

## **Deciding to Go Multilateral: The Presidential Use of Economic Sanctions**

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***Introduction***

When recently faced with a decision between unilateral and multilateral sanctions as a reaction to North Korea's nuclear testing, the United States decided to apply international sanctions ("U.S. Looking at various..." 2006). Parallel to the North Korean case, the U.S. has taken to a similar approach to Iran. In both cases the United States has attempted to broker deals within the framework of the United Nations Security Council, which led to rather lengthy negotiations between the parties involved. While sanctions against North Korea were passed by the Security Council, an agreement on the details of the Iranian sanctions has yet to be achieved. It is, however, clear that the imposition of sanctions was largely delayed by favoring the multilateral to the unilateral approach as well as it forced the United States to compromise over the substantive details of these sanctions (Lynch 2006; Cooper 2006, 21). Given these shortcomings of the quest for multilateral sanctions, it is puzzling why the U.S. government preferred to take a multilateral rather than a unilateral approach. However, no academic study has been conducted on the conditions that influence the decision-making process on the choice between unilateral and multilateral sanctions.

Nonetheless, it is suggested in the relevant literature that the United States is increasingly committed to multilateralism in general and to multilateral sanctions in particular (Ruggie 1992; Drezner 2000). President Bush reasoned the decision to broker a multinational agreement against North Korea rather than reinstating the unilateral sanctions lifted in 1994 with the importance of sending "a unified message" implying that a multilateral sanction sends stronger signals than unilateral ones to North Korea, and thus, they are politically more effective ("Bush Pushes for Stern..." 2006; "U.S. Looking at various..." 2006). Indeed, an often cited logic for employing multilateral sanctions is that it "increases costs to the target and lends greater moral credence to

the sanctioning effort,” and thus, is more successful than unilateral sanctioning (Drezner 2000, 77). This conclusion, however, is contradicted by scholarly studies. They find that multilateral sanctions tend to be less effective than unilateral ones, that is, while their economic impact – if they are properly enforced – is bigger, their political success are less significant than those of unilateral sanctions (Hufbauer, Schott and Elliott 1990; Bonetti 1997; Kaempfer and Lowenberg 1999; Drezner 2000). In addition, as the Korean and Iranian examples have indicated, international sanctions are likely to be difficult to broker (Kaempfer and Lowenberg 1999; Drezner 2000).

The contradiction in the political justification for and scholarly findings on the effectiveness of multilateral sanctions suggests that the likely success of sanctions is not the only possible motivating factor when the president of the United States faces the choice between multilateral and economic sanctions. Just as in cases of other foreign policy decisions, a wide variety of factors may motivate the president’s decision. First, the most obvious ones that come to mind are international. The sender state might want to send messages about its values, its firmness or its disapproval of the target state’s action, to reinforce international norms, or to set new ones by creating a precedent (Galtung 1967, Nossal 1989; Schwebach 2000; Barber 1979; Fisk 2000).

Second, a variety of domestic goals has been put forward that might be relevant to the decision to sanction: sending symbolic political messages to the electorate such as looking presidential by being active in the international arena, meeting the expectations of the public that the government takes action, satisfying certain economic interests, or considering the president’s political prospects (Barber 1979; Lindsay 1986; Kaempfer and Lowenberg 1988; Simon 1986; Drury 2001 makes similar arguments). Goals, while instrumental to developing hypotheses, do

not equal the condition under which the president decides to initiate sanctions or chooses between uni- and multilateral approaches (Drury 2001, 486).

Third, a large section of the literature on foreign policy deals with psychological aspects of decision-making that – such as prospect theory, advisory systems, or operational code analysis – may also play a role regarding sanction decisions (Drury 2005; and 2006).

Whereas a variety of these factors were specified and tested regarding the initiation of sanctions (Drury 1998; 2000; 2001; 2005; and 2006), the scant literature on multilateral versus unilateral sanctions focuses primarily on effectiveness or success rather than the conditions under which the sanctions were initiated. In general they find that multilateral sanctions are less effective than unilateral ones (Hufbauer, Schott and Elliott 1990; Bonetti 1997; Kaempfer and Lowenberg 1999; Drezner 2000). Others, similarly to the general sanction decision literature, focus on the cause of the failure of multilateral sanctions attributing it to cooperation, collective action or bargaining problems (Drezner 2000; Martin 1992).

