctions in July 2003 pursuant to the American Servicemembers’ Protection Act (ASPA), which prohibited military assistance to countries that had not signed the non-surrender agreements.⁴ The U.S. assistance was deemed “vital for the maintenance of Costa Rica’s counternarcotics and counterterrorism capabilities”, and the aid cuts led to “noticeable deterioration of the seaworthiness of the Costa Rican

Coast Guard fleet” (Langdale (2005)). In 2005, Costa Rica also lost its eligibility for Economic Support Funds (ESF).

The sanctions, however, were ineffective in changing the behavior of the target. An important factor that influenced the decision-making of the Costa Rican government was the fear of a potential public backlash if it chose to give in to the U.S. demands, which were largely seen as an intrusion into domestic affairs. Foreign Minister Tovar complained that the sanctions were “offensive” (Frisbie (2005)). Thus the government resisted pressure, even though President Abel Pacheco personally was not opposed to signing a BIA with the U.S. (Langdale (2005)). In this sense, the likely political cost of capitulation constituted a deterrent. The potential audience cost was so high that the government in San José would have been unlikely to comply with the U.S. demands even if the economic costs had been higher (Kelley (2007), 584). Political actors in Costa Rica strongly voiced their objections against the sanctions and any policy change. “We feel the government is acting correctly and must continue in this direction” said a former politician, while a number of newspaper editorials emphasized that the government was right “not to accept a laceration of our sovereignty” (Frisbie (2005)). The risk of backlash was high especially because ICC membership was a highly salient issue in domestic politics. Thus, domestic accountability tied the hands of the government (Kelley (2007), 584). As a result, in 2006, President Bush backed down and announced that the U.S. would grant Costa Rica a waiver and permit the U.S. to resume military aid even though it refrained from signing the non-surrender agreement.

The case of Costa Rica is not unique. In many countries, the U.S. pressure to sign BIAs caused controversy in domestic politics. For example, in Ghana, the agreement was attacked by the opposition parties for violating sovereignty and for “cheapening [Ghana] just for peanuts” (ModernGhana (2003)). But while some governments were able to circumvent the opposition and make the unpopular choice of signing the non-surrender agreements that provided immunity to American citizens, others refused, despite the threats and imposition of economic sanctions by the U.S. For example, some hybrid regimes like Colombia and Botswana gave in to the U.S. pressure and signed the agreement to maintain the flow of aid despite their initial skepticism. Amid local controversy, the Botswanian government defended its decision by arguing that relations with the U.S. bring “tangible benefits to the people” (TheNewHumanitarian (2003)). Others like Brazil and South Africa, which had markedly higher democracy scores in 2003, resisted the U.S. pressure, resulting in significant loss of economic and military aid (e.g. Boehme (2017)). A simple bivariate analysis also reveals that the countries that signed these agreements had dramatically worse democracy records than countries which refused to sign them. On a scale from 0 to 1, the average liberal democracy score of the ICC members that refused to sign BIAs is 0.69, while it is 0.33 for member states that signed the agreement.⁵ The difference is statistically significant at the 0.000 level. This suggests that democracies may be less amenable to outside pressure, arguably due to the political costs of giving in.

Taken together, these two cases demonstrate that leaders in democracies are likely to be particularly vulnerable to the political costs of compliance which deters them from

giving in to the sender demands. Changes in the target regime type *within* a sanction episode *over time* can have a significant effect on the likelihood of sanction effectiveness, as highlighted by the Turkish case. The next section tests these claims empirically using a time-series cross-sectional dataset of 1,064 sanction cases between 1950-2020.

