What's A Little Coercion Among Friends?: Foreign Policy Disagreements and Sanctions Behavior Between Allied States.

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Introduction

Do states use economic sanctions as a tool of coercion against their allies? Common sense and existing evidence both suggest that this sort of behavior would be rare. One might argue that sanctions are a common tool of coercion used by one state to incentivise another to bow to its wishes in terms of foreign or domestic policy. However, one would also likely expect that the use of sanctions against an ally threatens to undermine the strategic partnership, thus costing the state imposing the sanctions both in terms of decreased security as well as in terms of economic loss resulting from damage to trade ties between the states in question. Evidence seems to support this latter position. Nielsen (2013) finds that shared strategic ties, such as the existence of an alliance, reduces the likelihood that one state will impose economic sanctions upon another in response to repressive domestic behavior. Further, evidence suggests that when a state wishes to alter the incentives of an ally in regard to their foreign policy stance, rather than employing coercive measures such as sanctions, the preferred course of action is to hold out the possibility of reward as an inducement in hopes of buying support (Drehr et al. 2009, Derouen 2004).

Despite this general consensus, relatively little work has been done to examine the conditions under which one ally might have incentive to sanction another. While the common wisdom discussed above is broadly accepted, I argue that it is incomplete and in need of revision. Critically, the argument discussed above fails to account for the important effect of the existence of third-party audiences, such as other allies, to the interaction upon the willingness of one ally to impose punishment on another in response to undesirable behavior.

If a State A has numerous allies, we should expect those other allies to observe interactions between State A and another one of its allies, State B, and may modify their behavior in response to those interactions. It would be expected that State A's other allies might pursue a course of action similar to one undertaken by State B if State A is witnessed to reward that course of action, as previous research suggests is a common occurrence (Drehr et al. 2009). However, on the opposite end of the spectrum, we might also expect to see allies of State A eschew a course of action similar to one undertaken by State B if State A is observed to punish B as a result of that course of action, in hopes of avoiding a similar punishment. Thus, it is highly likely that situations will arise in which one state finds it desirable to punish an ally for its behavior despite the possibility that such punishment will damage the alliance and State A's interests in some way. In fact, the damage to interests that State A is willing to incur to make its displeasure with an ally felt can likely be thought of as a costly signal that is observable to all other states with which "A" shares interests and that may cause other allies to update their beliefs about the profitability of a course of action that is detrimental to State A's interests.

In the remainder of this paper I argue, specifically, that a state will use sanctions as a tool of coercion against one of its allies when these two states find themselves in disagreement over foreign policy positions. However, this behavior should be most likely if there exist other allies to State A who may be deterred from joining the target of the sanctions in pursuing a course of action detrimental to the interests of the sanctioning state. In the following sections I will discuss previous research into who is targeted for sanctions and why, before

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laying out an argument as to when and why we should expect an alliance between two states to increase, rather than decrease the likelihood that one state levies sanctions against the other. Following this discussion of the logic, I derive testable hypotheses from the argument and discuss the methodology by which I test these hypotheses before concluding with analysis of the results and a discussion of the importance of the findings presented here.

Intra-Alliance Disputes and Sanctioning

Economic sanctions were long argued by policy-makers and human rights advocates to be one of the primary and most promising policy tools available to punish repressive or rights-abusing regimes and to promote democratization around the world. However, much research into the topic of economic sanctions suggests that geo-strategic concerns dominate humanitarian or other interests when it comes to the decision to impose sanctions on a foreign government or economy. As one might expect, the weight of evidence on the topic seems to indicate that when two states share important geopolitical ties, it should be expected that it will be very unlikely that these states will use economic sanctions as tools of coercion against one another. Depending on their exact composition, sanctions are likely to damage trade ties between that states, thus negatively impacting both economies. Further, sanctions have been shown to threaten regime stability in some cases (Marinov 2005).

Common wisdom would suggest that we should expect that two allied states have great interests in preserving the stability and economic viability of their partner, given the likely importance of the ally in security terms. Thus, only when the potential gain or loss resulting from a dispute between allies is commensurately large would we expect either party to the

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dispute to believe that the costs to economic and security interests associated with imposing sanctions on an ally would be worthwhile.

