Sanctions as Instruments of Regime Change

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Abstract

We develop a theory of when and how sanctions are used to encourage regime change in a targeted country. If sanctions render the status quo in the target costly, the domestic opposition may try to overthrow the targeted government. A sanctioning state may incite this behavior if it is likely to succeed and would lower the cost of living with the target. This theory's implications differ radically from those of prevailing views of sanctions. Sanctions are sometimes imposed knowing that the targeted regime will not concede the sanctioning state's demands. They may unpredictably strengthen or weaken that regime, depending on the outcome of domestic conflict in the target. And the sender may purposely reduce the chance that sanctions will work in order to increase the gain realized if they do. We show the theory can explain puzzling aspects of cases of US sanctions on Chile, South Africa, and Iraq.

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Introduction

The traditional view of sanctions is that they are a means of coercing a government into changing its policy. A "sender" threatens to impose economically costly sanctions unless a demand to change policy is met. A "target" weighs yielding on the policy against suffering the sanctions. If the former is better, the target concedes and sanctions do not occur; otherwise, the target spurns the sender's demand and sanctions are imposed in order to preserve the sender's credibility. Senders thus try to make credible threats in support of demands they think will be met (Eaton and Engers 1999). Recent research argues that it is not the economic pain per se that makes sanctions effective, but rather the political risk sanctions create for the targeted government (Marinov 2005). Sanctions work if they pose more danger to the target government's stability than yielding to the sender's demand, so that the target prefers the latter.

This view makes intuitive sense but it leaves many questions unanswered. How do sanctions destabilize a government? Given that an internal political contest to replace the incumbent government—whether a coup, a revolution, or an election in which campaigns must focus on whether to meet the sender's demand—would be costly for both the government and its opposition, why can't the two instead negotiate a compromise on responding to the sender's demand that leaves them both better off? Sanctions-induced destabilization thus poses a rationalist puzzle akin to that of war (Fearon 1995): why would two sides resolve a dispute by a costly means (an internal political contest here) when the same resolution could be had by bargaining without the cost?

Although sanctions do sometimes lead to a target government's fall, they often seem to have the opposite effect, entrenching the current government in power. Sometimes the incumbent is able to rally its populace around the flag and against the sender (Grauvogel and Von Soest 2014). At other times it coercively redistributes (Peksen 2017) or uses rents

generated by sanctions (Escribà-Folch and Wright 2010; Escribà-Folch 2012; Lektzian and Souva 2007) to shore up elite support. Finally, it may instead or also resort to repression against the opposition (Peksen 2009, 2016; Peksen and Drury 2009, 2010; Wood 2008).

If sanctions lead to a costly internal political contest that might end up entrenching the target government, why would they be used? The sender and target would both be made better off if the sender moderated her demand just enough that the target would meet it. Then the sender would avoid the cost of imposing sanctions and the danger of entrenchment, and the target would avoid the cost of an internal political contest. Here, too, the question is why the sender and target can't negotiate a mutually-preferable outcome.

The standard answer for why sanctions actually get imposed is that a sender must have underestimated the will or ability of the target to resist (Eaton and Engers 1999; Spaniel and Smith 2015). However, this answer fits many empirical cases poorly. Senders often issue demands that no reasonable observer expects the target government to concede, so that there is no uncertainty, and yet sanctions end up being imposed. Indeed, since the end of the Cold War, senders demand more often than not that a target democratize and respect civil and political liberties (Von Soest and Wahman 2015b). These demands are often tantamount to asking the current government to allow itself to be ejected from office. Unsurprisingly, they are almost always spurned (Von Soest and Wahman 2015a). Why do senders make demands they know will be rejected?

We offer a theory that answers these questions, formalized in a model of bargaining among a target government, its domestic opposition, and a sender. If a target government spurns a sender's demand, but its opposition would yield to the demand if it were in charge, then sanctions render domestic "peace" between the target government and its opposition costly. As long as the target government remains in power, the two sides will have to suffer the cost of sanctions. If instead the opposition attempted to remove the target government from power, it might succeed, meet the sender's demand, and prevent or end the sanctions.

Thus, sanctions cause destabilization if they are demanding and severe enough to render domestic "peace" costlier than an internal political contest that might lead to a new government willing to yield in order to end the sanctions. This is the analogue for sanctions of a new rationalist explanation for war developed in Coe (2011): sometimes actors' behavior would make peace costlier than conflict, so that they choose conflict. This theory also explains why sanctions sometimes collapse the target government—when the opposition wins the internal political contest—and other times entrench it—when the opposition loses the internal political contest, and why the outcome is unpredictable.

Because the outcome of the internal political contest is stochastic, a sender that uses sanctions to incite one is taking a gamble. Either a new government with potentially different policy preferences will come to power, or the current government will defeat its domestic opposition and maintain policies the sender dislikes, so that the sender must pay the cost of imposing sanctions. Rather than gambling on a more favorable government, the sender could instead issue a demand that the target government would be just willing to meet, so that the sender's demand is met even though the target remains in power and no sanctions need be imposed. In effect, the sender can choose between using sanctions to coerce a sure, but modest policy change from the current government, or instead to incite attempted regime change, which might fail but would induce a larger policy change if it succeeds.

If the domestic opposition has policy preferences closer to those of the sender, then regime change would lead to better policies but also reduce the sender's costs of coexisting with a disagreeable government. These costs could include military spending to deter the target, tolerating its oppression or abuse of its populace, or preventing or tolerating its coercion of neighboring states. We show that if these costs are large enough, the costs of an internal political contest are low enough, the opposition's interests are close enough to the sender's, and the chance of achieving a change in government through sanctions is high enough, then the sender will prefer the gamble of using sanctions to incite regime change over the sure

thing of instead using them to coerce policy change.

Our theory helps to explain several empirical patterns documented by recent quantitative studies of sanctions. Senders do sometimes make demands they know the target government will spurn, and are more likely to issue them when the opposition is more likely to win, such as immediately after a coup or flawed elections, and when the target government's foreign policy orientation is more hostile to the sender (Von Soest and Wahman 2015*b*). Sanctions are more likely to induce an internal political contest—destabilization—in democratic targets (Marinov 2005), where the costs of a contest are lower and so the domestic actors are more easily incited to wage one. Destabilization in autocratic targets is more likely when the recent occurrence of a coup or flawed election enables the opposition to solve its collective action problem (Major 2012; Marinov and Nili 2015), rendering it more likely to win. The resulting destabilization does sometimes lead to regime change (Von Soest and Wahman 2015*a*), but at other times entrenches the current regime.

Because our model's predictions are already known to be consistent with the relevant quantitative evidence, we resort to case studies to see if policymakers actually viewed sanctions as instruments of regime change and intentionally made demands they knew the target government wouldn't concede. We also use primary and secondary sources to examine whether their willingness to do so varied with the factors our model identifies. We selected three well-studied cases in order to demonstrate that the theory can shed new light even on familiar episodes: US sanctions on Chile in the 1970s, South Africa in the 80s, and Iraq in the 1990s. For each, we document that the sender expressly intended to induce attempts at regime change and so made demands it knew the target government would not meet. We also show, consistently with our theory, that sanctions intended to incite regime change were imposed only once the costs of coexistence with the target government had become large and the domestic opposition had preferences close enough to the sender and was likely enough to succeed in replacing the targeted regime.