Quantitative Analysis

To test the hypothesis on the effect of regime type on sanction effectiveness, I primarily rely on Global Sanctions Data Base (Felbermayr et al. (2020)) that records each bilateral and multilateral sanction episode between 1950-2020.⁶ Sanctions are defined as “binding restrictive measures...to address different types of violations of international norms by inducing target countries to change their behavior or to constrain their actions” (Felbermayr et al. (2020), 4). In total, there are 1,064 sanction episodes. The dataset records the sanctions on the basis of three dimensions: 1) sanction type (whether the sanctions include restrictions in trade, finance, military, or travel); 2) political objectives behind the sanctions (whether the goal is to promote human rights, democracy, prevent war, end war, trigger regime-change, address state sponsorship of terrorism, end territorial conflict or spur policy-change); 3) the degree of success of each sanction episode. Particularly, the outcome variable records whether sanctions resulted in failure (when a target does not change its behavior), negotiated settlement (when parties agree to settle a conflict by negotiations), partial success (when a target partially accepts the demands of the sender) or complete success (when a target fully accepts the requests of the sender).

The unit of analysis is sanction episode-year. There are 7,663 observations potential for analysis. The explanatory variable is a target’s democracy score. I derive this variable from Varieties of Democracy (V-dem). I mainly rely on the liberal democracy index, which measures democracy based on the quality of elections, the limits on the executive, constitutionally protected civil liberties, strong rule of law, and independent judiciary (Coppedge et al. (2016)).⁷ This is a continuous variable ranging from 0 to 1. I also include the squared term of this variable to test the non-linear nature of my hypothesis. The main dependent variable in this paper is whether sanctions were successful in extracting concessions from the target. To capture this, I estimate the effect of regime type on three different outcome variables. First, I use a binary variable where a sanction-case-year is coded as 1 if the outcome of the sanction episode is ‘complete success’, and 0 otherwise. Secondly, I relax the criteria for sanction effectiveness and include cases that are considered to be a ‘partial success’. Thirdly, I include sanction episodes that ended in ‘negotiated settlements’. This constitutes the most lenient measure of sanction effectiveness. However, given that targets still need to make certain concessions to reach a settlement, I argue that this would be valid outcome of interest. For robustness, I construct a categorical variable that takes the value of 0 if a sanction episode has failed or is ongoing, 1 if it ended in a negotiated settlement, 2 if it was a partial success, and 3 if the target completely capitulated. Then I estimate the

effect of regime type separately on each outcome (with failure as the reference category).

I include a number of control variables. The GDP per capita of the target may influence both a country's democracy score (Robinson (2006)) and its likelihood of giving in to sender's demands. Countries with stronger economies may be expected to more easily withstand outside pressure. I control for the level of domestic instability in the target state. This may affect both the democracy score (Vreeland (2008)), and the effectiveness of sanctions. Countries that go through domestic turmoil may be more vulnerable to external pressure. Alternatively, they may be more defiant to avoid appearing weak. These data come from Cross-National Time-Series Data Archive (Banks and Wilson (2020)). It is a weighted measure that takes into account the presence of anti-government demonstrations, assassinations, general strikes, terrorism, government crises, purges, revolutions and riots. I use the natural log of this variable. Some find that sanctions by international institutions are more effective (Bapat and Morgan (2009), Peksen (2019)). Others argue that multilateral sanctions are less likely to be successful due to problems of coordination, bargaining and enforcement (Drezner (2000), Miers and Morgan (2002)). So I include a binary variable that indicates whether the sender is one of the following international institutions: United Nations, European Union, African Union, Organization of American States, League of Arab States, or ECOWAS. Finally, I also control for the sanction type (financial sanctions, trade sanctions, arms embargo, military) and the political objectives (promote democracy, human rights, prevent and stop war, punish terrorism sponsorship). Table 1 displays the descriptive statistics of these variables.

Table 2 reports the results from binary logistic regression with robust standard errors clustered at target state level. All the models also control for the duration of a sanction episode, as well as its squared and cubed terms (Carter and Signorino (2010)). Each column displays results for different measurements of sanction success (stringent,

Table 1. Descriptive Statistics.

