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# Bargaining, Enforcement, and Multilateral Sanctions: When Is Cooperation Counterproductive?

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## Introduction

A common thread in the economic sanctions literature is the assumption that multilateral cooperation among the potential sanctioning states is a necessary and/or sufficient condition for generating a successful outcome.<sup>1</sup> Indeed, obtaining multilateral cooperation is so important that some scholars make this their dependent variable. Some of the more sophisticated work on economic coercion has focused on this issue.<sup>2</sup>

Intuitively, the link between international cooperation and sanctions success seems obvious. Empirically, however, the results are rather surprising. Repeated statistical tests show either no link or a negative correlation between cooperation and sanctions success. At least four studies conclude that successful episodes of economic coercion exhibit the least levels of cooperation among the sanctioning states.<sup>3</sup> No statistical test has shown a significant positive correlation between policy success and international cooperation among the sanctioning states.

This empirical puzzle presents vexing problems for the policy and scholarly communities. If international cooperation is not correlated with sanctions success, then U.S. foreign policy has been badly misguided in this area. Lisa Martin shows that multilateral support for sanctions is an expensive commodity. It requires significant economic and diplomatic expenditures by the primary sanctioner.<sup>4</sup> If unilateral sanctions are on average more successful, then the United States has wasted significant

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1. See Doxey 1980 and 1987; Gilpin 1984; and Mayall 1984.

2. See Kaempfer and Lowenberg 1999; Mansfield 1994 and 1995; Martin 1992; and Mastanduno 1992.

3. See van Bergeijk 1994, Bonetti 1997, 329–30; Drezner 1999a, chap. 4; and Hufbauer, Schott, and Elliott 1990, 95–96.

4. Martin 1992.

resources over the past fifty years to secure multilateral support for sanctions. Far from changing this strategy, the United States appears to be reinforcing it: a recent report by the U.S. State Department's Sanctions Working Group recommends, "the extent of multilateral support for sanctions and the prospects for parallel sanctions by other countries should weigh heavily in determining U.S. strategy for dealing with the target."<sup>5</sup>

This puzzle also goes to the heart of the debate about the role of multilateral cooperation, and by extension international organizations, in the international system. A central tenet of cooperation theory is that if a sufficient number of powerful states collaborate, they can manage the international system and punish defections from the rules of the game.<sup>6</sup> An impressive number of pages in international relations journals have been devoted to examining the conditions under which states cooperate. More recently, scholars have examined the role played by formal international organizations in fostering cooperation.<sup>7</sup> The sanctions evidence, however, suggests that cooperation is overvalued. If repeated tests of a theory reveal contradictory or inconclusive findings, that theory needs to be reformulated. Is there a theory of cooperation that can explain why multilateral support has no apparent effect on the outcome of economic coercion?

I address these larger theoretical issues by examining possible explanations for why cooperation and sanctions success are not correlated. I do so by breaking down the issue of cooperation into its component problems. As James Fearon has observed,<sup>8</sup> cooperation problems can be parsed into bargaining and enforcement phases. Cooperation could be sabotaged by bargaining difficulties and/or a lack of enforcement. Furthermore, sanctions involving multilateral cooperation involve two separate cooperation dilemmas: one between the sanctioning states and the target, and one between the primary sanctioner and other sanctioners. These two dimensions create a typology of explanations for successful and unsuccessful sanctions efforts involving multilateral cooperation:

- Cooperation fails because it is associated with tough bargaining strategies between the sanctioning states and the target.
- Cooperation fails because successful bargaining between the primary and secondary sanctioners makes it impossible to compromise with the target country.
- Cooperation fails because the primary sanctioner is unable to enforce the application of sanctions, due to defections by private rent-seeking actors (sanctions busting) or by nation-states (backsliding).

The results presented here suggest strongly that multilateral economic sanctions are sabotaged not by bargaining problems, but rather by enforcement difficulties.

5. U.S. State Department, Sanctions Working Group, "U.S. Unilateral Economic Sanctions: A Strategic Framework," available at <http://www.usaengage.org/studies/swg.html>.

6. Snidal 1985.

7. See Abbott and Snidal 1998; Keohane and Martin 1995; Martin 1993; Mearsheimer 1994; Morrow 1994; and Schweller and Priess 1997.

8. Fearon 1998.

Without the support of an international organization, ad hoc coalitions of sanctioners are inherently fragile. In particular, states are prone to backsliding, initially agreeing to cooperate but facing incentives to defect over time. This fragility gives the sanctioned state an incentive to wait out the coalition rather than acquiesce to the sanctioning countries' demands. Uninstitutionalized cooperation is therefore counterproductive in generating concessions from the targeted country. International organizations can turn fragile agreements to cooperate into a robust coalition by enforcing a previously agreed-on equilibrium. International organizations do this by acting as a coordinating mechanism for reassurance and information, enabling governments to resist domestic pressures, and providing side payments to increase the value of continued cooperation. Thus, in matters of economic statecraft, cooperation has a knife-edge property. With the support of international organizations, cooperation is advantageous for the primary sanctioner; without this support, cooperation leads to a significantly worse outcome than unilateral efforts.

These results have some intriguing implications for both policy and theory. They suggest that sanctioning states incur significant risks when they lobby for international support. Multilateral cooperation is neither necessary nor sufficient for a great power to effectively use economic coercion. Unilateral sanctions can be more effective than multilateral effort; a small and sturdy stick is better than a large and brittle one. Theoretically, the results suggest that cooperation is not as robust an outcome as some theorists suggest. Even after a cooperative equilibrium is achieved, backsliding can disrupt it. However, the results show that international organizations play a decisive role in sustaining cooperation over time; they also suggest the mechanism through which this is accomplished. International organizations maintain cooperation not through the *ex post* punishment of defectors but through the *ex ante* reassurance of actors by developing common conjectures and blunting domestic pressures to defect.

I first briefly examine why it is assumed that international cooperation is a prerequisite for sanctions success and address the lack of empirical support for this assumption. I next outline the possible explanations for this anomaly and develop testable hypotheses for each explanation. I then describe and explain the data used to test the hypotheses, test the possible explanations, and evaluate the results. I conclude by offering implications for policy and theory that follow from the findings in this article as well as some suggestions for future research.

## Theories and Facts About Multilateral Economic Sanctions

Consistent with the terminology used in the literature, I refer to the sanctioning countries as senders and sanctioned countries as targets. Lisa Martin observes that although sanctions are often mandated by international organizations, one country is usually the instigator.<sup>9</sup> I refer to this country as the primary sender and the other cooperating states as secondary senders.

9. Martin 1992, chap. 1.

For most analysts of economic sanctions, international cooperation seems so transparently useful that it is assumed to be a necessary condition for sanctions to extract any political concessions. Robert Gilpin writes, "Whereas positive leverage is usually a unilateral action, negative leverage in almost all cases must be multilateral. To be effective, other states must give it their support."<sup>10</sup> James Mayall concurs, observing that "The decision to impose sanctions is . . . inseparable from diplomacy to persuade other states, particularly allies, to follow suit."<sup>11</sup> Richard Haass concludes that "Multilateral support for economic sanctions normally should constitute a prerequisite for their introduction by the United States."<sup>12</sup> Martin begins her book *Coercive Cooperation* with the following assumption: "states with an interest in using economic sanctions face the problem of gaining the cooperation of others. Without such cooperation, their efforts probably will be futile."<sup>13</sup> Some authors assert that the achievement of multilateral support in itself makes the sanctions successful, regardless of how the target responds.<sup>14</sup>

There are economic and normative reasons for the importance of multilateral cooperation. The economic argument runs as follows: Sanctions must impose costs in order for the target to prefer conceding. However, cutting off bilateral economic exchange does not automatically affect the target country's terms of trade. It can be very easy for countries to redirect their economic exchange to other suppliers and markets. For sanctions to work, the primary sender must have the ability to alter the target country's terms of trade regardless of the targeted regime's efforts to substitute. Trade theory suggests that in a world of homogeneous goods and commodities with high substitution elasticities, only a sender with more than half the productive capability of a certain good has the ability to influence the terms of trade.<sup>15</sup> Few individual countries have this capability, and it is always ephemeral. However, sanctions with reasonably high levels of international cooperation should impose greater costs on the targeted country because of the inability to locate alternative markets.