Our theory suggests revisions to the extant understanding of whether sanctions work and of when "smart" sanctions should be preferred to comprehensive ones. In our model, senders rationally trade increased risk that sanctions fail for a larger policy change if they work. This means that existing estimates of sanctions' effectiveness are likely too low, because they do not hold constant the demands senders make. Our model also predicts that sanctions can only incite regime change if they are severe enough. Because smart sanctions are imposed only on a narrow set of elites, their severity relative to the target's overall economy is much more constrained, and so they should be *less* likely to destabilize a targeted government than comprehensive sanctions.

Finally, our work contributes to the formal theory of sanctions by microfounding when and why sanctions will induce destabilization. Previous models of sanctions focus instead on explaining why they are imposed rather than merely threatened (Eaton and Engers 1999; Spaniel and Smith 2015). Others extend models of political economy to investigate how a government can optimize repression and cooptation in response to imposed sanctions (Kaempfer, Lowenberg and Mertens 2004; Oechslin 2014). Most similarly to our work, McLean and Radtke (2018) studies how the potential of sanctions to destabilize the target government influences a sender's decision to use them. These prior models assume that imposed sanctions generate some exogenous degree of destabilization, and so cannot explain the conditions under which sanctions cause destabilization. Because these models do not allow the sender to manipulate the potential for destabilization through its choice of demand and sanction severity, they also cannot explain when senders will use sanctions for regime rather than policy change.

Model Setup

We will state the model's assumptions and then explain how these correspond to the situation of sanctions potentially inciting regime change. A state S (the "sender," feminine) and a government T (the "target," masculine) that is currently in power in another state have opposed preferences over a policy space represented by $[0, 1]$. The sender's utility from a policy x is just x, so that S favors policies closer to 1. The target's utility is $1 - x$, so that T favors policies closer to 0. The target's domestic opposition or "resistance" R gets utility $1 - |r - x|$ for some $r \in [0, 1]$, so that R favors policies closer to its ideal policy r.

The sender chooses a demand to issue that policy be set to at least $d \in [0, 1]$, and also chooses a severity of sanctions $\sigma \geq 0$ to threaten to impose if the demand is not met. The target then chooses a policy $x \in [0, 1]$, which the resistance may accept or reject. If the resistance accepts the policy, it is implemented. If the resistance rejects, there is an internal political contest between the target and the resistance. The resistance replaces the target with probability p, while the target stays in power with probability $1 - p$, and the contest imposes costs of $\gamma_S \geq 0$, $\gamma_T, \gamma_R > 0$ on the sender, target, and resistance respectively. The winner of the contest chooses a policy x that is then implemented. If the target remains in power, whether because it won the contest or because no contest occurred, the sender pays a cost $k \geq 0$. The sender then decides whether to impose the threatened sanctions. If imposed, sanctions inflict a cost σ on the current government and a cost $c(\sigma)$ on the sender, with $c(0) = c'(0) = 0$ and $c(\sigma), c'(\sigma), c''(\sigma) > 0$ for $\sigma > 0$. If sanctions were threatened ($\sigma > 0$), the demand was not met ($x < d$), and the sender chose not to impose sanctions, the sender suffers a cost ϕ. All parameters of the game are common knowledge.

The resistance R is meant to stand in for whomever poses a threat to the continued rule of the target, and the internal political contest represents the most cost-effective means available to R to challenge the target's rule. If the state is democratic, R may be the party

or party coalition that is presently out of power, so that the internal political contest is an election. Alternatively, R may be a group of military or other elites, so that the contest takes the form of a coup, or a large subset of the population, such as a disfavored ethnic group or the citizenry generally, so that the contest is a popular uprising or revolution. We allow the interests of the resistance to differ both from the target and from the sender: its ideal policy may be close to the target's, the sender's, or neither. We also assume that all of these forms of internal political contest are costly. A coup or revolution will disrupt the targeted state's economy and may involve some death and destruction. In an election, the two sides may shift to campaigning on whether to meet the sender's demand, rather than on other issues important to their constituencies. While less costly than a revolution, such a shift is still costly if it forces the resistance and target to set aside what would otherwise be their preferred campaign issues.

The model takes sanctions to be costly for both the sender and the target. As the severity of sanctions for the target goes up, the cost for the sender of imposing them also increases, and at an increasing rate. In other words, the sender employs the most cost-effective sanctions—those that inflict the largest costs on the target at the lowest cost to the sender—first, and has to resort to ever less cost-effective sanctions as the desired severity increases. Sanctions "land" on whichever actor is in power when they are imposed: T if there is no internal political contest or T wins it, R if T loses it.[1]

The parameter ϕ is the cost to the sender of failing to follow through on a threat to impose sanctions. Other targets might disregard the sender's threats if they are revealed to be empty, or a domestic audience for the sender might punish its backing down from a threat. We will see that this cost places a ceiling on the severity of sanctions that the sender

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[1]Other plausible assumptions—such as that sanctions land on whichever actor is *not* in power—lead to similar results. We will see that bargaining over policy between the target and resistance enables the two to redistribute the "pain" of sanctions, so that the initial distribution of sanctions' impact does not matter much.

can credibly threaten, and thus constrains the coercive power of the sender's threats.

We will interpret k to be the cost for the sender of living with the target remaining in power, relative to the cost of instead living with the resistance having taken power. The idea here is that the sender and target have a conflict of interests that may give rise to costly behavior in their larger (unmodeled) interaction. For example, the sender may build and deploy military forces to deter the target, and so suffer the cost of diverting resources from productive uses to her military. Alternatively, she may expect a future shift in the balance of power toward the target, forcing her to be more conciliatory in the future. Finally, the target may oppress his populace or coerce his neighbors in order to maintain his rule, imposing costs on the sender if she values the wellbeing of the target's population or his neighbors for humanitarian or strategic (e.g., because they are allies of the sender) reasons. All of these make it costly for the sender to coexist with the target, and all might be reduced if the target is replaced by the resistance. Because the size of this reduction will depend on the interests of the resistance, we will sometimes treat k as a function of the resistance's ideal policy r, and assume that $k(r)$ is increasing in r, with $k(0) = 0$. In other words, the closer are the sender's and resistance's ideal policies, the higher is the relative cost for the sender of living with the target in power, and when the resistance has the same ideal policy as the target, the sender is indifferent to which one is in power. For simplicity's sake, we leave the larger interaction that gives rise to k unmodeled, treating it as exogenous.[2]

Analysis

We start by analyzing when a demand and threat of sanctions will lead the domestic opposition to try to replace the current government within the targeted state in equilibrium.[3] We

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[2]The conditions under which such costs arise and cause conflict have been analyzed by others (Coe 2011, 2018; McCormack and Pascoe 2017; Schram 2021). We focus instead on the more novel issue of how sanctions might give rise to costly domestic conflict within the target state.

[3]We will show that there is a generically unique subgame-perfect Nash equilibrium.

then investigate when and why a sender would choose to use sanctions to incite an attempt at regime change.