Research largely appears to bear out this common wisdom. Sandlin (2016) and Nielsen (2013) both find that, while economic sanctions are one of the primary foreign policy tools used by the United States to punish regimes that violate human rights, these sanctions are generally only employed when the United States has few security interests in the country in question. When the U.S. shares an alliance with a repressive state, that state is less likely to be the target of sanctions as compared to a similar rights-abusing state that does not share an alliance with the U.S (Nielsen 2013, 799). Further, when the U.S. is seen to have important security interests in the state in question, with or without the presence of an alliance, that the U.S. does not reduce foreign aid to a rights-abusing state. In fact, it is shown that the U.S. may respond to an ally's human rights abuses not with sanctions or reduced aid, but instead by providing increased economic and military aid, especially in the event that human rights abuses appear to result from an allied regime's need to stabilize itself in the face of domestic unrest (Sandlin 2016, 451-452).

Despite this general consensus, some limited evidence exists to suggest that there may be circumstances under which one state will find sufficient reason to impose economic sanctions upon an ally. Though it is not the key finding of the paper in either case, Cox & Drury (2006) and Peksen (2017) both note what they suggest is a puzzling positive correlation between the existence of an alliance in the dyad and an increased likelihood that one member of the dyad imposes sanctions against the other. Only Cox and Drury attempt an explanation. They

argue that the positive relationship between alliances and imposition of sanctions might occur if alliance leaders were using sanctions as a punishment for the undesirable behavior of allies or as a means of enforcing alliance discipline. However, because the paper focuses on other topics, they give no suggestion as to how sanctions might be used to enforce alliance discipline. Further, there is reason to believe that sanctions are largely ineffective in forcing a state to cease an undesirable behavior, do not appear to deter repeated occurrences of that behavior in the future, and frequently serve to forfeit the sender's economic leverage over the target thus reducing the sender's future influence (Lindsay 1986). Thus, it seems unlikely that the simple logic, presented by Cox & Drury, that alliance leaders sanction their wayward allies to force them to adopt policies in keeping with the interests of the alliance, is adequate to explain why allies appear likely to impose sanctions on one another. In the following section, I present an alternate argument as to why allies might be expected to impose sanctions upon one another. I argue that sanctions are not aimed at modifying the behavior of the targeted state, or at most are only partially hoped to force a wayward ally to return to the fold. Rather, the primary purpose of using sanctions against one's ally is as a warning to other allies and as a deterrent for following a similar course of action to the targeted ally.

Alliances, Sanctions and the External Audience

As discussed above, I argue that one ally is unlikely to sanction another simply to punish undesirable behavior or to attempt to coerce that specific ally into toeing the line. First, because sanctions threaten both economic viability and regime stability (Marinov 2005)

they should be expected, at minimum, to undermine the military capabilities of the ally, thus reducing the usefulness of the alliance to the sanctions sender. Further, if the allied government is overthrown as a result of the sanctions imposed against it, there is evidence to suggest that the former ally would be exceptionally likely to become a new rival to the sanction sender, further threatening the security of the sanction sender (Saunders 2017 working paper). Thus, given the danger to the sender's interests that might be involved, it seems unlikely that a state would be willing to sanction its allies simply as punishment for undesirable behavior. I also argue that it is unlikely that a state would impose sanctions on an ally for reasons of coercing the targeted ally or deterring it from repeating the undesirable behavior.

While it may make a twisted kind of sense to think that one ally might be willing to hurt another with the promise that the pain will continue as long as does an undesirable behavior, or that pain will be reapplied with each repetition of the behavior, there is little evidence to suggest that this is an effective strategy for modifying state behavior. Linday (1986) finds that in 11 of 12 cases studied, sanctions do not lead the targeted state to comply with the sender's demands (158-159), and finds similarly little evidence that sanctions aimed at deterring repetition of undesirable behavior are effective (162-163). Given the ineffectiveness of sanctions for enforcing compliance or deterring future behavior, it seems unlikely that a potential sender would be willing to pay the costs associated with imposing sanctions on an ally for these purposes. Additionally, the general logic of the coercion or deterrence of the targeted state's behavior seems tenuous. There is no reason *ex-ante* to expect that

sanctions against the ally will coerce rather than simply drive that ally out of the sender's orbit entirely, and possibly into an opposing alliance as a means of gaining a new source of trade or aid.