The normative motivation for international cooperation is that the greater the number of countries and institutions supporting a sanctions effort, the greater the moral suasion. International relations theorists usually mention this argument in passing, but it carries greater weight with policy activists. As David Hendrickson observes, "The broader the scope of concerted action, the more it seems the action has the sponsorship of international society as a whole."<sup>16</sup> Abram Chayes and Antonia Handler Chayes concur, noting that "Broad support is a safeguard to ensure that the action is not simply the imposition of the will of the stronger. It establishes the

10. Gilpin 1984, 639.

11. Mayall 1984, 639.

12. Haass 1998, 206.

13. Martin 1992, 3–4.

14. See Baldwin 1985, 192; and Barber 1979, 382–83. Their logic is that the show of multilateral support helps to reinforce salient norms in international society. This argument will be discussed in more depth in the next section.

15. Gardner and Kimbrough 1990.

16. Hendrickson 1994, 21.

legitimacy of the enterprise."<sup>17</sup> Jack Patterson, a member of the American Friends Service Committee working group on sanctions, argues that "To be effective and genuinely claim moral authority, sanctioning parties should seek a consensus so broad and deep that no nation will want to break the sanctions."<sup>18</sup> According to this argument, broad-based cooperation drains realpolitik from the dispute. If only one country threatens sanctions, the targeted state might view it as a threat to their security and sovereignty. If the international community agrees to employ sanctions, the target has more difficulty framing the issue as narrowly distributive.

U.S. policymakers have placed a high premium on multilateral cooperation and devoted significant resources to attracting international support. The Clinton administration spent more than a year trying to convince the UN Security Council to sanction North Korea prior to the Agreed Framework between the two countries in 1994.<sup>19</sup> The Bush administration devoted extensive diplomatic resources, and forgave large economic debts, in order to obtain and enforce the UN sanctions against Iraq. During other sanctions episodes, the U.S. government has used additional coercive measures, or "secondary sanctions," in an attempt to ensure international cooperation. In 1982 the Reagan administration threatened to ignite a trade war to coerce its NATO allies into sanctioning the Soviet Union over the declaration of martial law in Poland.<sup>20</sup> The 1996 Helms-Burton Act imposed penalties on foreign companies that invest in Cuba. The Iran-Libya Act took similar measures against foreign firms investing in either of those countries.

The logic for securing multilateral cooperation appears self-evident; it increases the costs to the target and lends greater moral credence to the sanctioning effort. But it does not jibe with the statistical evidence. Previous tests of the sanctions data compiled by Gary Hufbauer, Jeffrey Schott, and Kimberly Elliott show international cooperation to have no effect on sanctions success.<sup>21</sup> The results are the same regardless of whether the testing procedure is bivariate or multivariate.<sup>22</sup> The result is also robust to different codings of the dependent variable. Using Hufbauer, Schott, and Elliott's original measure of success,<sup>23</sup> a more methodologically sound variant,<sup>24</sup> or a measure controlling for the absolute magnitude of concessions,<sup>25</sup> does not change the result.

One possible explanation is that Hufbauer, Schott, and Elliott's measure of cooperation has been miscoded. Their data set has come under considerable criticism

17. Chayes and Chayes 1995, 64.

18. Patterson quoted in Cortright and Lopez 1995, 92.

19. In fact, the chief criticism of the Clinton administration's decision to halt the sanctions machinery against North Korea was that the sunk costs of constructing the international coalition were very high and that the price of reconstructing such a coalition in the future would be prohibitive. See Charles Krauthammer, "Peace in Our Time," *The Washington Post*, 24 June 1994, A27.

20. Jentleson 1986.

21. Hufbauer, Schott, and Elliott 1990.

22. For bivariate testing, see Bonetti 1997; and Hufbauer, Schott, and Elliott 1990. For multivariate testing, see Lam 1990.

23. van Bergeijk 1994.

24. Lam 1990.

25. Drezner 1998.

TABLE 1. *The pattern of international cooperation in sanctions events*

Category	Number of observations	Percentage of target's trade with primary sender	Percentage of target's trade with all senders	Percentage of observations
No cooperation	61	18.0	18.0	55.5
Minor cooperation	24	18.3	20.3	21.8
Modest cooperation	15	14.4	38.2	13.6
Significant cooperation	10	21.1	56.2	9.1
Total	110	17.7	25.0	100.0

Sources: Hufbauer, Schott, and Elliott 1990; International Monetary Fund, *Direction of Trade Annual*, 1950–1990.

for its case selection and coding.<sup>26</sup> It is possible that their cooperation measure is either biased or simply too error prone. The data, however, supports their coding. Table 1 compares Hufbauer, Schott, and Elliott's ordinal coding of the extent of cooperation with the affected volume of the target country's trade, according to the International Monetary Fund's *Direction of Trade Annual*.<sup>27</sup> As the degree of cooperation increases, there is a significant increase in the target country's affected volume of trade, even though the primary sender's share holds roughly constant. Table 1 reveals three facts. First, Hufbauer, Schott, and Elliott's ordinal measure accurately reflects the extent of international cooperation. Second, states do not actively seek cooperation only when their unilateral ability to apply economic pressure is reduced. Third, the predominant outcome is no cooperation with the primary sender, with less than 10 percent of the observations leading to significant cooperation. This observation corrects the popular perception that sanctions usually attract significant multilateral cooperation.

With no apparent methodological explanation to account for this, I now turn to possible theoretical explanations for the ineffectiveness of cooperation. Either multilateral cooperation is truly irrelevant or the straightforward prediction of increased cooperation leading to increased success is overly simplistic and further analysis is required.

## Parsing the Problem of Sanctions Cooperation

Why does the extent of multilateral sanctions support have no appreciable effect on the outcome? The question dovetails into current debates about the utility of interna-

26. See Morgan and Schwebach 1997; and Pape 1997.

27. IMF. One could argue that since many cases of economic sanctions involve only aid, trade figures are unimportant. Empirically, however, analysts have shown that even aid sanctions have a deleterious affect on trade between the senders and the target. See Hufbauer et al. 1997.

tional cooperation and the role that international organizations play in fostering cooperation. The answer to the sanctions puzzle depends on one's model of cooperative behavior. In this section I outline three different explanations of multilateral cooperation that could explain the empirical puzzle and present testable hypotheses for each approach.

As noted in the introduction, cooperation problems can be broken down into the bargaining and enforcement phases. I look at three different stages of a sanctions dispute to explain the failure of international cooperation to matter: bargaining between the primary sender and the target, bargaining between the primary sender and secondary senders, and the enforcement of multilateral cooperation.

**Bargaining between the primary sender and the target.** For most issues requiring cooperation, international actors first bargain among an infinite array of cooperative solutions, with each outcome resulting in a different distribution of benefits. The bargaining phase resembles a coordination game along the Pareto frontier.<sup>28</sup> All players are better off if they can reach a bargain and receive a positive flow of benefits. In order to avoid the costs of continued deadlock, everyone is better off negotiating a quick bargain. However, if the actors expect the bargain to have long-lasting implications, they will have more of an incentive to hold out for a more favorable distribution of payoffs, even if it means a sustained deadlock. In that situation, each actor also has a greater incentive to increase the opportunity costs of deadlock for the other player.<sup>29</sup> Other things being equal, an increase in the costs of no agreement for one actor will make that actor's bargaining position less tenable, improving the distributional position of the other actors. Economic sanctions can be one way of increasing the costs of deadlock for other actors.

Looked at in this way, a sanctions dispute represents a bargaining tactic between the primary sender and the target. The outcome of the dispute depends on both states' expectations of the long-run implications of any bargain. The more significant the bargain is for future payoffs, the more resistant both sides will be to conceding, and the more incentive each actor will have for increasing the costs of deadlock for the other side. For the sender, this situation translates into a search for multilateral cooperation. More cooperation worsens the target country's terms of trade, increasing the target's costs of no agreement. However, it also means that the target is willing to incur greater costs in order to secure a better settlement. In bargaining situations where both sides place a large value on the long-run implications of any bargain, one would expect the sender to make efforts to obtain international cooperation and the target to refuse to make any concessions. Thus multilateral cooperation could fail because it is strongly associated with issues and/or dyads that the target is most reluctant to concede.