Furthermore, the overwhelming majority of the literature conducts its analysis at the state level. Even if they were interested in the factors influencing the decision-making process their assumptions would be limited to variables exogenous to the state due to their understanding of the state as a unitary actor. Kaempfer and Lowenberg's (1988, 1989; and 1999) approach that focuses on interest groups is better able to handle some of the domestic diversity in the sender state, but such an approach works better with congressional than executive sanctions due to the different logic on which the two branches of the American government are built. Congress – both as an institution and as a collective of individual politicians primarily interested in their reelection – is more likely to be sensitive to particularized interests, and thus, to interest group pressure than the president who is expected to focus on a nationwide constituency and

consequently to be less penetrable by special interests. On the other hand, both unitary state and the interest group approaches fail to sufficiently accommodate the main decision-making unit of executive economic sanctions, that is, the president himself. The president's interest of reelection or leaving a positive legacy might be just as important in motivating his decision as the norms of the international community, the international standing of the United States or the behavior of the target state. In the next section I explore the factors that may influence that president's choice between initiating multilateral and unilateral sanctions in detail and lay out my hypotheses. The subsequent statistical analysis takes Drury's (2006) investigation and findings on sanction initiation one step further. I employ a Heckman selection model whose first stage replicates Drury's (2006) analysis regarding the conditions that influence the president's decision whether or not to sanction. The second stage looks only at those cases where sanctions were initiated and examines the factors that influenced the choice between the multilateral and unilateral approaches. The primary focus of the paper is on this second stage of the model. I conclude that the initiation of sanctions and the choice between multi- and unilateral options are indeed two separate processes and work on contradicting logic. While international variables are the primary factors in the sanction initiation decision, domestic conditions are more important in the president's choice between unilateral and multilateral sanctions.

### ***Hypotheses***

On a general level my expectations are that the factors determining the decisions in the two stages weigh differently. For example, Drury (2001, 504; 2005, 129; 2006) argues that it is international factors that weigh most heavily in deciding whether or not to sanction the target

state. However, once the requirement posed by the international situation has been met, the president maybe able to give more consideration to domestic factors. Such an assumption is warranted by Poe and Meernik's (1995) findings on U.S. military aid and Drury, Olson, Van Belle's (2005) results regarding U.S. foreign disaster assistance, two examples of positive economic sanction. Both groups of authors identify different factors affecting the choice whether or not to give aid and the decision on the volume of the aid. Similar results are likely regarding negative economic sanctions that are the subject of my analysis.

The two stages of the decision-making process are qualitatively different: in the first stage the president faces a challenge by a state in the international arena and he must decide to take action against or put up with the behavior of that state. On the other hand, in the second stage he is to decide what shape that decision may take. In this, the difference in the speed and the likely content of the decision between unilateral and multilateral sanctions as well as the resources available are also crucial. While theoretically acting unilaterally requires only the time and resources needed for the drafting of the executive order, a multilateral action demands significant diplomatic efforts and could be extremely time consuming.

Barber (1979, 382-383) as well as Baldwin (1985, 192) argue that a multilateral agreement is a success in itself. They argument, however, considers the impact it has on the international community, not the sender states. In reality, attempting to broker multilateral sanctions include risks that could be detrimental both to the stature of the United States and its president. First, it might be the case that the only way to secure an agreement is to make significant concessions to the interests of the other sanctioning states which can be interpreted as weakness on the part of the United States. Second, diplomatic negotiations always risk the failure to reach an agreement that would be treated as blunder both by the international community and

the president's domestic constituency. Furthermore, in case of multilateral sanctions it can be more difficult for the president to claim credit. All in all, seeking international cooperation can be more costly than acting alone. Therefore, whenever possible, the president "is likely instinctively to prefer the simplicity of unilateral action" (RFD 1969, 742). With these in mind, I now turn to refining my hypotheses.