I argue that a potential sender of sanctions will impose sanctions against its ally only when there is a reasonable expectation that the sender will derive a benefit or avoid paying a cost of greater value than the expected cost associated with losing that ally. Thus, a willingness to risk losing the ally to modify its behavior seems likely only in the most extreme circumstances, such as when regime change within the allied state has already effectively destroyed the alliance. As mentioned earlier, it has been demonstrated that regime change in one state in an allied dyad can motivate major conflict between the former allies (Saunders 2017). In the case of simple disputes over foreign policy, however, it seems unlikely that the stakes would be so high that enforcing compliance on an ally would be worth the risk of undermining the alliance.

When the alliance leader or potential sender is worried by the possibility that her other allies will follow the first in embarking on an undesirable course of action, then the costs of imposing sanctions on the ally may fall relative to costs avoided. Depending on the damage to the sender's interests that would result from its other allies following the target's course of action, it may be worth the cost of alienating the one ally if doing so succeeds in deterring other allies –preventing them from damaging the sender's interests. When the cost imposed on the sender by an ally who decides to follow the course of action in question is sufficiently high and when the risk that other allies will also follow that course of action if the first is

allowed to go unpunished is also high, then the risk of driving one ally out of the alliance may be offset by the benefit of preventing other allies from following the first. By doing so, the sender avoids suffering the much higher aggregate cost associated with a number of its allies undertaking a detrimental policy while paying the cost associated with the risk of losing only one ally.

Given the above argument, I suggest that only when two states find themselves in a dispute over policy should we find the positive relationship between the existence of an alliance in a dyad and the likelihood that sanctions will be imposed –as was reported by Cox & Drury (2006). Additionally, we should expect this positive relationship between alliances, disputes and sanctions to be further conditioned by the number of allies possessed by the potential sender. The more allies a state has (beyond the one with which it is involved in a dispute) the greater the perceived risk will be that other allies follow the example of the first in pursuing a course of action detrimental to the sender's interests. Thus, the cost of imposing sanctions on an ally in response to a dispute relative to the benefit will be decreasing in the number of the sender's allies.

I derive two testable hypotheses from this argument.

H1A: In an allied dyad, when State A possesses no allies other than State B, State A should be no more likely to impose sanctions on State B as State B's foreign policy ideal point moves away from State A's previously revealed ideal point.

H1B: In an allied dyad, as the number of allies possessed by State A increases, State A becomes more likely to impose sanctions against State B as State B's foreign policy ideal

point moves away from State A's previously revealed ideal point.

Finding support for both of these hypotheses suggests that the increased propensity of one ally to impose sanctions on another, as noted by Cox & Drury (2006) and Peksen (2017) results primarily from state's attempts to deter allies other than the target of sanctions from joining the target in pursuing an undesirable course of action.

Data

I test the argument above using a series of logistic regressions on a dataset of directed dyad-years for all dyads during the years 1946-2000. By using directed dyads I will be able to account not only for change in foreign policy alignment in the dyad, but also specifically for which state in a dyad has changed its foreign policy stance as well as which state in the dyad takes threatens or imposes sanctions. The ability to draw these distinctions is critical for this test, as the argument discussed above implies specifically that when one ally in a pair changes its foreign policy stance, that the other ally will be the one to take action. Additionally, use of directed dyads should address some endogeneity concerns by ensuring that measures of coercive action and measures of change in policy alignment are not both actually capturing the same underlying change in one state's policy –e.g. this ensures that imposition of sanctions is not measured as a change in foreign policy ideal points. Use of non-directed dyads would allow for this possible reverse causality to taint any results.

Dependent variables

I use two two binary dependent variables that measure whether State A in a dyad threatens or imposes sanctions upon state B. These data are drawn from the the Threats and

Imposition of Sanctions (TIES) v4.0 dataset (Clifton, et al. 2014). The variable *Threat* takes the value "1" in the event that State A in a directed dyad threatens economic sanctions against State B in a given year, and zero otherwise.[1] The variable *Imposition*, similarly takes a value of "1" in any year in which State A in a directed dyad imposes sanctions on State B.