First we need to establish just how severe are the sanctions S can credibly threaten to impose. Sanctions are only imposed once the sender's demand has been refused, so that the sender has already "lost" the dispute. Thus, the sender's valuation of the policy at stake has no impact on whether she should follow through on her threat. The only reason to do so is the reputational cost that the sender would suffer as a result of backing down. If the reputational cost is higher than that of actually imposing the threatened sanctions, the sender will impose them, and thus could credibly threaten them in the first place; otherwise her threat will be ignored.

Lemma 1. *Let $\overline{\sigma}$ be such that $c(\overline{\sigma}) = \phi$. If S threatens sanctions of a severity higher than $\overline{\sigma}$, she will never impose them, and so R and T will ignore her demand. If S threatens sanctions of a severity no more than $\overline{\sigma}$, she will impose them if her demand is not met.*

We can now turn to our first puzzle: why would sanctions ever destabilize the government of the targeted country? Shouldn't the target government and domestic opposition both prefer instead to come to a bargain on policy, avoiding the costs of an internal political contest?

Proposition 1. *An internal political contest occurs if and only if $d \geq p \max\{r, d\} + (1 - p)\sigma + \gamma_T$, $p\sigma \geq \gamma_R + \gamma_T + 2p \max\{d - r, 0\}$, and $\sigma \leq \overline{\sigma}$. If R wins, she will set policy $x = \max\{r, d\}$ and no sanctions will be imposed. If T wins, he will set policy $x = 0$ and sanctions will be imposed.*

If the sender makes a high enough demand, and credibly threatens severe-enough sanctions, then there will be an internal political contest within the target. The targeted government will spurn her demand, knowing that it will lead his domestic opposition to attempt

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to replace him in power. If the government prevails, it will set its ideal policy and suffer sanctions; if the resistance wins, it will yield to the sender's demand and avoid sanctions.

To understand the intuition for this, consider the choice faced by the targeted government after the sender's demand and threat. He could meet S's demand, avoiding the imposition of sanctions and appeasing R; instead offer a policy just sufficient to satisfy R, avoiding an internal political contest but suffering sanctions; or instead spurn S's demand and also refuse to appease R, leading to an internal political contest. The first condition in the proposition rules out the first choice: S's demand is so high that T would prefer the gamble of an internal political contest—risking R choosing policy $(\max\{r, d\})$ if it wins (with probability p) or suffering sanctions σ if T wins (with probability $1 - p$) and paying the cost of the contest (γ_T)—to meeting this demand (d).

By imposing a sufficiently stringent demand, the sender can ensure that T would never yield to it. This means that if T remains in power, S will end up imposing sanctions. The cost of suffering these sanctions makes internal political peace between R and T costly. While an internal political contest is also costly, it offers the possibility of ending sanctions should the resistance win, though this would also mean conceding S's demand. If the cost of suffering sanctions (σ), weighted by the probability the resistance will win the internal political contest and avoid them (p), is higher than the cost of that contest $(\gamma_R + \gamma_T)$ and the extra cost to both sides if R wins of setting S's demanded policy when it forces both to concede more than they would like $(2p \max\{d - r, 0\})$, then there is no policy that will simultaneously satisfy R and T. Thus the second condition ensures that sanctions make peace too costly to be worth bearing, when a contest might avert their imposition.

Corollary 1. *Sanctions that incite attempts at regime change succeed or fail stochastically.*

If sanctions cause attempted regime change, then their success or failure is entirely determined by which side wins the internal political contest. This contest is by its very nature stochastic—the sender cannot be sure about which side will win in an election, a coup, or a

revolution. The target government might fall, whether by losing an election to an opposition campaigning to end the sanctions or by suffering a successful coup or revolution. The resistance would then come to power, and because its interests were closer to the sender's, the new government would meet the sender's demand. The new government would also reduce the costs for the sender of coexisting with the old government—whether these costs came from arming, containment, domestic abuse of civilians, or any other negative externality the old government generated for the sender. Sanctions would appear to have been successful: they led (eventually) to the targeted country adopting a policy desired by the sender.

However, there is also a chance that the target government would prevail in the internal political contest, winning an election by campaigning on spurning the sender's demand or putting down a coup or revolution. The resistance would end up weakened or crushed, entrenching the target government in power. The victorious target would set the policy it most preferred but the sender most disliked, and given that its demand was spurned, the sender would have to carry out its threat of sanctions in order to avoid the reputational cost of backing down. In so doing, the sender would know that imposing sanctions would not lead to any change in policy. Indeed, the entrenched target government would set a policy that was even worse for the sender than the one he would have set had the sender made no demand and never threatened sanctions. If this happens, sanctions will appear to have failed miserably: not only did the undesirable policy get worse, but the recalcitrant government was strengthened in power.

This may help to explain the mixed empirical findings of research linking the efficacy of sanctions to their domestic political consequences. Some studies find that sanctions tend to destabilize the government of the targeted state, and that when this destabilization occurs, the sanctions are more likely to be effective. Other studies observe that in many cases sanctions appear instead to entrench the extant government and its supportive elites in power, and that when they do so they are unlikely to be effective. Both findings are consistent

with a stochastic effect of sanctions intended to incite regime change: sometimes the targeted government is replaced, policy is changed in favor of the sender, and sanctions appear effective; other times the targeted government is entrenched, policy does not change, and sanctions appear to have failed.

We can now address our second puzzle. As long as S can credibly threaten to impose severe-enough sanctions, she has the ability to induce an attempt at regime change in the targeted country. But she also has the option of using the threat of sanctions to coerce the current government to change its policy, avoiding the costs and risks of an internal political contest that could entrench the target government. Why would S use sanctions to incite a possible regime change, rather than a sure policy change? We explain the special case where the sender and resistance have the same ideal policy ($r = 1$) first.

Proposition 2. *Suppose $r = 1$. If $p\bar{\sigma} \geq \gamma_R + \gamma_T$ and $pk > (1-p)\left[\bar{\sigma} + c\left(\frac{\gamma_R + \gamma_T}{p}\right)\right] + \gamma_S + \gamma_T$, then S will make a demand that she knows will be spurned and threaten sanctions of severity $\sigma = \frac{\gamma_R + \gamma_T}{p}$, and an internal political contest will occur. Otherwise, S will make the highest demand T would grant and threaten sanctions of severity $\bar{\sigma}$, T will yield to S's demand, and no internal political contest or sanctions will occur.*

The first condition assures that it is *feasible* for S to incite an internal political contest. It means she is capable of credibly threatening sanctions so severe that, when combined with a demand high enough that T would never voluntarily submit to it, there is no policy T could choose that would leave both T and R better off than a contest. Ultimately, it is cheaper for T and R to contest power and have a chance of avoiding sanctions (saving $p\sigma$) than to suffer them for sure but avoid the costs of the contest (saving $\gamma_R + \gamma_T$).