### **International Factors**

International factors refer to the relationship of the sender and target states (Drury 2001, 495). Economic sanctions may act as symbolic messages, where the pace of the decision can be just important a signal as the substance of the sanction. Just as President Bush did in the North Korean case, politicians often see multilateral sanctions sending a stronger message (Drezner 2000, 77). Nonetheless, I prefer to treat this as a rhetorical stance. Apart from unity within the international community, multilateral sanctions can also signal to the target state that the United States wishes to share the economic costs of such a sanction. Given the common wisdom in the literature that higher costs of the sender state make its efforts more credible, the target may interpret a multilateral sanction as displaying a lower level of commitment by the United States, thus, it will be more likely to resist (Schwebach 2000, 199). On the other hand, the disagreements that come to light during the negotiations may send signals to the target state that it can possibly divert one or more of the participating states away from the agreement. Consequently, these issues can undermine rather than strengthen the political message sent to the target state.

The first of the international factors is the level of tension between the two states. Drezner (1998) claims that there is a positive relationship between the sender's anticipation of

future conflict and the likelihood of sanction initiation. However, Drury (2005) showed that this factor has no impact on the president's decision to initiate sanctions. Instead, what matters is the actual level of tension between the two countries. If that level is high, the president wants to send a strong signal about the firmness of the position of the United States in order to freeze or decrease the level of tension before it leads to war. For that purpose, he is interested in taking action quickly, therefore, I hypothesize that

*(H1) higher levels of tension increase the probability that the president impose unilateral sanctions.*

Drury argues (2005, 70-71; 2006, 191) that provocative statements and actions on the part of the target prior to the sanctioning decision are likely to make the president cautious. The behavior of the target indicates that it is highly committed to its goals, and thus, likely to resist the sanctions that attempt to change its behavior. Since the next step following a failed sanction can be either a loss of prestige for the sender state due to its forced acceptance of the target's resistance and unapproved behavior or military confrontation. Even if the president decides to sanction the target despite such risks, he is likely to try to share the responsibility over the likely ineffectiveness of the sanctions and/or their future consequences (Doxey 1996, 66-82). Moreover, the target's provocation might weigh differently in an international than in a dyadic relationship. Consequently, it is in the president's interest to deflect the target's direct provocation toward the U.S. to the international community by trying to forge a multilateral coalition. Hence,

*(H2) provocative statements/actions by the target increase the likelihood of multilateral sanctions.*

**Domestic Factors**

As any other politician, the president cares not only about his international obligations, but also about the domestic consequences of his action. While foreign policy actions are able to divert away the public's attention from domestic problems and temporarily boost the president's popularity, the public usually pays little attention to international events when assessing the president's performance (Ostrom and Job 1986). A high approval rate may not only be useful for a president eyeing reelection, but it is also the political capital that determines the success or failure of his legislative agenda (James and Oneal 1991, 325-326; Drury 2005, 75). Even second term president's care about their domestic standing: if for nothing else, they do care about the legacy they leave and know that their popularity ultimately affects their party's performance at elections.

The conventional wisdom in the literature on the diversionary theory of use of force is that a president can boost his approval ratings at home by turning to the use of force abroad or by the help of such other foreign policy events as international crises or major foreign policy speeches (Ostrom and Job 1986; James and Oneal 1991; Russett 1990a, 36). Drury (2005, 80-81, 92) hypothesized that the imposition of economic sanctions can be one such diversion and that the president is more likely to initiate sanctions when his approval rate is dropping. That is, he takes the move that makes him look more presidential so as to boost his domestic support. The choice between multilateral and unilateral sanctions defers from the use of force or the simple decision to employ sanctions in that the president need to consider not only the long term consequences such as whether the war would be victorious or whether employing sanctions would impose foreseen economic damage, and thus, force the target state to change its behavior, but also the short term consequences. In other words, a president with declining approval ratings

cannot afford the risk that multilateral negotiations break down or that they only succeed because he made a considerable amount of concessions. In addition, Mueller (1970, 21) argues that an event to raise public attention must be dramatic – multilateral sanctions that emerge as a result of lengthy international negotiations might be significant, but they can hardly be seen as dramatic foreign policy acts. Therefore, I expect that

*(H3) when the president's approval rating is on the decline, it is likely that he will employ unilateral sanctions.*

Economic sanctions are likely to have negative effects on the sender state's economy as well. Indeed, Schwebach (2000, 199) argues that the target considers those sanctions most credible that have high costs for the sender state. If, despite the undesired economic consequences, the president felt compelled to turn to sanctions, he is likely to try to divert away as much of this economic burden as possible or at least share the responsibility in the international arena (Doxey 1996, 66-82). Martin (1992, 247) shows that potentially high economic costs give an incentive to the United States to seek international cooperation. Consequently, I expect to find that

*(H4) high levels of inflation and unemployment rate increase the probability of multilateral sanctions.*

Trade relations between the sender and the target country may also be considered. Economic sanctions can be employed as a protectionist measure against the countries with which the U.S. has trade deficits (Drury 2006, 192). However, it might be rather difficult to find international cooperation for such an incentive.