Variable	N	Mean	S.D	Min.	Max.
Liberal democracy	7,449	0.18	0.20	0.005	0.879
GDP per capita (ln)	6,570	6.99	1.42	3.61	11.54
Domestic instability (ln)	6,565	5.21	3.68	0	13.02
International organization	7,663	0.21	0.40	0	1
Target leader tenure (year)	6,290	9.00	9.62	0	47
Sanction duration (year)	7,663	8.53	9.64	0	69
Total success	7,663	0.05	0.22	0	1
Medium success	7,663	0.06	0.25	0	1
Lenient success	7,663	0.07	0.26	0	1
Sender democracy	5,289	0.69	0.22	0.005	0.886
UNGA voting similarity	4,520	0.47	0.23	0	1
Trade dependence	3,884	0.08	0.13	0	0.97

Table 2. Regime Type and Sanction Effectiveness (Monodic Model).

	(1)	(2)	(3)
Democracy	10.025*** (2.250)	9.272*** (2.030)	8.764*** (1.946)
Democracy × democracy	-10.425*** (2.647)	-9.560*** (2.499)	-9.150*** (2.416)
GDP per capita (ln)	0.057 (0.097)	-0.037 (0.088)	-0.090 (0.080)
Target instability	0.010 (0.029)	0.011 (0.026)	-0.010 (0.024)
International organization	0.230 (0.174)	0.109 (0.147)	0.069 (0.136)
Obj: Democracy	0.937*** (0.295)	1.020*** (0.263)	0.878*** (0.255)
Obj: Human rights	0.368 (0.321)	0.608** (0.248)	0.580** (0.227)
Obj: End war	0.300 (0.351)	0.201 (0.330)	0.227 (0.305)
Obj: Policy change	0.044 (0.311)	0.145 (0.266)	0.154 (0.252)
Obj: Prevent war	0.029 (0.408)	0.074 (0.405)	0.015 (0.393)
Obj: Territorial conflict	-0.909 (0.579)	-0.983* (0.522)	-0.742* (0.410)
Obj: Terrorism sponsorship	-1.539*** (0.564)	-1.212*** (0.461)	-1.021** (0.432)
Measure: Arms embargo	-0.402** (0.180)	-0.448*** (0.160)	-0.474*** (0.151)
Measure: Financial sanctions	-0.304** (0.124)	-0.265** (0.129)	-0.227* (0.120)
Measure: Military sanctions	-0.072 (0.173)	-0.152 (0.151)	-0.169 (0.140)
Measure: Trade sanctions	0.033 (0.167)	0.012 (0.159)	-0.016 (0.140)
Duration	0.068 (0.042)	0.059 (0.037)	0.035 (0.033)
<i>Duration</i> ²	-0.004 (0.003)	-0.004 (0.002)	-0.002 (0.002)
<i>Duration</i> ³	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
Year	-0.006 (0.008)	-0.002 (0.007)	-0.003 (0.006)

(continued)

Table 2. (continued)

	(1)	(2)	(3)
Constant	7.940 (15.702)	0.759 (13.096)	2.918 (12.580)
Observations	6,498	6,498	6,498
Pseudo R2	0.0928	0.0929	0.0799

Clustered robust standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

For the objective and measure variables, the reference is the residual category of 'other'

moderate, lenient). Among the control variables, neither GDP per capita nor domestic instability are robust predictors of sanction effectiveness. Similarly, whether sanctions are imposed by an international organization does not seem to have a substantial bearing on sanction success. In terms of the sanction types, arms embargoes are significantly less likely to end in success. In terms of the objectives, sanctions are likely to be effective when imposed to improve democracy. On the other hand, they are particularly ineffective when they are imposed in response to a territorial conflict or to stop state sponsorship of terrorism.

The coefficients for the democracy variable lend support for the main hypothesis. In each model, the linear term of the liberal democracy score is positive and statistically significant. The quadratic term, on the other hand, is negative and significant, suggesting an inverted-U relationship. In other words, as the democracy level of a sanctioned state increases, the likelihood of target concessions first increases, and then decreases. Substantively, the predicted probability is approximately 1% for a target with democracy score of approximately 0 (on a scale from 0 to 1). It is 11% for a target with democracy score of approximately 0.5, and it is 2% for a target with democracy score of 0.9 (the maximum value in the sample). [Figure 1](#) displays this relationship graphically.