U.S. sanctions against Iran represent an example of this dynamic at work. The United States has been concerned with the overall orientation of Iran's foreign and

28. See Fearon 1998; and Krasner 1991.

29. See Drezner 1999a; and Fearon 1998.

domestic policies under the theocracy established in the wake of the 1979 revolution. In January 1984 the United States imposed trade sanctions because of Iran's promotion of terrorism against Israel and attempts to acquire weapons of mass destruction.<sup>30</sup> This sanctions dispute involved important issues between actors that anticipated long-lasting effects from any bargaining concessions. Not surprisingly, over the past fifteen years the United States has invested heavily in securing multilateral support for sanctions. It succeeded in obtaining support from Japan and its NATO allies for denying Iran access to sophisticated military and nuclear technology. In 1996 President Clinton signed the Iran and Libya Sanctions Act to apply pressure on Japan, Russia, and the European Union to cooperate with the sanctions. This act targeted non-American firms that invested in Iran's energy sector. Although protested by the European Union and Japan, the act helped to deny Iran access to any appreciable amount of foreign capital.<sup>31</sup> Although the sanctions have imposed significant costs on Iran, they have failed to alter Iran's foreign policies because Iran was unwilling to concede on such a core issue of sovereignty.

Multilateral cooperation failed because it was associated with a bargaining dispute that both sides saw as important. According to this hypothesis, multilateral cooperation does not lead to successful sanctions because cooperation is correlated with high degrees of sender and target resolve. Unfortunately, resolve is an unobservable variable, making testing difficult.<sup>32</sup> However, we can test to see if cooperation is associated with situational factors that increase the likelihood that the issue at stake is significant for both the target and sender, leading to tougher bargaining strategies. If this bargaining hypothesis is true, then the extent of multilateral cooperation should be correlated with three factors. First, cooperation should be positively correlated with the occurrence of a territorial dispute. It is a truism in international relations that territorial issues have a high degree of salience for all nation-states.<sup>33</sup> Senders and targets that have a territorial dispute should have intense preferences on the subject and bargain accordingly. Second, cooperation should be positively correlated with expectations of future conflict between the target and sender. States that are enduring rivals tend to view their bilateral relations as a zero-sum game.<sup>34</sup> They will be concerned that any concession made in the present will weaken their bargaining position in the future, either because of a material shift in cumulative power resources or a softening of their reputation.<sup>35</sup> In this environment, any issue will have an increased salience. Third, cooperation should also be positively correlated with the length of the sanctions episode. If the sender and target place a high value on the issue at stake, they should be more willing to tolerate a sustained deadlock, which implies a longer period of imposed sanctions.

30. These sanctions are distinct from the multilateral sanctions that were also imposed from 1979 to 1981 because of Iran's seizure of the U.S. embassy and its personnel.

31. Clawson 1998, 92–95.

32. Bueno de Mesquita, Morrow, and Zorick 1997.

33. See Huth 1996; and Vasquez 1993.

34. See Goertz and Diehl 1993; and Vasquez 1993.

35. Drezner 1999a.



**Bargaining between the primary sender and secondary senders.** Multilateral sanctions involve two separate bargaining problems: one involving the primary sender and the target and one involving the primary sender and other potential senders. It is possible that the bargain to secure international cooperation undercuts the ability of the primary sender to strike a bargain with the target country. For states to agree to multilateral sanctions, they must coordinate among a morass of equilibrium strategies. What exactly should be demanded? How extensive should the sanctions be? How can target compliance be determined? Unless the actors can agree on which outcome to aim at, there is no cooperation. One way to navigate the coordination dilemma is to look for shared norms and principles as focal points, that is, strategies or beliefs common to most of the actors.<sup>36</sup> The primary sender can socially construct the dispute so as to activate a legitimate norm, providing a focal point for the sender coalition. For example, the United States was clearly concerned about the distribution of energy resources following the Iraqi invasion of Kuwait. To appeal for UN support, however, the Bush administration framed the issue as one of violated sovereignty. The Security Council members were able to agree to sanction once they reached a focal point of punishing the sovereignty violation.<sup>37</sup> Through this rhetorical appeal to a violated principle, the primary sender might be better able to procure support from multilateral institutions.

Although activating resonant norms might make it easier to reach a bargain among senders, these norms could make it difficult to extract any concessions from the target.<sup>38</sup> First, an appeal to norms or principles could lead senders to reject negotiating with the target in favor of a different causal mechanism of achieving sanctions success. Once a norm is adopted, the sender coalition may choose to rely on the socialization effect of the norm to lead target elites to change their minds. However, though the use of norms can strengthen the resolve of the sanctioning coalition, it also allows target elites to construct an identity based on their opposition to the proclaimed norm. Johan Galtung observed precisely this sort of behavior in Rhodesia after it was sanctioned.<sup>39</sup> Target states can use their defiance of global norms as a way of counteracting the enhanced resolve of the sanctions coalition.

Second, in appealing to a consensual norm, the sender also endows the demand with an all-or-nothing quality, increasing the likelihood of the target country standing firm. Any attempt to compromise with the target would lead to a breakdown of cooperation among the senders as the sanctioning coalition moves away from the focal point. Negotiation would be difficult, since the sender coalition needs to hold fast to its demand of a reversion to the stated norm. In finding a norm that all sender states can support, the primary sender can raise the stakes in the dispute with the

36. See Garrett and Weingast 1993; Kreps 1990; Martin and Simmons 1998; and Schelling 1960.

37. Not coincidentally, the only unanimous Security Council action regarding the Iraqi invasion was Resolution 664, which rejected Iraq's legal annexation of Kuwait.

38. This is consistent with the arguments made by Kreps that the most effective norm does not necessarily lead to the most efficient outcome. Kreps 1990.

39. Galtung 1967.

target country; there are few insignificant norms in the international system.<sup>40</sup> Most studies of economic sanctions agree that raising the value of the demanded concession makes success more difficult.<sup>41</sup> The target country may prefer making some concessions to continuing a deadlock. However, if faced with the stark choice of total acquiescence or the continuation of sanctions, the target may decide that the costs of sanctions are less than those of conceding. A large and nonnegotiable demand will cause both the target and the sender coalition to prefer a sustained deadlock to any settlement. Only an exogenous shock to either the sender coalition or the target country would end the impasse.

The UN sanctions against South Africa represent an example of this type of normative appeal. After sanctions were imposed, there were no negotiations between the Afrikaner government and the coalition of sender countries. Rather, Audie Klotz shows that the sanctioning states were more concerned with adhering to the agreed norm of a complete abolition of apartheid.<sup>42</sup> The sanctioning states did not particularly care how the South African state reacted; their hope was to prevail through the socialization of South African elites and their eventual acceptance of the anti-apartheid norm. In the end, despite concessions that began in 1989 from the white South African government, most sanctions were not lifted until all aspects of apartheid were dismantled.<sup>43</sup> Although this rigid appeal to norms led to a successful outcome in South Africa, it can also backfire. In the process of resolving the wars in the former Yugoslavia, the appeal to norms made it almost impossible to reach a compromise; as Susan Woodward observes, "The 'law of the instrument' was particularly detrimental because it set up a major conflict among the sanctions' purposes: protecting the instrument and international norms became more important over time than the actual outcome in Yugoslavia."<sup>44</sup>

This problem of inflexible demands and prolonged stalemates should be particularly acute when the primary sender uses an international organization as a mechanism for gaining cooperation. Although norms and principles may exist without an institutional reference, they are more likely to be embedded within international organizations; indeed, international organizations are often created with the expressed purpose of promoting specific norms.<sup>45</sup> A norm powerful enough to attract the support of an international organization should also be more difficult to compromise. It would call into question the integrity of the international organization and its founding ideas. Thus all of the bargaining problems associated with using norms are likely to be exacerbated when an international organization is enlisted to promote multilateral cooperation.