*(H5) A trade deficit with the target country will make it more likely that the president will push for unilateral rather than multilateral sanctions.*

While Drury (2005, 115) found no significant impact by the president's party affiliation on the decision to sanction, I argue that it might have a different effect when the decision concerns the type of sanction, and therefore, I include it in my analysis. Conventionally, Republican presidents are considered to be isolationists while Democrats are seen as more active in the international arena. The relationship between this conventional wisdom and the choice of unilateral vs. multilateral sanctioning is, thus, an obvious one:

*(H6) Republican presidents are more likely to employ unilateral sanctions, while Democratic presidents will turn to multilateral sanctions.*

### **Psychological Factor**

While the above two categories are based on the assumption of the president being a rational actor, the variable I now turn to is understood to be based on a different kind of logic. Foreign policy decisions are often influenced by cognitive factors. Under crises situations, that is, when the president is under time pressure and stress, his built-in cognitive characteristics are just as important as his rationalization of the decision. One cognitive factor is of consideration here: the president's operational code. Operational code analysis is based on the assumption that how an individual sees the world determines how he approaches it. For example, George (1969) argues that politicians who see and approach the political world as highly conflictual are more likely to employ military than other approaches in resolving foreign policy crises. Following this logic, I hypothesize that

*(H7) the more cooperatively the president approaches political problems, the more likely it is that he will employ multilateral economic sanctions.*

### ***Data and Measurement***

In conducting my analysis, and hence, in my description of the data I am relying on Drury's (2006) database. Although I give a fair description of that dataset here, readers interested in a more detailed account should consult his article. It is a time-series cross-section dataset in which month represents the time and target/country represents the cross section. It includes all 29 countries against which the United States initiated sanctions between 1966 and 2000. Drury randomly selected and included 21 countries in the database that have never been sanctioned by the U.S. – these countries serve as a control group.

### **Dependent Variables**

The first dependent variable is the president's decision to impose sanctions (0=no sanction, 1=sanction). The second dependent variable is the president's choice between unilateral (=0) and multilateral (=1) sanctions. I coded the 123 cases where sanction initiation happened with the help of Cox and Drury's (2006) database that contains the relevant information on uni- and multilateral sanctions.

### **Independent Variables**

Of the international variables, the level of dyadic tension between the United States and the target country is based on World Event Interaction Survey (WEIS) and Integrated Data for Event Analysis (IDEA) datas. Since these originally contained both positive and negative values,

they have been transformed by Drury into positive values, where zero stands for cooperation and 18.3 for the highest possible level of conflict.

The WEIS and IDEA datasets are also used to compute the provocation variable. It is only the level of provocation toward the United States that is of interest here. Hence, the U.S. tension toward the target/country was subtracted from that target/country's tension toward the United States. All negative and missing values were coded as zero (=no tension).

Regarding the first of the domestic variables, the president's job approval, instead of being the usual percentage measure, is a dichotomous variable. It is so because only its increase and decrease is needed for testing the relevant hypothesis (0=president's approval is below its three months moving average, 1=president approval is above that average).

The next variable is the misery index that is the sum of the rates of inflation and unemployment. The trade surplus variable is standardized by the difference between the level of the U.S.'s export and import to a target/country divided by total U.S. trade. Regarding the president's party affiliation, Democrats are represented by 1 and Republicans by 0.

The only psychological variable, the president's operational code represents his instrumental beliefs. Due to data limitations, the president's operational code is computed for the whole of his presidency and not by yearly, quarterly or monthly averages. The more conflictual his beliefs are, the higher his operational code is.