Robustness Checks

I conduct additional analyses to test the robustness of these findings. First, I control for the length of time a targeted leader has been in power. [Spaniel and Smith \(2015\)](#) show that the tenure of the targeted leader influences the extent to which senders would be uncertain about whether the targets will resist or capitulate. While their outcome of interest is whether sanctions are imposed or not, greater information asymmetry could also affect whether sanctions succeed or not. This data is derived from Database of Political Institutions that covers the years between 1975 and 2020 ([Cruz, Keefer and Scartascini \(2021\)](#)). This variable, however, has no significant effect on the likelihood of sanction success ([Table A4 in the Online Appendix](#)).

I also control for sender characteristics and the ties between sender and the target. To do so, I restrict the sample to sanctions cases where there is a single sender.⁸

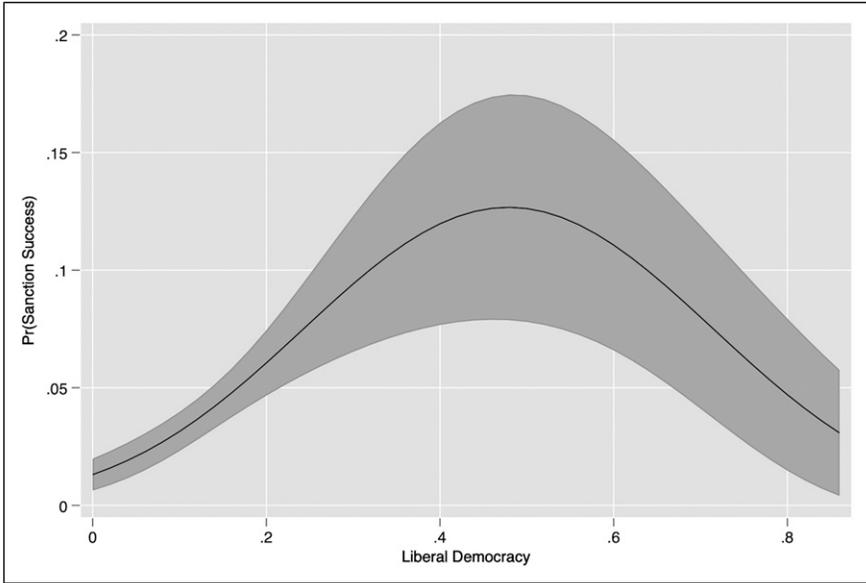


Figure 1. The Predicted Probability of Sanction Success by Democracy Score (with 90% CIs).

Approximately 30% of the observations are dropped, resulting in 5,419 observations potential for analysis. I include the democracy score and GDP per capita of the sender. As mentioned above, previous studies have highlighted the importance of the sender's democracy score (e.g. [Hart \(2000\)](#), [Lektzian and Souva \(2007\)](#)). It is argued that democratic senders are more successful in extracting concessions. I also control for the geopolitical affinity between the sender and the target. [Drezner \(1999\)](#) argues that sanctions are more likely to be effective when the targets have close prior relationship with the sender, even though there is no consistent empirical support for this hypothesis ([Lektzian and Souva \(2007\)](#)). I draw this data from [Voeten, Strezhnev and Bailey \(2009\)](#), that records annually the voting similarity of country-dyads in the United Nations General Assembly. "I use the 'agree' variable here. The results do not change when I use the "idealpointdistance" variable." Finally, I control for the trade links between the target and the sender. Some studies have identified trade dependence as an important correlate of sanction effectiveness ([Hufbauer et al. \(2007\)](#)). I use the ratio of bilateral trade (exports + imports) to a target's total trade volume. I derive this from Correlates of War's International Trade data that covers the period between 1870 and 2014 ([Barbieri, Keshk and Pollins \(2009\)](#)).