The second condition implies that it is *desirable* to S to use sanctions to incite (an attempt at) regime change rather than policy change from the current government. When this condition holds, there is no policy T could set that would leave both the sender and the target better off than a contest. S would rather gamble on regime change and its chance of

ending the costs of coexisting with T (saving pk) than coerce a policy change that leaves the existing government in power but avoids the costs of an internal political contest between the two sides $(\gamma_S + \gamma_T)$, of losing the policy change she would have gained from coercing the extant government if R's attempt at regime change fails $((1-p)\overline{\sigma})$, and of imposing and suffering sanctions if that attempt fails $\left((1-p)c\left(\frac{\gamma_R+\gamma_T}{p}\right)\right)$. Essentially, an internal political contest within the target is cheaper for S and T, even though it entails the risk that S will have to impose sanctions if the resistance fails, than continued coexistence.

If the first condition in the proposition does not hold, then the sender might like to use sanctions to incite regime change, but cannot credibly threaten to impose severe-enough sanctions to get the resistance to rise up against the target. If the second condition is not satisfied, then the sender might be able to incite regime change, but prefers instead to coerce the target to change its policy while still leaving it in power. In either case, the sender threatens the most severe sanctions she can credibly impose $(\overline{\sigma})$, and makes a demand that leaves the target just indifferent between yielding or instead taking his next best option. Bowing to the sender's leverage, the target concedes the demand. In effect, the sender takes the sure option of having a more modest demand met.

Corollary 2. *A sender will sometimes issue a demand that it knows will never be granted by the target government.*

When the US demanded in the 1990s that Iraq dismantle its programs to develop weapons of mass destruction, cease oppression against its Kurdish and Shi'i citizens, and end its support for terrorist organizations and insurgencies abroad, there was no reason to think that Saddam would comply with these demands, regardless of the economic sanctions the US could impose if he did not. The US has made similarly implausible demands of Cuba, Iran, North Korea, Syria, and Venezuela. Few observers expected any of these targeted governments to yield to US demands, and indeed none of them have done so, and as a result the US has imposed and maintained sanctions against them. In many other cases the

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US and other senders such as the EU issue demands that, if met, would very likely result in the target government's removal from power—for example, a demand to allow free and fair elections. Here again, it seems reasonable to assume that these requests would not be granted, and that the sender knew this.

Senders making demands that they know will be refused is a puzzling phenomenon for prior theories of sanctions as instruments for coercing policy change. If the sender expects a demand to be spurned regardless of the threat of sanctions, then issuing it appears irrational: no policy change will result and the sender will have to pay the cost of imposing the sanctions. It would be better to instead make a less stringent demand that would plausibly be granted by the target, gaining a favorable change in policy without having to pay for sanctions. Why would a sure-to-be-refused demand be made?

The answer offered here is that the sender intends for the sanctions to induce an attempt at regime change, not policy change by the target. It is thus important to make a demand that the target will not accept, so that his domestic opposition knows that it must wage an internal political contest to avoid or end imposed sanctions. In many of the cases mentioned above, the US actually made explicit that it expected the current government would not comply with its demands and instead sought regime change. Moreover, it often justified sanctions precisely on the grounds that they would encourage domestic elements in the targeted country to try to replace its present government.

Corollary 3. *A sender will sometimes accept a lower chance of sanctions succeeding in exchange for a higher gain if they do succeed.*

That a sender would sometimes prefer to use sanctions to incite attempts at regime change rather than policy change means that a sender will sometimes prefer a gamble on sanctions working over a sure thing. When a sender elects to incite attempted regime change, it is because the risk that sanctions fail is compensated by the increased reward if they succeed:

a larger policy change in the sender's favor, as well as a reduction in the costs of living with the target.

This is perfectly rational from the sender's perspective, but it seriously complicates the task for scholars of evaluating the efficacy of sanctions. In effect, the theory says that senders sometimes purposely handicap their sanctions: they act in a way that lowers the chance that their demand is met. Put another way, if we observe a sanctions episode in which the target government ends up entrenched and the sender's demand is spurned, this does not mean that the use of sanctions in this episode was a mistake. Such an episode also does not imply that sanctions were generally ineffective here: there was a different (lower) demand the sender could have issued that would have been granted by the target, so that it would appear that sanctions worked.

Typically, scholars have evaluated the effectiveness of sanctions overall by adding up the number of episodes in which a sender's demand is met, and dividing by the total number of episodes in which sanctions were used. After Drezner (2003), scholars realized that the counts should include not only episodes in which sanctions were imposed, but also those in which they were threatened but never imposed. This raised the estimated efficacy of sanctions, because the latter episodes often featured a sender's demand being quickly met, so that sanctions worked (Morgan, Bapat and Krustev 2009). Our results suggest that another revision to estimates of sanctions' effectiveness is needed: there should be separate estimates, each conditioned on a particular level of a sender's demand. Episodes featuring demands that are tantamount to asking the current regime to give up power, such as for democratization or an end to domestic repression, or that request a drastic transformation in a target's foreign policy, such as ending pursuit of weapons of mass destruction programs and support for terrorism, should be evaluated separately from those featuring more modest demands, like reducing trade barriers or releasing the sender's citizens from prison.

Finally, we derive observable implications for when we expect sanctions to be used as an

instrument of regime change. These hold for the more general case where the ideal policy of the resistance may be somewhere in between those of the sender and the target.

Proposition 3. *If R's ideal policy is close enough to S's (r close enough to 1), then S becomes more likely to use sanctions to incite regime change rather than policy change as the cost of coexisting with T (k) rises, the costs of an internal political contest (γ_R, γ_T, γ_S) fall, R's ideal policy moves closer to S's (r rises), and the probability of R winning (p) rises.*

If the resistance's interests are too close to the target's, then the sender regards them as essentially the same and so has no incentive to incite regime change, regardless of how cheap or likely to work it is. Inciting regime change becomes a viable option only once the resistance has sufficiently distinct interests. As an internal political contest becomes less costly for the current government and its opposition (γ_T, γ_R fall), then less-severe sanctions are needed to induce them to contest power, and it is cheaper and therefore more tempting for the sender to do so. A reduction in the sender's cost of an internal political contest (γ_S)—say, in the expected humanitarian consequences, if the contest involves violence—also makes inciting regime change more appealing. Finally, it is more attractive when it offers a better chance (p is higher) to rid the sender of one government in exchange for another with which it is easier to coexist (k is higher). The closer the resistance's ideal policy is to the sender's, the larger this difference in relative cost of coexistence is, reinforcing the desire to induce regime change.

Empirical Cases

We chose three cases well-known to scholars of sanctions in order to demonstrate that our theory can shed light even on familiar episodes: US sanctions on Chile in 1970–73, on South Africa in 1985–91, and on Iraq in 1991–2003. These cases conveniently also illustrate

the forms incitement can take across different target regime types and democratic or non-democratic internal political contests. For each, we show that the decision calculus of the US and the observed behavior is consistent with our theory.

