

#18 Topic: Economic peace - the effectiveness of sanctions and the role of democracy

Leading researcher: Joris Broere, Mark Dekker, and Dawid Walentek

Abstract:

Threats of economic sanctions are increasingly frequent but their effectiveness is poor. Why? We propose that sanction threats are, counter to common knowledge, subject to incomplete information problem, rather than a solution to it. We find that the diplomatic distance between the sender and the target state has an effect on the effectiveness of threats of economic sanctions. This would suggest that diplomacy helps to solve the incomplete information of the target about the sender's resolve. In this study, we use the TIES data set for information about economic sanctions and the Formal Alliance data set to derive network variables on the diplomatic position of states. We produce a formal model of sanctions and information completeness and test it with a logistic regression.