40. For example, in the Iraqi case, the sovereignty demand required Iraq to forfeit all of Kuwait. Iraq's offer in late 1990 to abandon the country except for two strategic islands had to be rejected by the allied coalition, regardless of its merits. Such an agreement would have violated the sovereignty norm on which multilateral action was based.

41. See Baldwin 1985; and Morgan and Schwebach 1997.

42. Klotz 1995 and 1996.

43. There was some variation across the sanctioning states. See Klotz 1995, chap. 9.

44. Woodward 1995, 145.

45. See Finnemore 1996; Keohane 1989; Krasner 1983; and Ruggie 1993.

If bargaining between the primary sender and secondary senders undercuts the effect of multilateral cooperation, two hypotheses follow. First, there should be a positive correlation between sanctions involving a sender claim that the target is violating another state's territorial sovereignty and the active response by an international organization.<sup>46</sup> If significant norms are embedded within institutions, and primary senders need to trigger those norms to obtain multilateral support, then a claim of violated sovereignty should attract greater institutional support. Sovereignty violations go to the core of Westphalian society.<sup>47</sup> Second, other things being equal, sanctions involving claims of sovereignty violations should last longer than other sanctions episodes. States that cooperate because of a set of common beliefs will be reluctant to alter their position, causing the target country to prefer a sustained deadlock. This response can lead to an indefinite stalemate.

**The enforcement of multilateral cooperation.** The preceding two hypotheses argue that multilateral cooperation is sabotaged by roadblocks at the bargaining stage. The other possibility is that cooperation fails because of problems at the enforcement stage. Unlike bargaining problems, which closely resemble coordination games, enforcement problems resemble the prisoners' dilemma. Once a multilateral coalition forms to sanction, it is presumed that all cooperating states benefit politically from the act of sanctioning. However, sanctioning states incur the costs of disrupting economic exchange, whereas sanction busters reap the benefits of rent seeking. The dilemma for potential sanctioners is that even if all actors are better off with the imposition of multilateral sanctions, individual actors are even better off if they unilaterally defect while everyone else cooperates.<sup>48</sup> The enforcement of sanctions is a collective action problem that needs to be addressed for it to have any utility.

These pressures to defect from the agreed-upon sanctions should be more acute as the size of the sanctions coalition increases. As the number of cooperating states increases, so do the economic rents that could be accrued for defecting. Monitoring also becomes more difficult as the number of states increases.<sup>49</sup> The importance of each secondary sender decreases as the number of senders increases. Therefore, the temptation to defect would be particularly acute at high levels of international cooperation.

Defection from a cooperation equilibrium can come in two forms. Either private agents engage in illicit trading in order to seek greater than normal profits, or secondary senders could announce an official change in policy and overtly trade with the target country. Although in game-theoretic terms these actions look similar (defection from a game of cooperation), the requirements for prevention are somewhat different.

Covert sanction busting is carried out by private agents with the goal of extracting economic rents. Defections by private actors abound in recent multilateral efforts at

46. This includes, but is not limited to, claims that the sender's own sovereignty is being violated.

47. Bull 1977.

48. See Bayard, Pelzman, and Perez-Lopez 1983; and Olson 1965.

49. See Axelrod and Keohane 1986; and Kaempfer and Lowenberg 1999.

economic coercion. In May 1992 the UN Security Council imposed universal trade sanctions against Yugoslavia in response to Serbia's role in promoting ethnic conflict in the region. Six months later, however, the Security Council acknowledged that the sanctions were ineffective. Along the borders of Serbia and Montenegro, trade was brisk. A stronger enforcement regime was instituted, including the placement of customs inspectors in Macedonia, establishing a maritime exclusion zone, and freezing Serbia's financial assets. These additional measures tightened the sanctions, but they still failed to prevent oil and other strategic goods from arriving in the country. According to one report, more than one thousand trucks laden with goods passed between Macedonia and Serbia during a typical week. Even Albania, hardly an ally of the Serbs, was unable to prevent significant cross-border traffic.<sup>50</sup>

This type of enforcement problem is endemic to multilateral sanctions. The enforcement costs of regulating the thousands of private agents with an incentive to defect is extremely high. Inevitably, some degree of sanction busting is likely to occur. If the number of violations is sufficiently high, then the gains from trade of sanctions busting could outweigh the increased costs theoretically imposed by multilateral sanctions.

The second type of defection is for secondary senders to explicitly reverse course and lift their sanctions on the target country. States have the same economic incentives to lift sanctions as private actors: to extract improved terms of trade. However, sender countries will face political as well as economic pressure to defect. Domestic pressure within sender countries to reverse the sanctions will first arise from sectors that rely on trade with the target. This pressure will increase over time. Opposition groups will have the added argument that the sanctions should be lifted because they fail to alter the target country's behavior. These groups can logroll with other export sectors leery of any trade restrictions<sup>51</sup> as well as interests that oppose strategic cooperation with the primary sender. Secondary senders incapable of preventing illicit trade with the target will have an additional incentive to formally lift the sanctions. Private sanctions busting increases the size of a country's informal economy, strengthening actors outside the zone of state control. The distorting effects of these activities on the sender's political economy can destabilize the government in power. The greater the degree of illicit activity, the greater the political pressure on the sender government to legalize such activities.

This type of breakdown in cooperation is potentially more serious than the activities of private agents. If secondary senders decide to reverse their sanction decision, a backsliding phenomenon may result. Martin observes that cooperation has a contagion effect; each states' payoff for participation in sanctioning is positively correlated with the number of cooperating states.<sup>52</sup> As more states agree to cooperate, the incentive of other potential senders to cooperate increases. The reverse is true as well; if

50. "How Sanctions Bit Serbia's Neighbors," *New York Times*, 19 November 1995, D3. See also Woodward 1995.

51. One can see this in the United States with the April 1997 formation of USA\*Engage (<http://www.usaengage.org>), a business coalition that opposes most economic sanctions.

52. Martin 1992, chap. 2.

other countries choose not to cooperate, the incentive of other states to participate in sanctioning decreases. The contagion effect means that an initial burst of cooperation can lead to an imposing sanctions coalition even if each state's support for a coercion strategy is wafer-thin. Such a coalition can still fall apart due to the fragility of the equilibrium. If the target state refuses to back down immediately, one country's change of mind could trigger a cascade effect across the entire coalition as uncertainty increases. Backsliding can cause the cooperation to erode and eventually dissolve, leading even the initial sender to back down.

The 1979 U.S. grain embargo of the Soviet Union illustrates the dilemma of backsliding. Eight days after President Carter announced the grain embargo, representatives from the world's primary grain exporters—Canada, the European Community, Australia, and Argentina—met and issued a statement pledging to limit their sales to the Soviet Union and not exploit the U.S. embargo. None of the countries endorsed the Soviet invasion, and all considered themselves better off if the Soviet Union was punished. Furthermore, the belief that all of the other countries preferred to sanction compelled even the most reluctant state, Argentina, to a cooperative strategy. Only a few days after this pronouncement, however, the Soviets offered Argentina a 25 percent markup from market prices in order to ensure a steady inflow of grain. The Argentine minister of agriculture then declared that it would not participate in the embargo. In April 1980 it signed a long-term grain deal with the Soviet Union, guaranteeing exports for five years.

Once Argentina stopped cooperating, the pressure on other countries to defect increased. Robert Paarlberg observes that "Argentina's success in taking commercial advantage from the embargo inspired others to reconsider their earlier pledges of restraint and eventually to follow suit. . . . [E]ach was inspired by Argentina to limit its support for the embargo in due course."<sup>53</sup> The rest of the grain exporters engaged in backsliding behavior. First Australia and then Canada began to sell increased amounts of grain to the Soviets. In 1980 the Soviet Union was able to import thirty-one million metric tons of grain, a record amount. As international support for the embargo waned, it became tougher for the United States to rationally maintain its unilateral sanctions. Three months after taking office, President Reagan fulfilled a campaign pledge and lifted the embargo. Thus, even though Hufbauer, Schott, and Elliott code the level of cooperation during this episode as relatively high, the backsliding phenomena led every sender country, including the United States, to back down.<sup>54</sup>

In formal game-theoretic terms the defection by private actors and nation-states would appear to be the same. In practice, they are quite different and lead to different enforcement strategies. The number of private actors is considerably greater, and it can be presumed that the profit motive will be enough of an incentive for some firms and individuals to try and circumvent the sanctions. With this kind of defection, sanctions can be maintained only through monitoring and enforcement of any trade

53. Paarlberg 1987, 190.

54. Hufbauer, Schott, and Elliott 1990, 163–75.

with the target state. Although monitoring cannot eliminate sanctions busting, it can raise the costs of illicit trade to such a level that the magnitude of sanctions busting is manageable.