Chile: Overthrowing a Democracy

The US imposed sanctions on Chile following the 1970 election victory of Salvador Allende, at the head of a coalition of socialist and communist parties. Three years later, the Allende regime was overthrown and replaced by a military junta and the US dropped its sanctions. Primary sources show that the US decision calculus and anticipated reactions within Chile adhered quite closely to the predictions of our model.[4]

The US government perceived Allende to have interests sharply conflicting with its own, but the Chilean opposition to be much more favorable to the US. Just before the election, the US anticipated that "There would be problems for US-Chile relations under either [of Allende's opponents] [. . .] If Allende wins, the problems created for the US would be much greater" (C47). The US also assessed that the opposition would not contest Allende's power absent US intervention. "There is no reason to believe that the Chilean armed forces will unleash a civil war or that any other intervening miracle will undo his victory" (C62). Instead, Allende was expected to set policies that compromised just enough with the opposition to avoid a contest, just as the model predicts. Allende's government "would seek to destroy, neutralize, or obtain the support of various groups and institutions" in the opposition by changing policies slowly and undermining their political strength, and "a sufficiently gradualist and skillful approach by Allende could avoid provoking the military almost indefinitely" (CS13). Nonetheless, change would be "as rapid as possible without inciting a dangerous reaction from the military" (CS33). Finally, the US believed that only serious degradation

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of Chile's economy could stop this accommodation and lead to an internal political contest: "economic conditions might provide the essential provocation [. . .] that might set in motion the politico-military forces to defeat Allende" (C68).

Facing a disfavored regime and a favored opposition that would have to be incited to contest power, the US quickly arrived at the two possible best strategies our model predicts. As described in a series of interagency strategy papers (CS13, CS14, CS30, C166, CS33), it could bargain with Allende, influencing his policies with the threat of sanctions but not attempting to incite his overthrow ("Option B" in CS13). Alternatively, it could apply sanctions regardless of Allende's policies, possibly supplemented with covert support to the opposition, to prevent him from consolidating power and possibly lead to his overthrow ("Option C," with covert support described in CS14).[5]

The debate between these two strategies turned on the the feasibility of inciting a coup (the first condition of Proposition 2) and the probability it would succeed (p), the costs for the US of an incited coup (γ_S), and the costs of living with Allende (k), in line with Proposition 3. Those officials who preferred coercive sanctions worried that "there is little chance that, even with our stimulation [by covert support], an overthrow of Allende would be attempted, and there is almost no way to evaluate the likelihood that such an attempt would be successful even were it made" and recognized that "an unsuccessful attempt [. . .] would have grave consequences for our relations in Chile, in the hemisphere, in the United States and elsewhere in the world" (CS14). These officials "view[ed] the risks that Allende [would] consolidate himself and the long-range consequences therefrom [as] less dangerous to us than the immediate probable reaction to attempts to oppose Allende" (C172). By contrast, officials who advocated incitement sanctions believed the US "[could] affect events, and that the risks of stirring up criticism to our position elsewhere are less dangerous to us than the long-term consolidation of a Marxist government in Chile" (C172). This view

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[5] "Option A," entailing simply living with Allende without coercion, was quickly discarded (C150).

was strengthened by the realization that US incitement could be undertaken quietly so as to minimize its cost to the US and the danger that it would only lead to entrenchment of the Allende regime (C172).

The President chose incitement, ordering US officials to "make the economy scream" (C93) prior to Allende's inauguration.[6] The US Ambassador told Chile's then-president that "not a nut or bolt will be allowed to reach a Chile under Allende [...] Once Allende comes to power, we shall do all within our power to condemn Chile and the Chileans to utmost deprivation and poverty, a policy designed for a long time to come to accelerate the harsh features of a Communist society in Chile" (C108). The US understood that Allende would not concede enough to avoid these sanctions. "It is clear that Allende is not voluntarily going to modify his goals, nor is he likely to have any interest in negotiating such a modification just to get along with us" (C159).

As the model predicts, US sanctions (combined with the economic consequences of Allende's own policies) caused increasingly serious economic difficulties in Chile, which in turn undermined the stability of the Allende regime (C270, 288, 294, 302, 307, 341). The US Ambassador observed that "Politically, Chile seems to be experiencing increasing confrontation and polarization of political forces. Sharpening economic crisis has stimulated a stronger opposition" (C276). A national intelligence estimate agreed that "The decline in Allende's political fortunes has in good part been caused by the worsening economic siutation" (CS116).

Three attempts at a coup occurred (C162, 168, 334, 346, 347), of which the last succeeded. Afterwards, the national security advisor said to the President "We didn't do it. I mean we helped them. [Redacted] created the conditions as great as possible" (C357). As the model predicts, with a more favorable regime now in power, the US moved immediately to express

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[6]The US also provided covert support to the opposition in an effort to maintain its viability. However, the US assessed that its "support would be a helpful but marginal factor in the calculations of the Chilean military in an attempt to topple an Allende administration" (CS14).

support and end its sanctions (C349, 353, 355, 361).

South Africa: Swaying an Election

In response to the bouts of violent repression that accompanied apartheid, the US imposed modest sanctions on South Africa in 1977 and stronger sanctions in 1986. New leadership came to power in South Africa in 1989 and moved to end apartheid, and the US dropped its sanctions. We argue that the US initially sought only to coerce the extant government, and that an increasing cost of living with the apartheid regime led the US to switch to sanctions intended to incite regime change. For brevity, we examine here only the debate within the US government in the mid-1980s over whether to switch from coercion to incitement sanctions, and show that this debate was consistent with the model.[7] The online appendix additionally shows that the behavior and expectations of the US government, the South African government (henceforth "SAG"), and the white South African opposition also matched the corresponding equilibrium prescribed by our model during the periods of first coercive and then incitement sanctions.

During the debate, skeptics of incitement emphasized the value of the concessions the US had gained from coercive sanctions (that is, $\overline{\sigma}$ is high), which would be lost if incitement failed, an outcome skeptics viewed as quite likely (i.e., p is low). Secretary of State Shultz asserted that "There is now less cross-border violence than there has been in eleven years. There has been more reform in South Africa in the past four years than in the previous thirty [. . .] a process of change is clearly under way" but "The gains are fragile." The Reagan administration "chose to focus on getting results. We cannot have it both ways: We cannot have influence with people if we treat them as moral lepers, especially when they themselves are beginning to address the agenda of change. [. . .] Some propose that we try to cut South

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[7]Because incitement sanctions were imposed by Congress over Reagan's opposition, we employ transcripts of Congressional hearings on South Africa to explore the debate. These are cited according to their document code, e.g., "HRG-1980-FOA-0041".

Africa off [...] through [...] sanctions [...] that are more likely to strengthen resistance to change than strengthen the forces of reform. [...] The result will be reduced American influence" (HRG-1985-FOR-007, 57–58). "I am concerned that such measures could have the opposite effect, heightening intransigence [...] I fear that the proposed legislation would backfire, reducing our influence and our continued capacity to use effective pressure for change" (HRG-1986-BFU-0017, 28).

Experts testifying before Congress described how this could happen in a way that matches our theory precisely, identifying the key factions and observing that the anti-reform side could win the internal political contest sanctions would incite. As one analyst explained, "The Afrikaner community is not monolithic. There are those known as 'verligtes' (who favor sharing power with the blacks and see reform as both inevitable and desirable) and the 'verkramptes' (who support the traditional Afrikaner commitment to apartheid with no concessions) [...] by forcing a political confrontation within the Afrikaner community, [incitement sanctions] could slow down, and even reverse, [the process of reform because of] a verkrampte backlash [...that] would eliminate any chance of effecting the intended reforms" (HRG-1985-BHU-0010, 601–602).