Independent variable

To measure changes in foreign policy alignment between states, I use a spatial measure of state foreign policy preferences that was constructed by Bailey, Strezhnev and Voeten (2017). This measure uses U.N. General Assembly roll call voting to establish ideal points for every state in the United Nations along a unidimensional spectrum, indicating a state's foreign policy position regarding the current western-lead liberal world order (Bailey, et al. 2017, 431). I use this data to construct two measures. For each year I construct a measure *Alignment*, equaling the absolute difference in ideal points between the two states in a dyad. This variable serves primarily as a point of reference for the following year. The second variable $\Delta Alignment$ takes a value equal to the change in *Alignment* in year$_{t0}$ when compared to year$_{t-1}$ that results *only from change in State B's foreign policy preferences*. This is measured as $Alignment_{t-1}$ subtracted from the absolute difference in foreign policy ideal points of State B in year$_{t0}$ and State A in year$_{t-1}$. This measure takes negative values for any year in which State B's ideal point has moved closer to State A's previously revealed ideal point ($Alignment_{t-1} > |IdealB_{t0} - IdealA_{t-1}|$) and takes positive values for any year in which

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[1]Findings when using threat of sanctions as the dependent variable, as would be expected, very closely match findings found when using imposition of sanctions. Because of this close correspondence, only models fit on imposition of sanctions are reported and discussed in the body of this paper, while models fit on threat of sanctions are included in the appendix for robustness purposes.

State B's ideal point has moved farther from State A's previous ideal point ($Alignment_{t-1} < |IdealB_{t0} - IdealA_{t-1}|$).

Additionally, I construct a variable *Alliance* to indicate the presence of a defensive alliance between states in a dyad. This variable takes the value "1" in any year in which a defense pact exists between the two states in a dyad according to the Alliances, Treaties, Obligations and Provisions dataset (Leeds at al. 2002). Given that the argument discussed above centers around the expectations of state behavior resulting from the existence of deterrent alliances, use of only defensive alliances in this analysis is appropriate. Expectations of state behavior in response to changes in an ally's foreign policy likely differ in relation to the existence of a neutrality pact or offensive alliance.

I also construct the variable *Ally No.* which is equal to the natural log of 1 plus the number of allies possessed by State A in dyad in a given year. This variable is used to measure the size of a State's external audience for sanctions upon an ally.

Control variables

All control variables are lagged 1 year.

Radical Leader Change: As disccused above, large and rapid changes in the domestic political landscape of one state in an allied pair has been found to contribute to conflict between those allied states in the following years. Therefor, to ensure that any sanctions behavior between allies is not simply driven by this underlying conflict relationship, I control for the rise of a revolutionary leader to power in State B. The variable *Radical Leader* is coded using a method devised by Jeff Colgan (2010). *Regime Change* is coded "1" for a dyad in any year in

which a new leader comes to power in State B who institutes major policy changes in at least three of the following seven policy areas; selection or powers of the executive, the structure of property ownership, the relationship between state and religion, the official political ideology of the state, protections for ethnicity or gender, the official state name, or the establishment of a revolutionary council or committee (Colgan 2010).

Contiguity of borders: Contiguity of borders is a well known contributer to the likelihood of conflict behavior between states (Stinnet & Diehl 2001, Lemke & Reed 2001) and should be expected to influence sanction behavior as well. Thus contiguity must be controlled for to prevent omitted variable bias from entering into our analysis.

This variable is coded "1" if the states in a dyad are coded as sharing a land border according to the Correlates of War Direct Contiguity V3.2 dataset (Stinnett et.al. 2002), and "0" otherwise.