### **Control Variables**

Following Drury (2006), a set of control variables are used in connection with the first dependent variable. Because democracies usually do not employ sanctions against each other, the Polity IV data was used to control for that effect. The values are between -10 and 10 representing

autocracy and democracy respectively. Second, weak states are more likely to be sanctioned because economic sanctions against them are more likely to succeed. Weakness is measured by the target/country's GDP per capita. Third, according to the conventional wisdom, the higher the trade relationship – i.e. the dependency – between two countries, the more likely it is that economic sanctions would be applied since the likelihood of success is higher (Hirschman 1945). If there is no trade between the target and the sender, a sanction might still be used for a symbolic effect, but it will not have economic or political influence over the target state. This bias is controlled for by the logged total U.S. trade variable.

Concerning the president's decision on multi- vs. unilateral sanctions, the last two of the above control variables are also included as controls. In addition, however, I control for the possible effect of the Cold War (=1, post-Cold War=0). It is so because the U.S. might use the tool of economic sanctions differently due to the systemic differences between the bipolar Cold War and the multipolar post-Cold War period with the U.S. being the hegemon of the latter era. Cooperation is thought to be more likely under a multi- than bipolar international structure. Finally, in order to ascertain that the Cold War variable does not measure a simple year by year change in the number of multilateral sanctions, I controlled for this effect as well by using 'year' as a control variable.

### ***Methodology***

Since the president's decision to employ either unilateral or multilateral sanctions is preconditioned by his decision to initiate sanctions, the observations falling into the multilateral vs. unilateral sample are not randomly selected. On the other hand, the choices to sanction and to employ multilateral and unilateral economic sanctions include two separate decisions. As a

result, a simple independent analysis of the latter decision could lead to mistaken attribution of “causal effects to independent variables” (Blanton 2000, 127). In order to overcome the possible bias arising out of this situation, I used a Heckman selection model. In both the first and the second stages of the model, maximum likelihood estimation procedures were applied due to the dichotomous nature of both dependent variables. Robust standard errors were computed at both stages to control for heteroskedasticity.

Because time dependency is present in the first, selection stage, timepast and splines were created. Interestingly, splines proved insignificant in the outcome stage, and thus, were removed from the model. Instead, the issue of time was dealt with by introducing year as a control variable as I have explained above. In order to test the robustness of the findings of this second phase, I randomly dropped variables from the equation, but this did not affect the results. Whichever variable was dropped the results held proving that the model is robust.

Lastly, apart from overcoming selection bias, employing a Heckman model has a practical advantage as well. It makes comparison between the two decisions represented by the two stages possible. Consequently, it allows for a more complex and more substantial understanding of the sanctioning process.

## ***Results***

Overall, the model is a good fit (chi-square=60.15). Moreover, the Wald test of independence equations confirms my basic assumption that the decisions of initiating sanctions and relying on either a unilateral or international approach are independent from each other. That is, there is a selection bias included, and consequently, the use of a Heckman model is justified. It must be noted, that the significance test of the results reported in Table 1 are based on two-

tailed tests. However, having unidirectional hypotheses, one-tailed tests are sufficient to establish significance in my analysis. Therefore, any variable with a z-statistic above a value of 1.68 is considered to be significant at the 0.05 level.

### **Stage 1: The Decision to Sanction**

The results of the selection stage of the model have largely confirmed earlier findings in the literature. All signs are in the same direction as in Drury's (2006) analysis. Moreover, all variables that Drury found significant have continued to be significant in the first stage of the Heckman model.

The two most significant variables remain the two international factors: tension and provocation. High level of tension between the U.S. and the potential target state makes it more likely that the president will initiate sanctions, while provocative and combative behavior by the target makes the U.S. cautious, and thus, the likelihood of sanctioning the target less likely. Moreover, these two variables surpass any other variables in their level of significance with the exception of the control variable of the target's GDP per capita. The latter means that the United States is more likely to apply sanctions against poorer, that is, weaker states. Since the target's GDP per capita measure is an exogenous factor to the sender state just as well as provocative statements and the level of tension, Drury's (2001; 2005; and 2006) earlier conclusion that the sanction initiation decision is overwhelmingly based on international factors – or on the behavior of the target state – is supported.