The results are reported in [Table 3](#). They show that inclusion of the sender characteristics do not affect the main findings regarding the effect of the target's regime type. The sign and significance of the independent variables remain the

Table 3. Regime Type and Sanction Effectiveness (Dyadic Model).

	(1)	(2)	(3)
Democracy	8.037*** (2.197)	7.578*** (1.950)	7.196*** (1.912)
Democracy × democracy	- 7.156*** (2.157)	- 7.039*** (2.065)	- 7.021*** (2.029)
GDP per capita (ln)	- 0.090 (0.125)	- 0.131 (0.110)	- 0.166 (0.101)
Target instability	- 0.011 (0.031)	- 0.005 (0.028)	- 0.018 (0.025)
Sender democracy	1.063** (0.521)	1.207*** (0.446)	0.981** (0.427)
UNGA voting	0.788 (0.525)	1.095*** (0.364)	1.279*** (0.343)
Trade inter-dependence	1.615*** (0.493)	1.735*** (0.402)	1.652*** (0.360)
Obj: Democracy	0.985*** (0.308)	1.000*** (0.265)	0.749*** (0.258)
Obj: Human rights	0.103 (0.400)	0.277 (0.282)	0.252 (0.254)
Obj: End war	0.270 (0.582)	0.046 (0.551)	0.012 (0.527)
Obj: Policy change	0.114 (0.458)	0.163 (0.381)	0.192 (0.349)
Obj: Prevent war	- 0.919 (0.627)	- 0.556 (0.553)	- 0.575 (0.493)
Obj: Territorial conflict	- 0.772 (0.545)	- 0.874* (0.500)	- 0.634 (0.416)
Obj: Terrorism sponsorship	- 0.549 (0.676)	- 0.375 (0.535)	- 0.517 (0.515)
Measure: Arms embargo	- 0.995** (0.387)	- 0.543** (0.275)	- 0.630** (0.257)
Measure: Financial sanctions	- 0.396** (0.186)	- 0.389** (0.188)	- 0.345** (0.172)
Measure: Military sanctions	- 0.150 (0.231)	- 0.326 (0.199)	- 0.255 (0.189)
Measure: Trade sanctions	- 0.063 (0.257)	- 0.129 (0.201)	- 0.108 (0.179)
Duration	0.122* (0.071)	0.078 (0.051)	0.040 (0.050)
Duration ²	- 0.010* (0.005)	- 0.006* (0.003)	- 0.004 (0.003)

(continued)

Table 3. (continued)

	(1)	(2)	(3)
Duration ³	0.000** (0.000)	0.000* (0.000)	0.000 (0.000)
Year	- 0.018* (0.009)	- 0.011 (0.008)	- 0.011 (0.008)
Constant	31.153* (18.056)	17.964 (15.552)	18.463 (14.625)
Observations	3, 462	3, 462	3, 462
Pseudo R2	0.1144	0.1091	0.1007

Clustered robust standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

For the objective and measure variables, the reference is the residual category of 'other'

same. Among the control variables, consistent with the previous literature, sanctions imposed by democratic senders are more likely to be successful in general. Similar to the results in [Table 2](#), GDP per capita of the targeted state is not a significant predictor of sanction effectiveness. Domestic instability does not have a statistically significant effect either. Targets that experience domestic turmoil are not more likely to give in to the demands of the sender. Expectedly, geopolitical affinity seems to have a positive and statistically significant effect on sanction effectiveness. The probability of target concessions (model 3) increases from approximately 5% to 9% when the UNGA voting similarity score is increased from its 25% percentile to 75% percentile value, other variables held at their means. Trade dependence also has a positive and statistically significant effect on the outcome variable. Targets are more likely to comply with sender demands when they rely more on the sender for imports and exports.