Military capability disparity: To account for the balance of military capabilities, I construct a variable –*Advantage A* –using the Composite Indicator of National Capabilities (CINC) measure from the Correlates of War National Material Capabilities V5.0 dataset (Singer, Bremer & Stuckey 1972). This variable takes a value equal to the greater of the two capability scores in the dyad divided by the sum of both capability scores.[2] This measure provides a ratio of the military capabilities possessed by the more powerful state in the dyad as compared to the total military capability present in the dyad (Gleditsch, et.al. 2008). This measure ranges between .5 –indicating perfect balance in military capabilities in the dyad –to 1 –

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[2]This is expressed as $\frac{MaxCapability}{MaxCapability+MinCapability}$.

indicating complete disparity in the military capabilities of states in the dyad. It should be expected that more militarily powerful states will both, attract more allies and also be more likely to use sanctions, having little fear of military retaliation.

Major Power Status: It is likely that major powers, by virtue of their involvement in global economic and secuirty arrangements will likely possess more allies than minor powers, and should be both more likely to impose sanctions on other states and also to be the target of economic sanctions. Thus, I code two binary variables *MajorA* takes a value "1" for any observation in which State A is considered a major power according to the Correlates of War State System Membership v2016 dataset (Correlates of War Project. 2017) and "0" otherwise. Similarly, *Major B* takes the value "1" for any observation in which State B in the dyad is considered a major power and "0" otherwise.

Joint Democracy: Lektzian and Souva (2003) demonstrate that jointly democratic dyads are less likely to impose economic sanctions on one another than are dyads composed of other regime mixes. Given that jointly democratic dyads also behave uniquely in terms of security arrangements and interests, there is a strong possibility that failing to control for these dyads would induce omitted variable bias. To counter this possibility I construct the variable *JointDem* which takes a value "1" if both states in a dyad have Polity2 scores of 6+ in the PolityIV index (Marshall, Gurr and Jaggers 2016) and "0" otherwise.

Militarized Dispute: Militarized disputes, especially those not reaching the proportions of outright warfare, are likely to go hand in hand with economic sanctions. Because of this, I control for the occurrence of a militarized dispute between states A and B using the Correlates

of War Militarized Interstate Dispute v4.1 dyadic dataset (Ghosn, Faten, & Bennett 2003). *MID* takes the value "1" for any year in which either state in the dyad is recorded as taking part in a threat, show, display or use of force against the other state in the dyad and "0" otherwise.

Trade Dependence: A state's dependence on trade with a potential target of sanctions and vice-versa will influence the costs suffered by both the sender and receiver of sanctions. Additionally, trade is correlated with alliance membership, thus will lead to omitted variable bias if not controlled for. Thus, I construct two variables *Dependence A* is equal to the proportion of State A's total trade that is carried out exclusively with State B. Similarly, *Dependence B* takes a value equal to the proportion of State B's total trade that is carrier out with State A.

Finally, in an attempt to account for temporal dependence, I include in my controls a cubic polynomial of years since the last threat or imposition of sanctions by State A toward State B.

Results

For ease of interpretation, I present the results of this analysis in Table 1 using linear fixed-effects models on a split-sample of directed dyad year. To split this sample, I construct a dichotomous version of the variable textitAlly No. dubbed textitExternal Audience which takes the value "1" when textitAlly No. is greater than 1 (That is, takes the value "1" in any observation in which State A has an ally other than State B) and "0" otherwise. I then divide the sample into those observations in which State A has allies external to the dyad in

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question who may serve as an audience to any sanctions imposed, and those observations in which State A has no such external audience. By doing this, we can observe the influence of both an alliance between State A and B as well as the change in foreign policy alignment between A and B both in the presence of an audience of other allies to State A and in the absence of such an audience. For purposes of robustness, I also present the full model, including the properly specified triple interaction that is suggested by hypotheses 2A and 2B, between $\Delta Alignment$, *Alliance*, and *Ally No.* in Appendix A. Both analyses lead to the same conclusion.

Column 2 in Table 1 shows the results of the linear fixed-effects model fit on the subsample of observations in which State A has an external audience (allies other than State B). We see that in the split-sample model, as expected given hypothesis H1B, when State A has an external audience there is a positive and statistically significant effect on imposition of sanctions associated with the interaction between the variable indicating an alliance between A and B, and a change in State B's foreign policy ideal point vis-a-vis State A. This suggests that, in the presence of allies other than State B, State A is more likely to impose sanctions on an allied State B as State B's foreign policy ideal point diverges from that of State A. In the absence of an external audience (Column 1), we find no such relationship. In fact, though it does not reach statistical significance, we see that when State B is State A's only ally, that State A becomes less likely to impose sanctions as State B's foreign policy ideal point diverges from State A's ideal point.