Preventing nation-states from officially defecting is another matter entirely. The problem is not just to prevent states from defecting but also to lower expectations of future defections. If secondary senders do not expect other members of the coalition to hold fast, the temptation to defect first increases. In order for the coalition to hold together, each member must share the common conjecture that other members are still committed to cooperation. Furthermore, it is difficult to enforce a sanctioning equilibrium by punishing defectors with additional sanctions. Theoretically, such an enforcement mechanism suffers from a time inconsistency problem; although the sender coalition has an incentive to say it will punish defectors from the coalition, the incentives change after the defection occurs.<sup>55</sup> Only through inducements can a sender coalition reduce the incentive of some states to defect.

The presence and support of an international organization can ameliorate both kinds of defection problems. International organizations can possess enforcement powers that punish private agents who carry on illicit trade with the target state. Even if international organizations lack enforcement powers, they increase the flow of information, reducing monitoring costs and making free riding easier to detect. Analysts have shown elsewhere that institutions can enforce agreements just through monitoring and information exchange.<sup>56</sup>

In the case of overt defection, international organizations can transform a fragile cooperation equilibrium into a more robust one. International organizations possess three attributes that prevent backsliding. First, they can channel side payments to wavering states in order to increase the value of continued cooperation. The side payments made to Jordan, Turkey, and other frontier states sanctioning Iraq are an example of this mechanism. Second, through routinized and repeated interactions, they can provide a forum for reassurance to all of the members of the sanctioning coalition.<sup>57</sup> Clear channels of multilateral communication permit the creation of the common conjecture that all actors are cooperating. If each sender is reassured that other senders are standing firm, the incentive to violate an IO mandate decreases. Finally, they give sender elites a way to blunt domestic pressures to change policy.

55. For more on the time inconsistency problem, see Simmons 1995.

56. Milgrom, North, and Weingast 1991. Furthermore, international organizations can engage in intrusive monitoring activities that would be more problematic for a single nation-state or concert of great powers. Weak states will permit international organizations to take actions that, if performed by another state, would appear to violate national sovereignty.

Of course, the Serbian example suggests that formal international organizations also have difficulty in monitoring and enforcement. Indeed, the United Nations Association has commissioned a series of studies to examine how to strengthen its enforcement mechanism. Martin and Laurenti 1997. However, if international organizations have the same degree of failure as ad hoc coalitions with collective action problems, the liberal argument that international organizations can overcome collective action problems would be falsified.

57. On this reassurance function, see Martin 1993.

Through the fashioning of binding agreements and the moral suasion of sender elites, international organizations can prevent senders from switching their preferences during the imposition of sanctions.<sup>58</sup> For example, in the 1993–94 dispute with North Korea over its nuclear weapons program, Japan was reluctant to impose economic sanctions against North Korea without UN backing. This reluctance was due in part to potentially embarrassing financial links between Japanese political parties and the General Association of Korean Residents in Japan, or Chosensoren. Jennifer Lind notes, however, that “within Japan, any domestic political costs associated with confronting Chosensoren cannot be compared to those resulting from an affront to the UN. Japan’s concerns about other risks of enacting sanctions would be mollified by the international approbation conferred upon UN activities.”<sup>59</sup>

As the Japanese example shows, the support of an international organization changes the payoffs for backsliding. Backsliding from an ad hoc coalition affects that sanctions episode and nothing else. Backsliding from an institutionalized coalition weakens the international organization as well. Agreeing to a mandate from an international organization builds up the reputation costs of reversing a position in the future. Placing a value on the other outputs from the institution magnifies the gap in payoffs between cooperation and defection. With such a gap, states are less likely to be swayed by a contagion effect. The presence of institutional support sends a signal to the target country that backsliding is not likely to occur. Target states often attempt to wait out a sanctions attempt in the hope of backsliding, but the presence of an international organization reduces the expected payoff of such a strategy.

The two variants of the enforcement problem lead to a common prediction: there should be marked differences in the success rate of multilateral sanctions with institutional support compared to other sanctions. Once an international institution supports the sanctions, the negative effects of sanctions busting and backsliding are controlled, whereas the positive effects of cooperation still operate. Institutionalized cooperation (the interaction term between the institutional support and cooperation measures) should generate greater concessions by preventing free riding and reducing the probability of backsliding.

The free-riding variant of the enforcement thesis provides an additional hypothesis. There should be no correlation between the target’s costs and the extent of cooperation if there is no institutional support. Without institutional support, it is easier for secondary senders to claim they are cooperating and still free ride.<sup>60</sup> This would sever the connection between multilateral cooperation and increased economic costs to the target. Therefore, if the observed level of international cooperation increases, the actual costs of the sanctions to the target country should remain constant.

58. See Drezner 1999b; and Goldstein 1996.

59. Lind 1997, 403.

60. Hufbauer, Schott, and Elliott’s measure of international cooperation, discussed in the subsequent section, is particularly well suited to testing this hypothesis, because as coded it measures the initial commitment of states to cooperate.

**TABLE 2.** *Possible explanations for failure of multilateral cooperation in sanctions events*

<i>Reason for failure of cooperation</i>	<i>Role played by international organizations</i>	<i>Testable hypotheses</i>
Bargaining between the primary sender and the target	None	<ol style="list-style-type: none"> <li>1. Cooperation positively correlated with presence of a territorial dispute</li> <li>2. Cooperation positively correlated with conflict expectations between target and sender</li> <li>3. Cooperation positively correlated with duration of sanctions episode</li> </ol>
Bargaining between the primary sender and secondary senders	Embodies significant norms and principles, making sender coalition less willing and able to compromise	<ol style="list-style-type: none"> <li>1. Institutional support more likely if sender claims target violated territorial sovereignty</li> <li>2. Appeals to sovereignty norms correlated with longer sanctions episodes</li> </ol>
Enforcement of multilateral cooperation once sanctions are imposed	Prevents private agents from circumventing sanctions Prevents states from backsliding by acting as a forum for reassurance	<ol style="list-style-type: none"> <li>1. Institutionalized cooperation positively correlated with sanctions success Sanctions-busting variant:               <ol style="list-style-type: none"> <li>1a. No correlation between uninstitutionalized cooperation and costs imposed on the target</li> <li>Backsliding variant:</li> </ol> </li> <li>1b. Uninstitutionalized cooperation measure negatively correlated with sanctions success</li> </ol>

The backsliding variant of the enforcement thesis also provides an additional hypothesis. Multilateral cooperation without the backing of an international organization should be significantly less effective than unilateral efforts. Target states are more likely to stand firm and wait out an ad hoc sender coalition, because the expected probability of secondary senders backsliding outweighs the terms of trade effect of any additional cooperation. Unilateral sanctions might impose lower costs on the target state than an ad hoc coalition, but the chances of a unilateral sender reversing its decision are lower. Unilateral sanctions are a smaller but stronger stick. Whereas institutionalized cooperation should lead to greater concessions, unorganized cooperation should lead to fewer concessions.

Table 2 provides a list of the candidate explanations and alternative hypotheses drawn from them. It should be noted that these explanations do not necessarily contradict each other—they all could be present in sanctions disputes.



## Data Description

I use events data from Hufbauer, Schott, and Elliott to test the hypotheses.<sup>61</sup> Their data set covers sanctions cases from 1914 to 1990. Consistent with the literature,<sup>62</sup> for some of the tests I have removed the cases where regular military force was used to end the dispute, because these cases do not measure the success or failure of economic sanctions. Tables 3 and 4 provide coding descriptions of all of the variables used in this article. Unless otherwise noted, the data come from Hufbauer, Schott, and Elliott. What follows is a brief explanation of the data and any changes made to the Hufbauer, Schott, and Elliott data set.