Results are also robust to using alternative sanction datasets. First, I replicate the main findings by using the Threat and Imposition of Sanctions (TIES) dataset ([Morgan, Bapat and Kobayashi \(2014\)](#)) which covers sanction cases between 1946 and 2005. The results are reported in [Table A1 in the Online Appendix](#). The outcome variable measures whether the target completely (Model 1) or partially (Model 2) acquiesces to the demands of the senders. Out of approximately 500 cases in the sample with complete information about the beginning and end dates, 172 of them (35%) ended in partial or complete target capitulation. In addition to the control variables that are used in the main analysis, I also account for the economic cost of the sanctions. This is a binary variable coded 0 if the sanctions are believed to have imposed minor costs on the target, and 1 for sanctions with 'major' or 'severe' costs. I also control for whether a threat was issued before the sanctions were imposed, which would likely have a lower rate of success. Targets who defy explicit threats are likely to be more determined to maintain the status quo policy. In addition, I use the dataset generated by [Hufbauer et al.](#)

Table 4. Selection-corrected Model.

Variable	DV: Sanction Success
Democracy	4.699*** (0.979)
Democracy ²	-5.127*** (1.122)
GDP per capita (ln)	0.017 (0.042)
Domestic instability	0.010 (0.018)
Multilateral	0.059 (0.062)
Duration	0.035* (0.019)
Duration ²	-0.001* (0.001)
Duration ³	0.000 (0.000)
Control: Sanction type	✓
Control: Sanction objectives	✓
	DV: Sanction imposition
Democracy	-1.937*** (0.437)
GDP per capita (ln)	0.022 (0.068)
Domestic instability	0.095*** (0.016)
Year	0.022*** (0.004)
Observations	13,490

*** $p < 0.01$; ** $p < 0.05$; * $p < 0.1$

(2007) that covers 204 sanctions imposed between 1914-2002. Table A2 reports these results. In addition to the control variables in the main model, I include target costs, the level of international cooperation in enforcing sanctions, whether the target receives external military or economic assistance, and the level of prior relations between the target and the sender. The independent variable and its squared term retain their direction and statistical significance.

The main results are also robust to alternative empirical models, namely the multinomial logit and competing risks survival. First, I estimate the effect of target regime type on the probability of observing each outcome separately. Table A3 in the Online Appendix reports these results. Each column reflects one of the ways sanctions

can be terminated. The reference category here is sanctions that are coded as ‘failure’ or ‘ongoing’. As can be seen, the sign and significance of the independent variables is in the hypothesized direction. Democracy has an inverted-U shaped effect on target capitulation. I also employ competing risks survival model (Fine and Gray (1999)). It could be argued that the way a sanction case is terminated constitutes competing risks: for each episode, there is in any given year some risk that it will be terminated one of the four ways: complete capitulation of the target, partial concessions, negotiated settlement, lifting of sanctions despite no change in target behavior. The results from this model are reported in [Table A5 in the Online Appendix](#).

Finally, I account for potential selection bias by employing two-stage Heckman probit model. States are assumed to act strategically when imposing sanctions, whereby the decision to sanction is related to the decision of the target to resist (Smith (1995)). Thus the set of observed sanctions is not a random sample of cases (Nooruddin (2002), 66). Of direct relevance to my findings, it is possible that senders may be less likely to impose sanctions against democracies because they are able to resolve their difference at the earlier stages of the dispute. Democracies may become targets of sanctions only in cases where the disagreements are extreme. On the other hand, states may be less restrained in imposing sanctions against authoritarian or hybrid regimes. Thus the reason why democracies are unlikely to give in may not be about the theoretical mechanism outlined above, but because the democratic targets represent ‘hard cases’. As such, in order to measure the effect of democracy on sanction success, one needs to account for the effect of democracy on sanction imposition. To do so, I generate a dataset that includes all the country-years between 1950-2020. Next, I estimate the probability of target capitulation by including the inverse mills ratio from the first stage analysis. The findings are reported in [Table 4](#). Results show that countries with high democracy scores are less likely to be targeted with sanctions. Expectedly, countries that go through domestic turmoil are more likely to be sanctioned. The income level, on the other hand, is not correlated with whether a country is sanctioned or not. In the second stage, the sign and significance of the democracy variables indicate that, accounting for the non-random assignment to treatment, sanctions against targets with middling levels of democracy are more likely to be successful.