As for the domestic factors, the only variable, trade surplus that Drury (2006) found irrelevant remained insignificant in my model too. In other words, when deciding to impose

sanctions, the president rarely acts by protectionist motivations. Although the president's party affiliation was not included in Drury's article on which this analysis is based, he did use it in an earlier study as a control variable and concluded that it had no impact on the decision (Drury 2005, 115). The variable was reintroduced to my analysis in order to see how it behaves in the first stage of a Heckman model. This decision was essentially motivated by the findings of the second stage: since, as I explain below, party is an important factor there, I was interested to see how the behavior of this variable compares over the two stages. The president is more likely to impose sanctions when his approval rating is on the rise, which seems to confirm Drury's expectation that at this stage having a substantial amount of political capital is more important than to look presidential (2006, 196 cf. Drury 2005, 110; Ostrom and Job 1986). Negative macroeconomic conditions make the president more cautious in sanctioning.

As for the cognitive factor, the president's approach to conflict does influence his decision: the more conflictual he understands the world, the more likely that sanctions will be imposed on the target.

Of the remaining control variables, the regime type of the target country does not influence the president's decision at this stage of my model, although Drury (2006, 197) found a mild impact. Total U.S. trade with the target does confirm Hirschman's (1945), and thus, Drury's (2006, 192) assumption on the importance of this factor in relations to economic coercion. All in all, the president pays much less attention to domestic than international factors when deciding whether or not to impose sanctions.

**[Table 1 comes here]**

**Stage 2: Multilateral versus Unilateral Sanctions**

The data supports three of my hypotheses while one variable did not reach statistical significance and three other contradicted my expectations. International variables do not perform very well. The dyadic tension between the U.S. and the target country does not influence the president's choice between international and unilateral sanctions. While the level of provocation does have an impact on the decision, it is not in the expected direction. I hypothesized that higher levels of provocation would make the president more cautious, and hence, he would try to fend off responsibility by trying to initiate international sanctions and to share the risk factor with the international community by diverting the target state's provocation toward the international society. This is, however, not the case. Once the president has taken the more risky – and therefore less likely – decision to initiate sanctions, he sticks to his guns and keeps taking the more dangerous moves by throwing a direct challenge at the target country by employing unilateral rather than multilateral sanctions. While this finding is unexpected, this matches the expectations of prospect theory. Having taken the internationally more costly decision earlier, the president might feel that he is in the domain of loss which propels him to take more risks in the second phase (McDermott 2004, 28-29). Alternatively, it is also possible that the president's decision about the type of sanction is influenced by other international actors' reluctance to cooperate, and hence, he is forced to initiate unilateral sanctions independently of his original preference.

All of the domestic variables were significant. The hypothesis about the president's public approval domain, however, was not confirmed. If the president's approval is on the decline, he is more likely to employ multilateral than unilateral sanctions. This means that the president does not choose the decision which is considered to be more presidential, but the one

that can give an external validation to his policies. Hence, the diversionary theory is not sufficient to explain the decision in the second stage of my model either (cf. Drury 2005, 129) since the president becomes not more reckless, but more cautious when his domestic approval is declining. In other words the president looks more ahead into the future than hypothesized: he is less concerned with the difficulties that might arise when trying to forge a multinational cooperation possibly through U.S. concessions than with success and failure of the sanctions. Had sanctions failed, the responsibility is either shared among the group of countries participating in the sanction or the president might blame it on other member(s) of the international coalition.

The remaining expectations about the other three domestic factors are supported. If the United States has trade surplus with the target, the president is more likely to use multilateral sanctions whereas trade deficit makes him more likely to turn to unilateral sanctions. In other words, when the president behaves in a protectionist manner he is to act alone. The president's party affiliation seems to be the most important factor that determines his choice: as expected, Democratic presidents behave in a more cooperative, while Republican presidents act in more a isolationist, or probably more nationalistic, manner.

As for the only cognitive variable, the president's operational code, the finding that the more cooperatively the president approaches political events, the less likely that he would turn to multilateral sanctions is puzzling. It is simply counterintuitive and rather difficult to explain away. While the result is statistically significant, the president's operational code might not be the best explanation regarding his choice between multilateral and unilateral sanctions.