By contrast, while advocates of incitement admitted that the outcome was uncertain, they saw a decent chance of bringing the pro-reform faction to power (p is high) and were dismissive of the modest reforms won by coercive sanctions ($\overline{\sigma}$ is low). One prominent Congressional advocate argued that "the changes heralded by the South African Government [...] avoid the key issue of white political domination and basic segregation", and cited "the fragmentation of the white community that has begun to occur [...with powerful elements] calling for the abandonment of apartheid" that would not "have come about were it not for the economic pressures that the society is facing" as reason to think incitement sanctions would work (HRG-1986-FOA-0021, 1, 103, 112). An undecided Senator concurred that "The results of [coercive sanctions], in my judgment, have been negligible at best. The failure of

the South African Government to make more than token gestures in response to pressure has perpetuated an intolerable situation", but also asked "whether we should attempt to predict the kind of future our sanctions will achieve in South Africa. Will it cause the South African government to be more repressive? Will it cause the South African Government to begin to end apartheid" and received from an incitement-supporting Senator the reply "the future of South Africa is going to be decided by the South Africans"—that is, it was not within the power of the US government to control the outcome of incitement (HRG-1985-BHU-0010, 1, 42–44). As another advocate put it, "Maybe it will work and maybe it will not" (HRG-1985-FOR-0007, 25).

Still, other advocates argued that incitement sanctions would "help those whites in South Africa who want change and isolate those who do not and [...] more and more white South Africans [would] see that present policies can only lead their country to economic disaster" (HRG-1985-BHU-0010, 74) and gave prior examples where US sanctions had successfully incited regime change (HRG-1985-FOR-0007, 17). Expert testimony also supported the idea that incitement could plausibly lead to a government willing to meet US demands. One analyst observed that "deeper trends in society offer glimmers of hope. In particular, opinion polls of South African whites indicate far greater support for change than anything promoted recently by the regime" and held that "Such trends suggest the opportunity for pressing the Afrikaner regime to take bolder steps toward reform", though admitting that "I can't claim to be certain" (HRG-1985-BHU-0010, 132, 294).

Congress also argued over how amenable to US interests a new government would be (r), given that it might include the African National Congress (ANC). Shultz offered that "We have serious questions about the ultimate objectives of the ANC, as well as about the role in its inner circles of the Soviet-controlled South African Communist Party" (HRG-1986-FOR-0010, 83–84). Congressional skeptics argued that "suppose the Congress forces sanctions [...] The communist-dominated African National Congress will surely smell a victory" and

urged, "Let us not rush to embrace the ANC with its white Communist terrorists", worrying that "if the African National Congress ever rules South Africa, it will be a tragedy for all Africans, black and white" (HRG-1986-FOR-0010, 61, 15, 64 more on 43–54, 63). Advocates of incitement countered that the ANC was "a movement of pragmatists, not ideologues" that was not controlled by the Soviet Union, rarely used terrorism, and was internally democratic (HRG-1986-FOR-0010, 34, 238–255).

However, the crux of the debate was how the cost of living with SAG (k) compared to the cost of an internal political contest (γ_S). As one advocate explained the cost of coexistence, "South Africa invests the phrase 'gross and continuing violations of human rights' with a unique and particularly horrendous significance. [...] Apartheid [...] is unique in combining the terrifying intrusions of totalitarianism with the devastating humiliations of racism. [...] this appalling system also constitutes a major threat to U.S. national security interests. Black political opinion in South Africa [...] is increasingly bitter and disaffected, with expectations for large scale unrest and violence. [...] Moreover, since South Africa [...] is stepping up its military destabilization activities in [its neighbors], Soviet and Cuban military and political influence is likely to increase in the region as a whole. [...] Not only is there more upheaval and violence in the Southern African region today, but now—for the first time and as a direct consequence [of the US not disowning SAG ...], the U.S. has become directly implicated [...and] in African eyes, is now viewed as colluding with the South Africans [...] in fostering regional instability, and in preserving the abhorrent system of apartheid" (HRG-1983-BFU-0032, 221–227, see also 195, 217–220). The obvious conclusion was that "it is only through the elimination of apartheid that lasting peace, stability, and justice can come to southern Africa" (HRG-1984-FOR-0024, 5) and "If the United States is truly serious about" improving the situation, "then we will do everything within our power to really see that the system of apartheid is abolished" (HRG-1983-BFU-0032, 218).

Though skeptics acknowledged this cost, with even Secretary Shultz admitting that "The

fundamental cause of all this damage is the system of apartheid and the mounting and inevitable reaction to it" (HRG-1986-FOR-0010, 78, 82), they worried that the internal political contest incited by sanctions might be even costlier (γ_S). "South Africa is in flames, and here we are pouring on kerosene" with incitement sanctions. "We help destroy their economy [. . .] Now you add to an already inflammatory situation [. . .] unemployment. Then you have hungry people who can't work, who have nothing to do, in the streets. You are [. . .] waving the bloody shirt of revolution [. . .] You precipitate revolutions without the slightest idea of what is going to take the place of this existing government" (HRG-1986-FOA-0074, 249–250). Skeptics also worried that an attempted revolution could lead to a wider war. Observing that at "every feast for freedom [. . .] there is an uninvited guest [. . .] communism, and it is almost always a representative from the Kremlin" and "that South Africa has nuclear weapons", one skeptic averred that "I live in fear [. . .] that the laager mentality of circling the wagons in South Africa can be backed up with military might [. . .] and because of that uninvited guest, communism, motivating their forces to fight for freedom, I think that if we push too hard we will precipitate the very blood bath that you fear" (HRG-1986-FOA-0074, 23–24).

Perhaps the key precipitant of the decision to impose incitement sanctions was the rapidly increasing level of violence, repression, and political polarization in South Africa in 1985–86. The more the costs of coexistence (k) rose, the more willing Congress became to accept the risks of a bloody internal political contest (γ_S) and of an unfavorable new regime (r) in exchange for the chance of eliminating those costs. "The longer negotiations [toward majority rule] are delayed in South Africa, the more violence occurs in the course of the struggle, the more radicalized the divisions become; the greater the opportunities for the penetration of a Soviet influence in the region. [. . . We] are on the road to a very serious disaster [. . .] A massive increase of bloodshed. [. . .] You ask, why now? Why are we so concerned with [adopting incitement sanctions now]? The reason, very simply, [is] because of

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the very dramatic—very dramatic, I want to underscore that—deterioration of developments in South Africa" (HRG-1986-FOA-0074, 145, 191, 246). One converted skeptic explained that "there is a danger of counterproductivity to" "tightening the noose around the South African Government", but "I think some of us feel there is greater danger in the status quo" (HRG-1986-FOA-0074, 256) and another that "if we are faced with a mounting death toll" from repression, "then I think we have to move in the direction of [incitement] sanctions as the lesser of two evils" (HRG-1986-FOR-0010, 99).