Taken together, this suggests support for H1A and H1B. When state A has no ally other

Table 1: Split-Sample Dyad Fixed-Effects in Linear Model- Imposition of Sanctions by State A on State B - 1946-2000

	Audience Absent	Audience Present
$\Delta\ Alginment1_{t-1}$	->0.0001	->0.0001
	(>0.001)	(>0.001)
$Alliance_{t-1}$	0.0002	0.0009*
	(0.0007)	(0.0004)
$Alliance_{t-1} \times \Delta\ Alginment1_{t-1}$	-0.0002	0.0012*
	(0.0003)	(0.0005)
$Contiguity$	-0.0013	0.0003
	(0.0011)	(0.0006)
$MajorA$	0.0005	0.0011***
	(0.0003)	(0.0003)
$MajorB$	0.0009*	0.002***
	(0.0003)	(0.0004)
$MilitaryAdvantage$	0.0091*	0.0191***
	(0.0036)	(0.0034)
$JointDem_{t-1}$	0.0002+	0.0003
	(0.0002)	(0.0002)
$Dispute_{t-1}$	0.00125	0.00787*
	(0.0025)	(0.0035)
$DependenceA_{t-1}$	0.0022	0.0042
	(0.0022)	(0.0028)
$DependenceB_{t-1}$	0.0005	0.0102
	(0.0018)	(0.0064)
$RadicalLeader_{t-1}$	0.0001	0.0019*
	(0.0004)	(0.0009)
$Time$	<0.0000	-0.0001*
	(<0.0001)	(0.0001)
$Time^2$	-<0.0001	<0.0001+
	(<0.0001)	(<0.0001)
$Time^3$	<0.0001	-<0.0001+
	(<0.0001)	(<0.0001)
Constant	-0.0005	0.0016**
	(0.0003)	(0.0005)
Observations	587392	450610

Standard errors in parentheses, clustered at the dyad level
+ p<0.10, * p<0.05, ** p<0.01, *** p<0.001
Base probability of sanctions imposition = 0.00016

than state B, it appears that A is less likely to antagonize that sole ally over differences in foreign policy. I argue that this is the case because the cost associated with the risk losing that sole ally over an escalation of the dispute will generally be greater than any costs imposed upon State A due to the divergence in foreign policy preferences. However, in the presence of an external audience, State A *does* become more likely to sanction an allied State B over foreign policy disagreements. This suggests that the presence of this external audience increases the perceived cost to State A of allowing State B's divergence in foreign policy to go unanswered, thus reducing the relative cost to A of imposing sanctions and possibly antagonizing her ally.

Figures 1 and 2, below, plot these interactions. Note that negative values of *Change in Foreign Policy Alignment* indicate that State B's ideal point, as revealed through U.N. General Assembly voting has moved closer to State A's previously revealed ideal point in time $t-1$ than it was in time $t-2$. Thus, negative values indicate convergence of foreign policy preferences. On the opposite end of the spectrum, positive values of this measure indicate divergence (State B's ideal point in $t-1$ has moved farther away from State A's ideal point than it was at $t-2$).

Figure 1: No Audience   Figure 2: Audience

Base probability of sanctions imposition = 0.00016

As can be seen, in the absence of an external audience there is no discernible effect of alliances or changing foreign policy ideal points upon the probability that State A imposes sanctions on State B. Conversely, when an audience is present and when A is allied to B, the effect on probability of sanctions imposition becomes positive and statistically distinguishable from zero once change in policy alignment becomes positive. In the absence of an alliance in the dyad, foreign policy divergence exercises no discernible effect on sanctions imposition. It is interesting to note that, in no case, does *Delta Alignment* have a positive or statistically significant coefficient. This seems to indicate that, in the absence of a reason for one state to care overly about the policy positions adopted by another (such as due to the existence of an alliance or other pre-existing relationship), that states have no interest or incentive to impose sanctions upon one another in response to disagreements over foreign policy.