Two of the control variables, the target state's GDP per capita and logged total U.S. trade were insignificant at this stage of the decision-making process. However, the control variable of

the Cold War was highly significant: the U.S. was more likely to apply multilateral sanctions in the Cold War than in the post-Cold War era. While the structure of the international system cannot account for this explanation, this outcome could be explained by alliance structures and systemic level tension. During the Cold War the Western alliance had to stick together in order to successfully resist or deter the Soviet Union, therefore they tended to act more cooperatively. After the threat that the Soviet Union represented was removed, it might have become more problematic to forge a coalition against potential targets. If this was the case, I would expect that most of the multilaterally sanctioned countries during the Cold War were from the Eastern block. Structural factors, however, might not be completely irrelevant. The year variable shows that over the years the number of multilateral sanctions grew. All in all, in the president's decision to employ either multi- or unilateral sanctions domestic conditions play a profound role.

### ***Discussion***

The most striking discrepancy between the findings regarding the two stages of the model is the different weight that the various variables have. While the decision to initiate sanctions are overwhelmingly determined by the international conditions, the president prioritize domestic factors in the second part of the decision-making process. On the one hand, it points out that the picture is only complete if we consider both stages of that process. Indeed, a simple decision by the president to sanction does not make a sanction materialize – it only happens if subsequent decisions are taken about its nature and content. On the other hand, it warrants the reevaluation of our understanding of the presidential behavior that emerges from previous studies on sanction initiation. The president's decisions are subject to more complex influences. Drury (2005, 129) is right in that the president initially prioritizes international to domestic considerations. Indeed,

this conclusion can be extended to the sequences of the decision: the president treat the challenge by the target country as a challenge to the United States in the first stage of the decision, while only in deciding on the form of the retaliatory sanction does he give consideration to his own political future. However, he does give significant attention to domestic issues but only once he decided to take up the challenge posed by the target state at the international stage. This gives some insight into presidential preference ordering and suggests that the basic assumption of poliheuristic theory that understands domestic factors as being the primary determinants of the foreign-policy decision-making process (Mintz 2003; 2005).

Furthermore, the differences in the findings of the selection and outcome stages of the model calls attention to the difference in the logic at play in these two phases of the decision-making process. First, while provocation by the target makes the president more cautious in considering whether to sanction, he acts more reckless when he chooses between multi- and unilateral approaches. That is, in the first stage he primarily wishes to avoid risks, while in the second stage he is engaged in risk-seeking behavior. From a prospect theory perspective, it is interesting that the president's moves conform to the expected behavior in the domain of gains during the first phase of the decision-making process and in the domain of losses during the second stage. Nonetheless, this finding also shows that to a certain extent that the decision between multi- and unilateral sanctions is conditioned on the decision to initiate a sanction.

Second, at both stages the results concerning the influence of approval ratings discredit the applicability of the diversionary theory to sanctioning decisions. On the one hand, Drury contends (2005, 75) that political capital serves as a better explanation: when the president enjoys strong support or when his support is on the rise, he is ready to take more risks. When he is losing ground at home, he avoids decisions of the more dubious kind at the international scene.

This, however, does not fully explain his behavior in the second phase: he does not select the decision that is hypothesized to make him look presidential, but he takes the more risky approach of trying to forge a multilateral coalition. The president seems to be concerned neither with the symbolic value nor the outcome of his decision. Contrary to my assumption, it may well be that he is indeed affected by the likelihood of the success of the sanctions – it is only that he misperceives the probability of success: when his approval rate is low, he does want to boost it, so he chooses to apply the sanction type that *he* believes to be more successful, namely multilateral sanctions. The problem with this explanation, however, is that it disregards the time factor: the idea that the president is trying to increase his declining popularity by a move whose success might only be seen in months or years is logically flawed. All in all, an explanation based on the diversionary theory is clearly not applicable to sanctions.

Drury (2001, 77) also proposes that sanction decisions are not salient enough to gain the attention of the public, and thus, insufficient to use to divert attention away from domestic problems. If it is so, it remains to be seen why presidential public approval ratings gain such significance in the second stage of the sanctioning decision. Maybe, a prospect theory explanation is also sufficient here: the president being in the domain of loss turns to more daring foreign policy tools. The key may also be in differentiating between the fact that the public does not really pay attention and that the president believes that it does.