Iraq: Replacing a Dictator

The US and UN imposed comprehensive sanctions on Iraq following its 1990 invasion of Kuwait and maintained them after its forces were expelled. Internal attempts at regime change occurred but failed, and Saddam Hussein remained in power until the US invaded Iraq and deposed him in 2003, after which sanctions were dropped. We show that the US decision calculus and subsequent behavior accords with our model.[8]

As with South Africa, the US debated the costs of coexisting with Saddam's Iraq (k) in deciding whether to use coercive or incitement sanctions. "On the one hand, there were those who believed that with Iran defeated there was no need to look the other way at Saddam's human rights abuses, his continued [...] support for international terrorist organizations, and his ravenous appetite for weapons of mass destruction. [...] On the other hand, numerous voices [...] had been arguing [...] that although Saddam was not perfect, he was pragmatic and broadly shared U.S. goals in the region, and so Washington should pursue a policy of engagement to wean him from some of his more egregious sins and allow him to take the vacant seat of the shah as America's proxy in the Persian Gulf" (P838). The Bush administration chose coercive sanctions: "carrots (political and economic incentives) would

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[8]We rely heavily on the account in Pollack (2002), written by a key analyst and later official of the first Bush and Clinton administrations (cited as P[page number]), as well as the intelligence estimates contained in Richelson (2005) (cited as R[document number]).

be used to entice the Iraqis into ending their pursuit of WMD and human rights abuses, while holding out the stick of sanctions if they did not mend their ways" (P855).

Iraq's invasion of Kuwait increased estimates of k and led to incitement sanctions. "The Iraqi invasion was a nasty shock for the Bush administration. It represented a serious threat to America's principal objectives in the Persian Gulf region" and "demonstrated that the [. . .] policy of constructive engagement [i.e., coercive sanctions] and its assessment that Saddam was 'pragmatic' and 'moderate' were mistaken" (P1018). "Saddam had now been revealed as an extremely dangerous leader, and the administration recognized that the past revelations regarding Iraq's unshakable pursuit of weapons of mass destruction and outrageous violations of human rights were further proof that the Baghdad regime was a force for real instability in the vital Persian Gulf region" (P1057). "The Bush administration [. . .] persuaded the U.N. Security Council to pass a series of resolutions [. . .] demanding that Iraq withdraw, and imposing severe sanctions on Iraq for failing to comply" (P1066), but "no one [in the US government] believed the sanctions would have been adequate to force Saddam to give up Kuwait by themselves" (P251). Instead, "intelligence experts expected dissatisfaction with Saddam Hussein's rule to grow [. . .] as a global trade embargo began to crimp that nation's economy seriously" and "the Bush administration [was] pressing the worldwide embargo vigorously in part because officials believe[d] it to be the most effective means of unseating the Iraqi President" (Wines 1990). The Bush administration later made this explicit: "Deputy National Security Advisor Robert Gates announced that 'Saddam is discredited and cannot be redeemed. His leadership will never be accepted by the world community. Therefore, Iraqis will pay the price while he remains in power. All possible sanctions will be maintained until he is gone . . . Any easing of sanctions will be considered only when there is a new government.' " (P1445).

The Bush administration also evaluated the chances of success (p), policy preferences of a new government (r), and cost to the US (γ_S) of attempts to overthrow Saddam by various

opposition elements in Iraq. Just prior to the expulsion of Iraq's forces from Kuwait, the US assessed that Saddam "faces formidable domestic challenges. He is certain to encounter deep public anger over the devastating economic and political effects of the crisis and resentment within the military" (R6). After, it judged that "Saddam faces his most serious political challenge in more than twenty years of power" and "could be in mortal danger" (R8). Intelligence "experts believed that [high officials] would 'present the greatest threat' to President Hussein's continued power, 'more so than those who wish they were in a greater position of power,' like dissident minority groups" (Wines 1990). They also viewed the former as having preferences more amenable to the US and their attempt to win power as less costly. In a scenario where "Saddam is Removed By Insiders", it would be by a coup that "would not necessarily involve foreign backers" (R8). A "successor government probably would make significant concessions to reduce regional tensions in order to consolidate its own position" and the "new leaders would look to the United States for assurances of tacit acceptance" including "that all sanctions be lifted", so that the US could influence this new government (R8). By contrast, a successful insurrection by minority groups could lead either to "a pro-Iranian Shia state" possibly featuring "an Iranian-style Islamic republic [. . . that] would revive Islamic revolutionary fervor in Iran and cause increasing threats of Shia subversion and terrorism to" US allies in the region, or to "a Lebanon-style power vacuum" in which "a general civil war [. . .] might develop" and "Iran, Syria, and Turkey [. . .] could be tempted to intervene" (R8).

Incitement sanctions were re-evaluated by the Bush administration after the Gulf War and by the Clinton administration when it took office, but remained attractive for the same reasons (R9–12). For example, a National Intelligence Estimate from Clinton's first year in office corresponds remarkably closely with our theory (R12). It assumed that "Saddam Husayn will not alter his basic domestic and foreign policy goals: to maintain his hold on power by any means necessary, to reimpose full control over the country [including via

drastic abuses of human rights], to rebuild Iraq's military might—including weapons of mass destruction programs—and to make Iraq the dominant regional power" at the expense of the US; that is, that k would remain high. It also assumed that "Saddam Husayn will not comply with UN resolutions", that is, would not grant the sender's demands. It then evaluated sanctions according to "Key Questions: What are the prospects for the survival of Saddam Husayn's regime for another year? For three more years? [That is, p.] What role do sanctions, and the attendant economic hardship and diplomatic isolation, play in determining Saddam's survival? [Corresponding to incitement feasibility in our model.] If regime change occurs, what will be the most likely means: assassination, coup, popular uprising, opposition overthrow, or other? [Determining the cost to the US of the internal political contest, γ_S.] What would be the characteristics and policies of likely successors? [That is, r.]"

Its key judgments directly connected sanctions to Saddam's potential overthrow: "Although sanctions by themselves will not directly topple Saddam, they have helped establish an environment that threatens him" because by "debilitating Iraq's economy", they are "helping to erode Saddam's ability to preserve his power base by distributing favors to supportive organizations and persons" and "keep[ing] popular discontent high." "If enforcement of the sanctions continues unabated, there is a better-than-even chance that Saddam will be ousted during the next three years". By contrast, "a lifting of all sanctions probably would enable him to hold on to power indefinitely." Thus, incitement was feasible and overthrow likely, but only if the sanctions were maintained. "The Most Plausible Causes" of regime change were "Assassination [...] or a military coup" rather than a "popular uprising" with its attendant risks for the US of civil war and foreign intervention, so that γ_S was low. "If Saddam is overthrown, those responsible are likely to [...] hold positions in the military or security services" rather than be members of restive ethnic groups that might be pro-Iran or pro-secession, and "The new regime is unlikely to be quite as brutal, lawless and repressive",

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so that r is high enough to substantially reduce k. According with our theory, it anticipated that "The first priority of any post-Saddam regime would be to induce the United Nations to lift sanctions". Unsurprisingly given this assessment, the Clinton administration continued the incitement sanctions.