Sanctions success measures the extent to which the target country met the sender's publicly stated demand. Success is narrowly defined as "the extent to which the policy outcome sought by the sender country was in fact achieved."<sup>63</sup> This variable is coded on a four-point scale.

Concession size is also used to account for the size of the original demand. One of the problems with the sanctions success measure is that it is only a partial measure of concession magnitude because it omits the relative significance of the original demand. A partial concession to a large demand (halting an invasion) might be more beneficial to the sender than a complete concession to a smaller demand (a diplomatic note of apology). It is necessary to create a measure for the size of the concession eventually made by the target. Combining the success measure with the demand size, it is possible to develop a measure of concession size that gauges the absolute size of the concession.<sup>64</sup> Concession size is coded from zero (no concession) to 4 (major concession).

The proxy variable for a sustained deadlock will be the duration of the sanctions episode. Duration measures the number of years sanctions were maintained. The figures come originally from Hufbauer, Schott, and Elliott but have been updated to 1995. The modal outcome was an episode of less than a year, and the mean was roughly five years. Seventy percent of the episodes lasted less than five years, indicating that sustained deadlock was not a common occurrence.

International cooperation is an ordinal variable, described earlier in Table 1. Institutional support is a dummy variable equal to 1 if an international organization called for or enforced sanctions against the target country; this coding was obtained through a reading of the cases in Hufbauer, Schott, and Elliott. The primary sender obtained organizational support in only twenty-four of the relevant sanctions episodes. Institutionalized cooperation is an interaction term, multiplying the cooperation and institution terms.

The target's opportunity costs of sanctions measures the economic costs suffered by the target regime as a percentage of its gross national product. One of the admirable qualities of the Hufbauer, Schott, and Elliott research effort is the care taken to

61. Hufbauer, Schott, and Elliott 1990.

62. See Lam 1990; Morgan and Schwebach 1997; and Pape 1997.

63. Hufbauer, Schott, and Elliott 1990, 41.

64. For more on this coding schema, see Drezner 1999, chap. 4.

TABLE 3. *Explanatory and dependent variables used in statistical tests*

<i>Variable</i>	<i>Description</i>
Sanctions success	Extent to which target met sender's publicly stated demand 1 = Failure 2 = Marginal or nominal success 3 = Partial success 4 = Complete success
Concession size	Political magnitude of target's concessions 0 = No concessions 1 = Minor concessions to a minor demand 2 = Minor concessions to a major demand, or major concessions to a minor demand 3 = Complete acquiescence to a minor demand, or major concessions to a major demand 4 = Complete acquiescence to a major demand
Sanctions duration	Length, in years, of imposed sanctions (as of 1995)
International cooperation with primary sender	Measurement of international cooperation garnered by sender to implement sanctions 1 = No cooperation 2 = Minor cooperation 3 = Modest cooperation 4 = Significant cooperation
Institutional support for primary sender	Dummy variable is coded 1 if an international organization for primary sender mandates or officially condones imposing sanctions
Institutionalized cooperation with primary sender	Interaction term of cooperation and institutional support
Target's opportunity costs	Cost of sanctions to target as a percentage of GNP
Hegemon	Dummy variable is coded 1 if primary sender was the United States after 1945.
Territoriality	Dummy variable is coded 1 if sanctions were associated with a territorial dispute
Territorial sovereignty	Dummy variable is coded 1 if 1. sanctions were associated with a territorial dispute 2. target used military force against a third party 3. dispute concerns control over colonies

estimate the cost to the target of sanctions. Rather than use gross trade figures, they estimate the price elasticities of demand and supply of the disrupted trade in order to determine the true economic cost. This measure represents a good approximation of the cost of asset-specific investment to the target.<sup>65</sup> Previous tests have shown this variable to be significant and positively correlated with a successful outcome.

65. One modification is made to this measurement. Hufbauer, Schott, and Elliott incorporated third-country assistance into their cost calculation. For example, if Yugoslavia suffers costs of \$100 million from the Soviet Union's coercion effort, but receives \$75 million in U.S. aid as a substitute, Hufbauer, Schott, and Elliott set target costs at \$25 million. This calculation combines two effects that often occur at different points in the coercion process. To better distinguish between the two effects, the cost variables are calculated excluding third-country assistance.

**TABLE 4.** *Control variables used in statistical tests*

<i>Variable</i>	<i>Description</i>
Sender's opportunity costs	Cost of sanctions to primary sender as a percentage of GNP
Alignment	Prior relationship between sender and target: 1 = Antagonistic relationship 2 = Neutral relationship 3 = Cordial relationship
Target realignment	Measurement of target realignment immediately before or during coercion event: 0 = No realignment 1 = Realignment from previously neutral relationship 2 = Realignment from previously cordial relationship
Target assistance	Dummy variable is coded 1 if target received international assistance during sanction event
Target regime's domestic stability	Measurement of target's overall economic health and political stability prior to sanction attempt: 1 = Distressed political economy 2 = Political economy with significant problems 3 = Strong and stable political economy
Hegemon	Dummy variable is coded 1 if the sender was the United States from 1945 to 1990
Military statecraft	Dummy variable is coded 1 if the sender threatened or used military force during the sanctions event

The control variables used in the various statistical tests are consistent with those used in other econometric studies of economic coercion.<sup>66</sup> Hufbauer, Schott, and Elliott do not provide comparable cost figures for the sender country and use an ordinal measurement instead. However, it is possible, using the information in their cases, to develop a cardinal measure of the sender's opportunity costs of sanctions. This measure is expected to be negatively correlated with sanctions success.

The alignment and realignment measures are proxies for conflict expectations. Hufbauer, Schott, and Elliott use an ordinal coding of the prior relationship; it ranges from 1 (hostile) to 3 (amicable). This measure is useful because it incorporates intangible elements of the bilateral relationship that other possible measures lack. However, Hufbauer, Schott, and Elliott fail to code when the target country chooses to respond to the sanctions by balancing away from the primary sender, a response with significant implications for the outcome. Balancing behavior should raise expectations of future conflict, increasing the concern for relative gains and reputation and thus lead to a reduced number of concessions. If the target realigns, the prior relationship does not affect the outcome; the post-balancing alignment is the important term. The realignment term will take a larger value if the target was previously a close ally. For example, if the target realigns from a neutral to an antagonistic relationship, the realignment term takes a value of 1; if the target realigns from a cordial to an antago-

66. See Drezner 1998; Elliott and Uimonen 1993; and Lam 1990.

nistic relationship, the realignment term takes a value of 2. This way, the balancing term accounts for the extent of the realignment. The alignment term is expected to be positively correlated with sanctions success, whereas the realignment term should take a negative coefficient.

Territorial dispute is a dummy variable that takes on a value of 1 if the sanctions event corresponds to a territorial dispute as coded by Paul Huth.<sup>67</sup> Claims of territorial sovereignty is a dummy variable equal to 1 when either the primary sender or the target claims that its territorial sovereignty is violated. It is calculated by adding to Huth's data set any colonial dispute as well as disputes where the sender objects to the target's use of force in another country.

It is logical to assume that third-party assistance to the target country would reduce the likelihood of sanctions success. A dummy variable equals 1 if the target received material assistance from a third-party government. Hufbauer, Schott, and Elliott develop a trichotomous measure of the target regime's domestic stability. The higher the value, the more stable the target country. Finally, to control for the fact that the United States has been the primary sender in over half of the sanctions episodes, hegemon is a dummy variable that takes on a value of 1 if the United States was the primary sender after 1945.

## Cooperation and Sanctions

The first explanation for the failure of multilateral cooperation is that cooperation is merely a symptom of tough bargaining between the primary sender and the target. As posited earlier, if this is the case, international cooperation should be positively correlated with three variables associated with tough bargaining strategies: the presence of a territorial dispute, an antagonistic relationship between the target and sender, and the duration of the sanctions episode.