Finally, other discrepancies are worth being pointed out as well. While trade surplus and the president's party are initially irrelevant, they have significant influence over the choice between multilateral and unilateral sanctions. During the sanction initiation stage of the model the president's operational code served as a good explanation. In the second phase, in spite of the variable reaching statistical significance, the direction of the relationship could not be logically

accounted for. The importance of the control variables of the target's GDP per capita and total U.S. trade in the initiation decision disappears by the second stage. The target's weakness/poverty makes it a likely target of sanctions, but does not influence the decision over multilateral and unilateral sanctions.

### ***Conclusion***

This study emerged out of the aspiration to fill a gap in the literature but accomplished more than just doing that. The comparison of the president's decision to sanction and his choice between multilateral and unilateral approaches revealed that the sanctioning process is more complex than it has hitherto been understood. It has become clear that different conditions determine the two kinds of decision. The relative significance of international and domestic variables also differs in the two stages of sanction decision-making: international factors play primary importance regarding the first phase, while domestic variables dominate the president's decision on the type of the sanction. In order to precisely understand the likelihood ratio regarding the various variables, predicted probabilities should be added to the analysis.

The lack of clear understanding underlying the impact of psychological factors points out another avenue for research. The analysis of cognitive factors should be extended to other psychological approaches. A potential candidate for that is prospect theory which serves as a viable explanation for some of the seemingly counterintuitive outcomes. In addition, given the fact that domestic factors are indeed influential in the outcome stage of my Heckman model, it would be worth looking at other domestic variables. Election proximity is one such variable: it has been excluded from Drury's (2006) study that served as the starting point of my research due

to his earlier findings about its insignificance in the decision whether or not to impose sanctions (Drury 2001, 2005). It is also likely that variables like divided vs. united government, election proximity or the salience that the U.S. attaches to the issue that lead to the sanction may influence the president's decision on the kind of sanction he chooses to pursue. It is this latter direction toward which I plan to extend this paper.

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**Appendix**

**Table 1. Stage 1 (Selection Equation) of the Heckman Model: The Conditions Under which the U.S. President Decides to Sanction, 1966-2000**

<b>Variables</b>	<b>Probit Coefficients</b>	<b>Robust SE</b>	<b>z-statistic</b>	<b>P&gt; z </b>
Tension	0.09	0.02	5.77	0.00
Provocation	-0.05	0.01	-4.48	0.00
Presidential approval domain	0.14	0.08	1.77	0.08
Misery index	-0.03	0.01	-2.45	0.01
U.S. trade surplus	4.86	5.74	0.85	0.40
President's party	0.11	0.09	-1.28	0.20
Operational code	-1.55	0.50	-3.08	0.00
Polity score	-0.01	0.007	-1.73	0.08
Target's GDP capita	-0.00007	0.00001	-5.98	0.00
Logged total U.S. trade with target	0.04	0.015	2.47	0.01
Timepast	-0.02	0.005	-3.96	0.00
Spline1	0.00	0.00	-2.70	0.01
Spline2	0.00	0.00	2.30	0.02
Spline3	0.00	0.00	-1.42	0.16
Constant	-0.92	0.46	-2.02	0.04

**Stage 2 (Outcome Equation) of the Heckman Model: The Conditions that Influences the U.S. President's Choice between Unilateral and Multilateral Sanction 1966-2000**

<b>Variables</b>	<b>Probit Coefficients</b>	<b>Robust SE</b>	<b>z-statistic</b>	<b>P&gt; z </b>
Tension	-0.001	0.10	-0.01	0.99
Provocation	-0.14	0.07	-2.10	0.04
Presidential approval domain	-0.74	0.35	-2.11	0.04
Misery index	0.11	0.05	2.30	0.02
U.S. trade surplus	88.95	39.56	2.25	0.03
President's party	-2.42	.65	3.74	0.00
Operational code	4.40	2.31	1.90	0.06
Target's GDP capita	-0.0002	0.0001	-1.59	0.11
Logged total U.S. trade with target	-.09	0.07	-1.25	0.21
Cold War	3.45	1.13	3.05	0.00
Year	0.11	0.38	2.88	0.00
Constant	-221.15	75.62	-2.92	0.00

Selection equation N= 9130  
 Outcome equation N= 123  
 Heckman model chi-square = 60.15