Sanctions, Uncertainty, and Leader Tenure

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Why Sanctions?

- Expression
- Costly signals
- Coerce policy concessions
- Remove leaders (Marinov 2005)

Why Inefficiency?

- But still inefficient!
- Uncertainty matters. But how?
- Sanctions remove leaders $\Rightarrow$ knowledge of power consolidation critical

Our Argument

- Uncertainty about power consolidation ⇒ sanctions
- Recent leaders ⇒ more uncertainty (Wolford 2007; Rider 2013)
- Recent leaders ⇒ more sanctioning

Background
The Model
Empirics
Conclusion

Game Tree
Complete Information Equilibria
With Uncertainty
Comparative Statics

Game Tree

Foreign   **Home**   **Foreign**

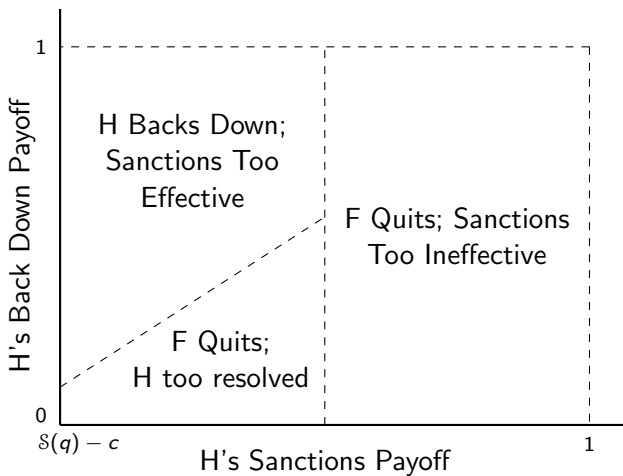|	**Threaten**	**Continue**	**Sanctions**
Quit		**Back Down**	**No Sanctions**

Preferences

- Home leader wants to stay in power
  - S: strictly increasing function mapping sanctions outcomes to probabilities of retaining power
- Foreign wants a policy concession worth 1
  - Wins concession if Home gives up or is removed from power
  - Sanctions cost foreign power $c > 0$

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Game Tree

Foreign   **Home**   **Foreign** $1 - \mathcal{S}(q - s) - c,$

Threaten   **Continue**   **Sanctions** $\mathcal{S}(q - s)$

Quit   **Back Down**   **No Sanctions**

$1 - \mathcal{S}(q), \mathcal{S}(q)$ $1, \mathcal{S}(q - l)$ $1 - \mathcal{S}(q + r), \mathcal{S}(q + r)$
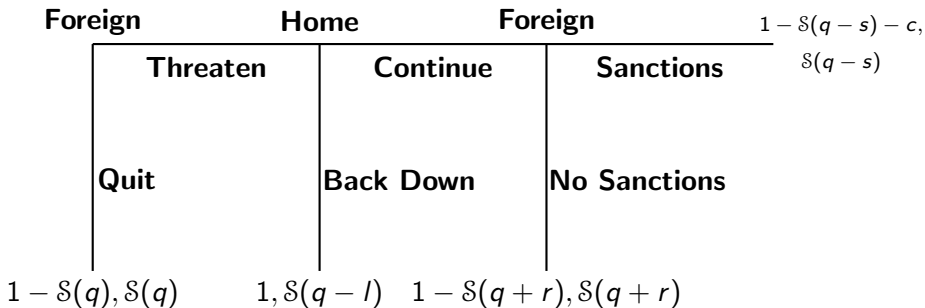
Preferences

Adding Uncertainty

- Leaders know more about their power consolidation than foreign powers
- Two types of Home, varying levels of sanctions vulnerability
  - Strong type: $\mathcal{S}(q - s)$
  - Weak type: $\mathcal{S}(q - s')$, with $s' > s$

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Bluffing

Proposition 1

Home likely weak $\Rightarrow$ Foreign issues threat $\Rightarrow$ strong types
continue, weak types sometimes bluff $\Rightarrow$ Foreign sometimes calls
potential bluffs, sometimes does not

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Deterrence Succeeds

Proposition 2

Home likely strong $\Rightarrow$ Foreign quits immediately

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Varying Uncertainty

Proposition 3

Uncertainty goes to $0 \Rightarrow$ probability of sanctions goes to 0

- Two measurements of uncertainty
  - Prior belief about Home
  - Sanctions payoffs $S(q - s') - S(q - s)$

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Varying Leader Incentives

Proposition 4

Decrease leader's payoff for backing down $\Rightarrow$ increase probability
of sanctions

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Hypotheses
Data and Results
Interaction Effects
Robustness

Leader Tenure

Hypothesis 1

Increase leader tenure $\Rightarrow$ decrease in probability of sanctions

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Institutions

Hypothesis 2

Use of institution $\Rightarrow$ decrease in probability of sanctions

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Democracy

Hypothesis 3

Increase democratic institutions $\Rightarrow$ decrease in probability of sanctions