Table 5 shows an ordered probit regression that includes the bargaining measures as independent variables.<sup>68</sup> The results show that none of the bargaining measures is significantly correlated with cooperation. The strongest of the measures is alignment, which is negatively correlated with cooperation but does not even meet the 20 percent significance level. Territoriality is insignificant and trends in the contrary direction. To control for multicollinearity, bivariate tabular comparisons of multilateral cooperation with the bargaining variables were run. Again, no statistically significant correlations emerged. Taken together, the evidence suggests that multilateral cooperation is not correlated with tough bargaining between the target and primary sender. This finding is consistent with previous multivariate tests that show cooperation not to be associated with significant demands or conflict expectations.<sup>69</sup>

67. Huth 1996.

68. All regressions were run using Stata 5.0.

69. Martin 1992, chap. 4. The duration measure was not included in this regression because that measure is temporally preceded by the cooperation measure. This hypothesis is dealt with in Table 7.

TABLE 5. *Causes of cooperation*

<i>Variable</i>	<i>Coefficient</i>	<i>t-statistic</i>
Territorial dispute	-0.083	-0.215
Alignment	-0.214	-1.242
Realignment	0.691	1.925
Cost to primary sender	-0.288	-0.769
Political stability of target regime	-0.018	-0.115
Third-party assistance to target	0.720	2.622**
Threat or use of military force	0.144	0.692
Log likelihood	-121.131	
Number of observations	115	

\*\* $p < .01$ .

\* $p < .05$ .

If bargaining between the sender and target does not undercut the effect of multilateral cooperation, perhaps the bargaining among senders does have that effect. According to this explanation, the use of potent norms and principles by the primary leads to more multilateral support. At the same time, it produces inflexible demands that make both sides prefer deadlock to a negotiated solution, leading to longer sanctions disputes. This approach also predicts that the effect of norms would be heightened when multilateral institutions are involved.

Table 6 shows the results of a probit regression with institutional support as the dependent variable. If the norms argument holds, the sovereignty claim should be positively correlated and statistically significant. There is no support for this explanation, as shown in Table 6. The sovereignty measure is positively correlated but does not approach statistical significance. A bivariate test yields somewhat stronger results: a positive correlation that just misses statistical significance ( $p = .066$ ).

Although the use of norms may be only weakly correlated with institutional support, such an appeal may still produce a sustained deadlock. As a final test of the bargaining theses, I use the Weibull estimation of the determinants of the length of a sanctions episode; the results are shown in Table 7.<sup>70</sup> If bargaining among senders leads to a reification of demands, which in turn leads to a sustained deadlock, one would expect to see the use of sovereignty norms having a positive and significant effect on the duration of the sanctions episode. If the bargaining resolve of the sender and the target explains the failure of cooperation, then that measure should be positively correlated with the length of the sanctions episode. Table 7 shows that the sovereignty measure is negative and insignificantly correlated with the length of the sanctions episode. Although the institutional support and cooperation measures take

70. The Weibull technique is used because it can factor in those cases that are still ongoing and also take into account whether the duration of the episode is time invariant.

**TABLE 6.** *Causes of institutional support*

<i>Variable</i>	<i>Coefficient</i>	<i>t-statistic</i>
Constant	-1.347	-1.852
Appeal to sovereignty norms	0.232	0.710
Alignment	-0.087	-0.425
Realignment	0.443	1.097
Cost to primary sender	-0.166	-0.429
Third-party assistance to target	0.685	2.216**
Political stability of target regime	0.195	0.985
Threat or use of military force	0.081	0.353
Log likelihood	-60.301	
Number of observations	124	

\*\* $p < .01$ .\* $p < .05$ .**TABLE 7.** *Dependent variable: Sanctions length*

<i>Variable</i>	<i>Coefficient</i>	<i>t-statistic</i>
Constant	3.049	4.659**
Appeal to sovereignty norms	-0.128	-0.496
Institutional support	0.479	1.052
International cooperation	0.007	0.035
Alignment	-0.526	-3.176**
Realignment	0.727	1.856
Target assistance	0.287	0.908
Target regime's domestic stability	-0.211	-1.347
Number of observations	112	
Sigma	1.015	
Log likelihood	-163.23	

\*\* $p < .01$ .\* $p < .05$ .

a positive sign, neither variable approaches statistical significance.<sup>71</sup> The insignificance of these measures casts further doubt on the bargaining theses. The results suggest that using norms does have much success in attracting institutional support, and it does not translate into a sustained deadlock between the sender coalition and the target.

Finally, I consider the enforcement thesis. If the interaction term of institutionalized cooperation is positive, the enforcement thesis would acquire more credibility.

71. Including only one of these measures does not affect the results.

TABLE 8. *The effect of institutional support on sanctions outcomes*

<i>Independent variable</i>	<i>Dependent variable: Sanctions success</i>		<i>Dependent variable: Concession size</i>	
	<i>Estimated coefficient</i>	<i>t-statistic</i>	<i>Estimated coefficient</i>	<i>t-statistic</i>
Support from international institutions	-1.280	-1.053	-1.396	-1.165
International cooperation	-0.557	-2.619**	-0.594	-2.784**
Institutionalized cooperation	0.779	1.848	0.915	2.180*
Target's opportunity costs	0.185	3.127**	0.206	3.585**
Sender's opportunity costs	-7.713	-2.004*	-7.810	-2.091*
Alignment	0.381	2.160*	0.370	2.136*
Realignment	-1.411	-3.361**	-1.496	-3.637**
Third party assistance to target	-.289	0.898	-0.343	-1.077
Hegemon	0.001	0.010	0.019	0.182
Log likelihood	-131.841		-151.829	
Number of observations	110		110	

\*\* $p < .01$ .\* $p < .05$ .

Institutions would succeed in preventing sender coalitions from covertly defecting or overtly disintegrating, and they would communicate this fact to the target country, leading to more sizable concessions. If the cooperation measure is negative, the backsliding variant is supported; ad hoc sanctions coalitions are so fragile that they generate fewer concessions than unilateral sanctions.

Table 8 shows the effect of institutional support on sanctions outcomes; it provides the statistical results using both sanctions success and concession size as dependent variables. The results strongly support the enforcement thesis. The interaction term of institutionalized cooperation is positive in both regressions. Using sanctions success, the measure just misses statistical significance ( $p = .065$ ); when concession size is the dependent variable, the measure is significant at the 5 percent level. If an international organization supports the sanctions, cooperation from other countries has a positive and significant effect on the magnitude of the target's concessions. The cooperation measure, by contrast, takes on a negative sign and is significant at the 1 percent level in both regressions. Without organizational support, increased levels of cooperation lead to significantly fewer concessions than any unilateral action. These results are consistent with the enforcement argument, particularly the backsliding variant.

There are two variations of the enforcement thesis: international organizations prevent private agents from sanctions busting, and international organizations prevent states from backsliding from promises to cooperate. If international cooperation failed because of free-rider problems, one would expect to see no correlation be-

TABLE 9. *Cooperation, institutions, and the target's costs of sanctions*

<i>Level of international cooperation</i>	<i>Costs imposed on target as a percentage of GNP</i>	<i>Costs imposed on target (no institutional support)</i>	<i>Costs imposed on target (institutional support)</i>
No cooperation	1.03	1.04	0.10
Minor cooperation	1.94	2.19	0.18
Modest cooperation	2.08	1.00	2.35
Significant cooperation	3.59	3.27	3.73

tween the levels of international cooperation and the target's costs of sanctions, unless there is institutional support to monitor private attempts to illicitly trade with the target country. Table 9 displays the cost figures at different levels of international cooperation. The data call into question the free-riding variant of the enforcement thesis. There is a clear increase in the target's costs with an ordinal increase in the level of international cooperation. At the higher levels of cooperation, the presence of institutional support leads to a further increase in costs, but the difference is not particularly great.<sup>72</sup> If there is a free-rider problem, it does not appear to have a significant effect on the costs incurred by the target country.

As a further test, an ordinary least squares regression was run with the target's costs as the dependent variable. If the free-riding variant were true, then cooperation with institutional support should lead to an increase in the target's costs, but cooperation without such support should have a negative effect on the dependent variable. Therefore, this approach predicts that the interaction term of institutionalized cooperation should be positive and significant, but the cooperation measure should be negatively correlated with the target's costs.