Interestingly, Column 2 in Table 1 seems to indicate that, in the presence of an external audience, a given state is more likely to sanction an ally regardless of change in foreign policy alignment. In the case where there is no external audience, however, the coefficient on *Alliance* is much reduced and statistically insignificant. Two possible explanations for this finding present themselves. First, the subsample containing dyads in which State A has an external audience are made up only of states with more than one ally, suggesting that the positive and significant coefficient on *Alliance* in Column 2 simply indicates that states with many allies have more opportunity to sanction their allies. A second explanation, however, is that the measure of change in foreign policy alignment used in this analysis only captures a small proportion of the many issues over which allies may find themselves in dispute. Thus,

because these other disputes are omitted from the model, *Alliance* is carrying this omitted variable bias. In the second case, this would provide additional support for the argument made in this paper, as the argument is in no way limited only to disputes between allies over foreign policy disagreements, nor even only to foreign policy disagreements that would necessarily influence voting patterns in the U.N. General Assembly. Future research should make an effort to disentangle these two possibilities by including other measures indicative of the existence of a dispute between allies. We should expect the coefficient on *Alliance* to become negative or statistically insignificant if this omitted variable bias were accounted for.

Despite this initial support for my hypotheses, relying on split sample models limits the extent of inference that can be drawn. Because all observations in which State A has allies other than State B are included together, it is difficult to assess whether the revealed effect holds across all sizes of external audience. In reality, the argument given in this paper implies that the effect should *not* hold at any size of external audience, but only once State A's collection of other allies reaches a significantly large number that the threat of allies defecting to follow State B's divergence in foreign policy preferences would outweigh the cost of alienating State B. Thus, Figures 3-8, below, plot the interaction between an *Alliance* and Δ *Alignment*1_{t-1} across different levels of *Ally No.*. These plots reveal that when State A's external audience is small –fewer than 10 – the interaction between an alliance with State B and divergence in foreign policy preferences between A and B is either insignificant or negative and statistically significant. Between audiences of size 5 and 10 little effect is observed. Once the size of a state's external audience reaches 25 allies, the effect of a policy

disagreement with an ally on the likelihood of imposing sanctions on that ally has grown substantively large (an increase in probability of up to 0.01 against a base probability of sanctions being imposed in a dyad-year of 0.0016) and statistically significant across the range of positive values which indicate divergence in foreign policy preferences. Thus, we see quite clearly that the likelihood that one ally imposes sanctions against another grow with the size of the external audience, and that there seems to be a weighing of the likelihood that other allies will adopt the offensive behavior against the cost of alienating the target of the sanctions.

Figure 3: Audience = 0   Figure 4: Audience = 1

Figure 5: Audience = 5   Figure 6: Audience = 10

Figure 7: Audience = 25   Figure 8: Audience = 50

The findings from the fully specified model, including the triple interaction suggest that the effect found here is largely being driven by the inter-alliance behavior of the large, highly integrated multi-lateral alliances such as NATO, the Warsaw Pact, the Organization of American States, and the African Union, given that in most observations where State A has a large external audience, it is due to membership in one of these organizations. This suggests –though provides no direct evidence –that the effect may result largely from the alliance leaders or dominant states within these multilateral alliances using the imposition of

sanctions against unruly allies to intimidate and maintain order over the remaining alliance members.

Conclusion

In the forgoing analysis, I have presented evidence that, conditional upon the occurrence of a dispute of some nature between them, that allies should be expected to use tools of coercion, such as economic sanctions against one another. This finding goes against much prior research suggesting that having an alliance with a potential sender of sanctions is a virtual shield against economic sanctions and license to implement whatever policy is most pleasing to the regime. This common wisdom is not the case. However, the probability that one ally will impose sanctions upon another appears to clearly be conditioned by the audience that the sending state may be playing to. In this paper I argue that sanctions by one ally against another are aimed at intimidation and coercion, not of the target of sanctions, but rather of the sender's other allies who will observe the imposition of sanctions and update their beliefs as to the cost of following a course of action displeasing to the sender. This finding adds to our understanding of sanctions behavior as well as to a budding literature on intra-alliance conflict and dispute resolution, showing that despite the evidence found in existing literature, that sanctions may be an important tool in intra-alliance interactions, though not necessarily as a means of influencing the target of sanctions itself.