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Hypotheses
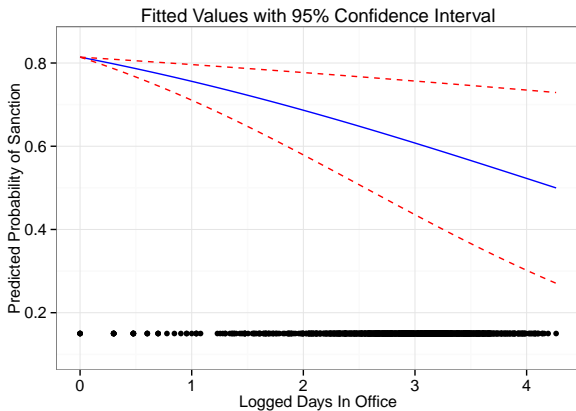Data and Results
Interaction Effects
Robustness

Data

- Scope: TIES (Morgan et al 2014)
  - Unit of analysis: Sanctions threat incidences
- Leader data: Archigos (Goemans et al 2009)
  - Tenure length: logged days since taking office
- Democracy: POLITY IV
- Controls
  - Method of office entry, number of senders, CINC scores, S scores

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Coefficient Estimates of Logit Model

Coefficient Estimates with 95% Confidence Intervals

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Substantive Effects

Fitted Values with 95% Confidence Interval

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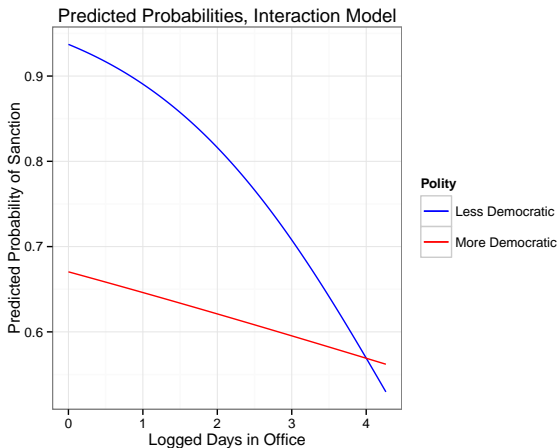
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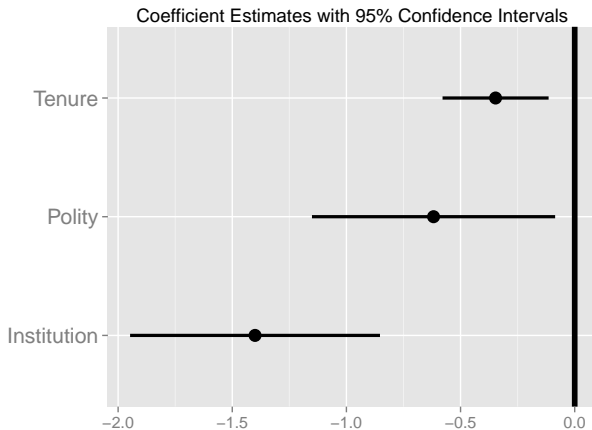
Leader Tenure

Hypothesis 4

Marginal effect of tenure in reducing the probability of sanctions is greater for more autocratic targets.

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Democracy vs. Autocracy

Robustness Checks

- Alternative measurements of leader tenure
- Issue controls (human rights, economics, security), dummies and subsetted
- Estimated cost of sanctions
- Selection model

Conclusion

- If costly, why sanction?
- Uncertainty is one mechanism
- Consider the origins of uncertainty
- Use tenure as a proxy for incomplete information

Appendix: Logit Regression Results

	Dependent variable:				
	Sanction Imposition				
	(1)	(2)	(3)	(4)	(5)
Tenure	−0.282**			−0.347***	−0.874***
	(0.110)			(0.119)	(0.276)
Institution		−1.154***		−1.400***	−1.408***
		(0.238)		(0.279)	(0.281)
Polity			−0.095	−0.618**	−3.065***
			(0.218)	(0.272)	(1.140)
Regular	−0.290	−0.324	−0.232	0.041	0.085
	(0.224)	(0.214)	(0.241)	(0.271)	(0.276)
Senders	0.328***	0.567***	0.299***	0.634***	0.639***
	(0.091)	(0.108)	(0.085)	(0.122)	(0.124)
CINC Score	2.174	1.290	1.408	1.887	2.204
	(1.604)	(1.435)	(1.407)	(1.668)	(1.682)
S Score	0.433	0.578**	0.560**	0.586**	0.608**
	(0.274)	(0.263)	(0.264)	(0.292)	(0.294)
Tenure*Polity					0.766**
					(0.342)
Constant	0.902**	−0.105	0.042	0.999**	2.674***
	(0.442)	(0.278)	(0.276)	(0.486)	(0.945)
Observations	894	1,003	1,003	873	873
Akaike Inf. Crit.	1,157.931	1,287.009	1,315.218	1,100.958	1,097.612

Note: *p<0.1; **p<0.05; ***p<0.01