Conclusion

Economic sanctions continue to be used as a popular foreign policy instrument, demonstrated by a slate of sanctions imposed recently against countries like Russia, Belarus, Myanmar, and Turkey. The literature on sanction effectiveness has identified a number of factors, such as the severity of measures, the extent of international cooperation, and the characteristics of the sanctioning state. A substantial body of research has also examined the role of domestic politics in the target state. I build on these studies by examining the link between democracy and sanction effectiveness. Previous studies mostly posited a linear relationship where the probability of success increases along the autocracy-democracy continuum. I have argued that previous literature

largely overlooks the potential role of audience cost faced by the target and how it might influence target behavior across different regimes. Particularly, leaders in democracies would not be any more likely than leaders in hybrid regimes to comply with sender demands because of the audience cost of capitulation.

Previous studies emphasized the need to look beyond the economic costs of sanctions. Most of these studies, however, treat economic costs of sanctions as the primary source of political costs faced by the target. It is argued that a key reason why sanctions fail is that they do not hurt groups that have sufficient influence over policy-making. This view does not take into consideration the possibility that even if sanctions target the 'right actors', the leaders may have incentives to avoid making concessions in order to avoid appearing weak. Therefore, I suggest that we need to think about how audience costs create strong incentives to stand firm and how this influences target behavior across different regime types. While some scholars ([Dorussen and Mo \(2001\)](#)) noted the role of audience cost in the target's calculations, the assumption that economic costs outweigh other considerations has remained largely unchallenged. Further, no other study has examined how audience cost may explain the relationship between regime type and sanction effectiveness.

I posited that audience cost may particularly affect democracies by offsetting the incentives to give in. Hybrid regimes, on the other hand, would be sufficiently hurt by the sanctions (so they have incentives to resolve the dispute), and have necessary room for maneuver to make compromises. As a result, as opposed to most of the previous studies, I proposed that the relationship would be curvilinear (inverted-U shaped) and found strong empirical support for this hypothesis. Future studies can explore the conditions under which senders can alleviate the audience cost faced by the target. Previous research has underscored the value of private threats and secret diplomacy (e.g. [Kurizaki \(2007\)](#), [Yarhi-Milo \(2013\)](#)). How can the senders impose sanctions (which are by definition highly public) without causing provocation that makes it difficult for the targets to capitulate? Future research can address questions like this and further refine the theoretical framework I proposed in this paper.

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Supplemental Material

Supplemental material for this article is available online.

Notes

1. For a similar argument in the civil war context, see; [Walter \(2006\)](#)
2. Even though this figure was debated
3. It should be noted that March 1971 was not a coup d'état in the traditional sense. It was the military exercising "a veto over civilian authorities with the goal of preserving the social and economic status quo" ([Tachau and Heper \(1983\)](#), 23). Thus it did not result in a military dictatorship like in Chile, Greece or Brazil.
4. Even though Costa Rica abolished its regular army in 1948, it has police, a Coast Guard, and an Air Section that carry out paramilitary functions
5. The data on countries that signed BIAs is drawn from [Kelley \(2007\)](#)
6. The main results hold using the Threats and Imposition of Economic Sanctions (TIES) dataset ([Morgan, Bapat and Kobayashi \(2014\)](#)) and the sanctions dataset generated by [Hufbauer et al. \(2007\)](#)
7. Alternatively, I also use the 'polyarchy' variable which measures the extent to which electoral competition is free and fair, civil society organizations operate freely, freedom of expression is respected, and media is allowed to operate independent from government interference. The results are robust.
8. Other studies that include dyadic factors in the analysis (e.g. [Peksen \(2019\)](#)) take the same approach

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