In addition to the above, the logic presented here is not necessarily limited to acts of coercion nor is it limited to foreign policy disputes –though the empirical analysis presented here certainly is. Rather, it is likely that external audiences may be able to inflict other costs

upon a state that refuses to impose sanctions on an ally than simply following the ally's lead in adopting policy displeasing to the sender. Rather, we might expect that political costs for failing to sanction an ally or even the possibility that the potential sender would find herself under sanctions or suffer in trade relations with other states for failing to sanction an ally. Thus, we should expect to see intra-alliance sanctions when such external audiences and audience costs exist. Likewise, we should expect that there are circumstances in which the existence of an external audience, be it alliance members or otherwise, would motivate one ally to sanction another for repressive behavior and abuse of human rights. Other applications of the logic presented in this paper should be studied, going forward, and will likely add much to our understanding of international interactions.

Appendix A:

Table 2: Dyad Linear Fixed-Effects - Full Sample 1946-2000

	Imposition
$\Delta\ Alginment1_{t-1}$	-0.0000890** (0.0000283)
$Alliance_{t-1}$	-0.00629*** (0.00161)
$AllyNo._{t-1}$	0.0000729*** (0.0000182)
$Alliance_{t-1} \times \Delta\ Alginment1_{t-1}$	-0.00340* (0.00150)
$\Delta\ Alginment1_{t-1} \times AllyNo._{t-1}$	0.000116** (0.0000407)
$Alliance_{t-1} \times AllyNo._{t-1}$	0.00252*** (0.000669)
$Alliance_{t-1} \times \Delta\ Alginment1_{t-1} \times AllyNo._{t-1}$	0.00147* (0.000687)
$Contiguity$	0.000919* (0.000439)
$MilitaryAdvantage$	0.00946*** (0.00160)
$JointDem$	0.000260* (0.000125)
$Dispute$	0.00582** (0.00217)
$DependenceA_{t-1}$	0.00526** (0.00168)
$DependenceB_{t-1}$	0.0113* (0.00513)
$RadicalLeader_{t-1}$	0.000100 (0.000232)
Constant	0.00112*** (0.000302)
Observations	1038002

Clustered standard errors in parentheses
+ p<0.10, * p<0.05, ** p<0.01, *** p<0.001
Polynomial of time since last imposition is omitted from table for space.

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Table 3: Split-Sample Linear Fixed Effects - Threat of Sanctions

	No Audience	Audience
delta_alginment_Lag1	-0.00000678	0.0000301
	(0.0000171)	(0.0000482)
atop_defense_Lag1=1	0.000283	0.00157***
	(0.000689)	(0.000449)
atop_defense_Lag1=1 × delta_alginment_Lag1	-0.000217	0.00148**
	(0.000288)	(0.000546)
direct_contig	-0.00122	0.000431
	(0.00105)	(0.000917)
majpow1	0.000605*	0.00191***
	(0.000280)	(0.000398)
majpow2	0.000842**	0.00340***
	(0.000316)	(0.000645)
cap_1_adv_Lag1	0.00794*	0.0247***
	(0.00315)	(0.00412)
jointdem_Lag1	0.000165	0.000716**
	(0.000112)	(0.000245)
cwinit_Lag1	0.00304	0.00873*
	(0.00289)	(0.00432)
dependa_Lag1	0.00193	0.00661
	(0.00213)	(0.00555)
dependb_Lag1	-0.000456	0.00842
	(0.00101)	(0.00868)
colgan_change2	0.000393	0.00181*
	(0.000430)	(0.000867)
time_threat	-0.00000280	-0.000183**
	(0.0000261)	(0.0000641)
time_threat2	0.000000147	0.00000499**
	(0.000000680)	(0.00000191)
time_threat3	-1.59e-09	-4.29e-08*
	(5.61e-09)	(1.74e-08)
Constant	-0.00000151	0.00191**
	(0.000315)	(0.000631)
Observations	587392	450610

Clustered standard errors in parentheses
+ p<0.10, * p<0.05, ** p<0.01, *** p<0.001