As our theory predicts, an internal political contest began, but the US supported only the opposition elements it judged more likely to result in a favorable new regime at lower cost. Observing the Shia and Kurdish rebellions that arose immediately after the Gulf War, "the administration was terrified that Iraq would fall into chaos or fragment along ethnic and religious lines, leaving a power vacuum in the region and no state to balance Iran. In Secretary of State James Baker's words, the United States did not assist the rebels [...because] 'The Shia were quite naturally perceived as being aligned with Iran, and the Kurds [...] had demanded an independent state of Kurdistan for decades' [...] since they were convinced that Saddam would be overthrown in a nice, clean military coup, they saw no need to aid the rebels" (P1268–1274). Instead the US covertly supported only a group of former Iraqi officials who could instigate a coup and a group of Iraqi exiles that might be able to organize a popular revolt (P1542, 5954). The ethnic group rebellions of March 1991 were soon followed by an insurgency among the Marsh (Shia) Arabs; coup attempts or serious plots in May 1991, June 1992, March 1995, May 1995, June 1996, and January 1999; revolts of Sunni tribes essential to Saddam's power in 1993 and 1995; assassination attempts in December 1993, January 1994, December 1996; a terrorist campaign of bombings in 1994; and violent disputes within Saddam's own family that led to a possible coup attempt in August 1995 (P1456, 1645, 1726, 1788, 1789, 1791, 1808, 1892).

However, all of these attempts failed, and Saddam won the internal political contest, entrenching his rule. The ethnic group rebellions were crushed by Saddam's remaining loyal forces (P1295), the marshes were subjected to a counter-insurgency campaign and eventually drained to eliminate the sanctuary they offered to insurgents (R11, P2729), and

"Saddam's security forces [. . .] foiled several major coup plots within weeks of their target date" (R12) and arrested all the conspirators (P1751, 1892). By virtue of the June 1996 "defeat of the most promising coup attempt the CIA would ever mount" (P1892), Saddam "demonstrated his own strength, crippled the Kurds, and drove the CIA-backed opposition out of the country [. . .] and as a result he was able to solidify his domestic political position" (P1967). Saddam "purg[ed] the [ruling] party of suspect elements and replac[ed] regional leaders" (R9), "reorganized the military and security services to provide additional protection for him [. . .] and his regime [. . .] and round[ed] up suspected coup plotters and disaffected military personnel" (R10), and conducted "brutal purges [. . .] of security officers whose loyalty he questioned" and "overhauled his government three times, and reshuffled cabinet ministers on at least four other occasions" (R12). By 2002, Pollack observed that "the sanctions have, in many ways, strengthened Saddam's iron grip [. . .] So many have tried to overthrow him and failed—and suffered execution or banishment for their troubles— that there are virtually no leaders of any stature inside Iraq who might rally Iraqis against Saddam" (P2458), and "the external Iraqi opposition was a mess" (P2223). Pollack worried that a 2002 intelligence estimate that "a new covert action program to try to topple Saddam Hussein would have only about a 10 to 20 percent chance of succeeding"—a far cry from the better-than-even chance the CIA estimated in 1993—"might actually be too optimistic" (P5999). Nonetheless, as the theory predicts, the US maintained the sanctions, and did not end them until it had deposed Saddam by force in 2003.[9]

Broader Implications

Senders and targets alike have sometimes referred to sanctions as "economic warfare," and yet extant scholarly conceptions of sanctions bear little resemblance to war. In the standard

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[9]Coe (2018) argues that the resort to war was caused by the US conclusion that the costs of coexisting with Saddam were still too high to bear.

view, sanctions only impose costs: any concession must be voluntarily granted by the target and can always be denied. A more recent view treats sanctions as akin to arming: imposing sanctions is costly but, by constraining the resources available to the target's military, shifts the balance of power in favor of the sender (McCormack and Pascoe 2017). Neither perspective envisions any possibility for sanctions to provide a decisive outcome to a dispute or to seriously endanger the target, as war would. By contrast, under our theory of sanctions as instruments for regime change, the target regime is jeopardized, and if it falls, its dispute with the sender will be decisively resolved. This seems a better fit for what policymakers mean by economic warfare.

One implication of this view is that the efficacy of sanctions should be evaluated differently in episodes where the sender's intent is to incite regime change rather than to coerce policy change. If sanctions episodes were divided between episodes of coercion and of incitement, the former should show a higher rate of success in terms of the sender's demand being met, and the latter a lower rate, than when all episodes are lumped together. But this ignores the fact that coercive sanctions should be associated with more modest demands, and hence less valuable when successful than incitement sanctions. Moreover, whether the sender's demand is met may be less relevant in cases of incitement sanctions than whether a new regime comes to power, and whether that regime imposes fewer costs of coexistence for the sender than the old one. Having seen the results of the Iraq War, it seems clear that the US would have been better off if its sanctions had been successful in inciting Saddam's overthrow, but only if the successor regime had been less aggressive.

Our theory also raises doubts about the effectiveness of smart or targeted sanctions relative to more comprehensive sanctions. Smart sanctions are designed so that the economic harm falls mainly on key supporters of the target government. This makes sense only if the sender's goal is a modest policy change from the extant government. For larger changes the extant government would not grant, smart sanctions are unlikely to be effective, because

they only harm precisely the people with ideal policies most similar to the regime's, who presumably share its preference to spurn the sender's demand. If the opposition—the people potentially willing to make a large change in policy—bears no costs from sanctions, then it has no incentive to undertake a costly and risky attempt to replace the current government. If, as seems plausible in most cases, the regime can redistribute the harms from sanctions to insulate its own supporters (as Saddam did), then the opposition will still suffer from sanctions. However, it will not suffer nearly as much as it would from comprehensive sanctions, because the narrow targeting of smart sanctions necessarily limits the total cost they impose on the target state's overall economy. Given this limit, smart sanctions may simply be unable to extract large changes in policy, so that there may be no way to avoid the ethical dilemma of choosing between harming innocents or instead tolerating a malevolent government.

Finally, consider what might be the most recent incitement sanctions, imposed on Russia in response to its invasion of Ukraine. Though their official intent is coercive, to "create domestic pressure on President Vladimir V. Putin to halt his war," they may also be intended to incite Putin's removal from power (Wong and Crowley 2022). Putin's invasion of Ukraine, much like Saddam's invasion of Kuwait, has unambiguously demonstrated that the West will bear serious costs from coexisting with the current Russian government. Unofficial urgings that "For God's sake, this man cannot remain in power" and retracted assertions that the West is "waging an all-out economic and financial war on Russia" are suggestive (Shear and Sanger 2022; Wong and Crowley 2022). So is the US issuance of demands "that the Russian leader is highly unlikely to consider" (Wong and Crowley 2022). The subsequent redistribution of resources by Putin to insulate his supporters from sanctions, the numerous oligarchs and officials "falling" out of windows, public signs of disputes among the highest Russian elites like Chief of the Armed Forces Shoigu and head of the Wagner Company Prigozhin, and the banning or imprisonment of opposition elements within Russia all suggest the occurrence of an internal political contest. If these sanctions are intended to incite regime

change, they may succeed, but they might instead lead to Putin's entrenchment in power. Regardless, the US and its allies obviously have much to gain from's Putin replacement by a less aggressive leader, and thus incitement may be worthwhile even if it is unlikely to work.

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