Table 10 shows the opposite to be true. International cooperation is positively correlated with the damage inflicted on the sanctioned country. The effect is statistical significance at the 5 percent level. In contrast, the interaction term between institutional support and cooperation has a negative and insignificant effect. The institution measure is positive but statistically insignificant. All of the control variables trend in the expected directions. These results lead to two conclusions. First, even if private agents circumvent sanctioning efforts, those problems are not significant. Second, institutional support does not guarantee that the target country will suffer significantly more economic damage.<sup>73</sup>

72. Part of this difference is explained by the fact that the international organization, in addition to calling on member states to sanction, cuts off multilateral aid to the target country.

73. One possible explanation for this outcome would be that Hufbauer, Schott, and Elliott are only measuring the declared costs of sanctions to the target, and this figure does not take into account the covert sanctions busting explained by this hypothesis. If this is true, the Hufbauer, Schott, and Elliott measure would have overstated the target's costs in cases where an ad hoc sanctions coalition was present more than in cases of unilateral sanctions or institutionalized sanctions. As a check for this, the data were divided into two groups (ad hoc cooperation and all other cases) and separate multivariate ordered probit



TABLE 10. *Dependent variable: Target's costs*

<i>Variable</i>	<i>Coefficient</i>	<i>t-statistic</i>
Constant	-2.481	-1.657
International cooperation	0.735	1.967*
Institutional support	-1.146	-0.502
Institutionalized cooperation (interaction term)	0.139	0.176
Cost to primary sender	4.516	1.189
Target regime's domestic stability	-0.625	-1.864
Alignment	1.181	3.324**
Significance of sender's demand	1.140	2.218*
Number of observations	110	
$R^2$	.279	
Adjusted $R^2$	.229	
Durbin-Watson statistic	1.990	
Standard error of the regression	2.483	

\*\* $p < .01$ .

\* $p < .05$ .

The findings in this section provide strong empirical support for the enforcement argument, particularly the backsliding variant. In sanctions disputes, an initial burst of cooperative behavior may rest on wafer-thin support. Without organizational support and reassurance, cooperation is fragile. This fragility gives the target state the incentive to wait out multilateral sanctions to see if the sender coalition collapses. Theory and evidence suggest that international organizations can enforce the sanctions bargain, preventing wavering states from switching preferences and defecting.

## Implications for Theory and Policy

Based on the findings in this article, I suggest some preliminary answers to the empirical puzzle of cooperation and economic sanctions. At first glance, there would seem to be no significant correlation between the extent of cooperation among sanctioning states and the extent of the target's concessions. This view actually masks two significant yet contradictory dynamics of international cooperation. On the one hand, multilateral sanctions that lack the support of an international organization are significantly less effective than unilateral measures. This outcome is the result of enforcement difficulties. Although sender states might be able to fashion a cooperative bargain to sanction, the equilibrium is not robust. Over time, domestic incentives might change such that secondary senders prefer ending their sanctions. Even if only

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regressions were run on concession size. If for the ad hoc cases the coefficient for the target's costs either takes a lower value or loses its statistical significance, then the criticism of Hufbauer, Schott, and Elliott would be correct. The tests, however, showed that in both regressions, the target's costs were statistically significant, and the coefficient was actually greater in the ad hoc cases.

one state changes its mind, the cooperative equilibrium can collapse. Even the original sender will often prefer to back down rather than remain isolated in a futile strategy of maintaining sanctions.

On the other hand, multilateral sanctions that have the support of an international organization are significantly more effective than unilateral efforts. Organizational support can convert a fragile cooperation equilibrium into a more robust one. International organizations prevent backsliding by giving wavering states the means to resist domestic pressures and by reassuring states that a cooperative equilibrium will be maintained. Members of the sanctions coalition are forced to add the costs and benefits of supporting the organization to the payoffs involved in sanctioning. States that value the existence and maintenance of international organizations will be less willing to violate a previous commitment. So long as wavering states are held in line, the contagion effect will prevent backsliding. Target states will offer concessions to institutionalized sanctions, whereas they are more tempted to wait out ad hoc coalitions. With the support of an international organization, the normative and material effects of multilateral cooperation are plainly observed.

The backsliding phenomenon also suggests a partial answer to the question of why primary senders would invest significant resources in obtaining international cooperation if it can backfire. The ideal for a primary sender is to secure institutionalized cooperation—both increased cooperation and institutional support for that coalition. However, given the principle of multilateralism that defines the decision-making structure in most international organizations,<sup>74</sup> obtaining the support of an international organization entails lobbying not only individual foreign governments but also their representatives within these organizations.<sup>75</sup> The effect of this lobbying has a knife-edge property. With institutional support, the odds of success are improved; without it, the odds are reduced.

The decision-making structure of different international organizations might explain the forum shopping that primary senders will pursue for military or economic sanctions. For example, the United States chose to rely on a NATO mandate for the 1999 bombing of Serbia rather than risk failure in the UN Security Council. The result was a sturdy coalition with institutional support that held together for three months despite domestic pressures in Greece and Italy to defect. One senior Yugoslav official noted that Belgrade would have acquiesced sooner to the coercive action, but “we never thought NATO would stay united through 10 weeks of bombing and the killing of innocent civilians. In fact, we convinced ourselves it would have split wide open weeks ago.”<sup>76</sup>

For policymakers, there are several implications. First, these results generate optimism about the ability of policymakers to use international organizations as a way of

74. Ruggie 1993.

75. This description differs from Martin's assumption that institutional support temporally precedes the decision to cooperate. See Martin 1992.

76. Arnaud de Borchgrave, “Milosevic's Advisers Admit That They Miscalculated on NATO,” UPI wire report, 6 June 1999.

regulating international affairs. If cooperation had failed due to the bargaining problem, it would have suggested that multilateral economic sanctions have little use in managing the international system. Resolving the enforcement problem is a less onerous task for international organizations than resolving the bargaining problem, since there are fewer distributional concerns at the enforcement stage. However, I am not implying that multilateral cooperation is a cure-all. International cooperation without organizational support is worse than useless, it is counterproductive. The efforts to fashion an ad hoc coalition entail significant costs and distract from the larger dispute with the target country. The lack of organizational support gives the target regime an incentive to wait out the coalition because the probability of backsliding is high. Unilateral sanctions, even if less costly, are more likely to succeed because they imply a more credible commitment on the part of the primary sender.

The empirical results about bargaining and enforcement have additional theoretical implications. First, the results call into doubt some well-known theories of multilateral cooperation. The claims of John Mearsheimer and other neorealists that international institutions have little impact on international affairs must be categorically rejected.<sup>77</sup> International institutions clearly play an independent and significant role in the dynamics of multilateral sanctions. The results also call into doubt neoliberal claims about the ability of states to cooperate under anarchy.<sup>78</sup> Cooperation appears to be a far more fragile equilibrium than neoliberals have predicted. Cooperation provides no added legitimacy to the sanctioning efforts.

Most important, this research moves beyond the rather stale debate about whether international organizations matter to a discussion of how they matter. I suggest that international organizations are useful in reassuring states about each others' intentions through the development of common conjectures and the mitigation of domestic political pressures on heads of state. International organizations enforce cooperation, but not through the development of norms, or through traditional enforcement activities. Rather, they reduce the concern that states have about the likelihood of other states defecting, strengthening the common conjecture of continued cooperation.

Finally, the evidence presented here suggests further questions to be addressed in future research. What is the relationship between great powers and international organizations? It is commonly assumed that these states can manipulate organizational decision making, yet the evidence shows a clear difference between great power requests for cooperation and institutional requests for the same thing. Do less-powerful states place a greater value on international organizations that exhibit stronger autonomy? Does the implementation of coercive measures weaken the other functions of international institutions? Further empirical research is needed. At first glance, attracting cooperation among sanctioning states appears to be a narrowly defined policy issue; in fact, it touches on much larger issues within international relations.

77. Mearsheimer 1994.

78. See Axelrod 1984; Axelrod and Keohane 1986; and Snidal 1985.

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