Sanctions, Countersanctions, and Power: When and How International Organizations De-Escalate Geoeconomic Conflict

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Abstract. This article asks when sanctioned states adopt countersanctions and to what extent sender states can reduce this risk by acting through international organizations (IOs). Conventional wisdom associates sanctions with powerful states, yet around one-fifth of sanctions are imposed by sender coalitions that are materially weaker than their targets. I argue that these weaker senders face a higher baseline risk of countersanctions but can partially offset this vulnerability by securing IO support for their sanctions. IOs matter in two ways: first, they help coordinate and sustain sender coalitions and signal broader backing in case of escalation; second, their endorsement legitimizes initial sanctions, thereby raising the political and reputational costs of retaliatory measures. The broad relevance of the argument is illustrated with case examples and supported by large-N quantitative analyses. In policy terms, the findings suggest that, amid growing geoeconomic fragmentation, IOs can meaningfully reduce escalation risks for both smaller states and major powers confronting materially powerful peers.

Keywords: Economic sanctions · international organizations · retaliation · material power · institutional power · weak states · geoeconomic conflict

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1 Introduction

Since 2019, the United States has paralyzed WTO appeals by blocking appointments to the Appellate Body. In 2025, it announced its withdrawal from the WHO and UNESCO and terminated its participation in and funding for the UNHRC, among other steps (Knolle, 2025; The White House, 2025). These developments reflect a broader trend: the United States, leveraging unmatched material resources, increasingly favors unilateralism and views international organizations (IOs) as dispensable instruments (Beckley, 2025).

In contrast, materially weaker states possess a relative advantage within institutional contexts—not because they hold absolute advantages or utilize IOs more frequently overall, but because their limited material capabilities yield comparatively greater returns within institutional settings. This advantage motivates weaker states to employ diverse strategies that offset their material deficits through institutional power, such as coordinating collective action, establishing legitimacy, and resisting pressure from materially superior states (Daßler, Heinkelmann-Wild, & Huysmans, 2025; Jones, Deere-Birkbeck, & Woods, 2010; Manulak, 2024; Mesquita, 2024; Mikulaschek, 2016; Panke, 2012; Schneider, 2011; Snidal, Hale, Jones, Mertens, & Milewicz, 2024). Although these strategies do not eliminate absolute imbalances, they can narrow the power gap relative to materially stronger states.

This paper examines one critical context in which materially weaker sender states leverage international organizations: reducing the likelihood of countersanctions by obtaining IO support before imposing initial sanctions. When materially powerful states sanction weaker targets, the risk of countersanctions is comparatively low because weak targets seldom retaliate and, when they do, their countersanctions have limited capacity to harm a materially superior adversary. Following this logic, it is unsurprising that the United States, with its unmatched material

capabilities, is the most frequent user of sanctions (Attia & Grauvogel, 2022; Felbermayr, Kirilakha, Syropoulos, Yalcin, & Yotov, 2020; Morgan, Bapat, & Kobayashi, 2014; Weber & Schneider, 2020a, 2020c).

However, 21% of sanctions are imposed by sender coalitions[1] whose aggregate material capabilities are lower than those of their target (Morgan et al., 2014). This is puzzling. Standard bargaining logic predicts that stronger states can deter weaker ones from adopting sanctions through the threat of countersanctions. After all, sanctioned states often incur considerable economic and political costs (Alnasrawi, 2001; Dom & Roger, 2020; Kavaklı, Chatagnier, & Hatipoğlu, 2020; Marinov, 2005; McLean & Whang, 2021), and the deterrent effect of countersanctions should be especially pronounced when senders are materially weaker. This raises the question: *under what conditions do sanctioned states adopt countersanctions, and to what extent can sender states reduce the risk of such retaliation by acting through IOs?*

This paper posits that materially weaker sender coalitions are more likely to face countersanctions, but that IO support helps them reduce this elevated risk. IO support for initial sanctions reduces the likelihood of countersanctions through two mechanisms. First, IOs provide forums in which sender states coordinate their actions, thereby strengthening their coalitions and signaling that other IO members may assist the sender in case of retaliation. Second, IO backing signals to domestic and international audiences that the initial sanctions are reasonable and legitimate. These mechanisms raise the target's expected economic and political costs of retaliating. They apply to both materially weaker and stronger senders, but their effect on the

[1] I use the terms 'sender' and 'sender coalition' interchangeably to refer to the sanctioning states. Sanctions can be adopted by a single state or a coalition of states.

likelihood of countersanctions is larger for relatively weak sender coalitions, who, all else equal, are more likely to face retaliation.

Existing research emphasizes how materially powerful states enhance their influence through IOs (Dreher, Sturm, & Vreeland, 2009; Steinberg, 2002; Stone, 2011). In the context of economic sanctions, Jeong (2023) finds that a sender's absolute GDP size predicts its ability to secure IO support. In contrast, this article shifts the focus to relative material power and examines how securing IO support is associated with a reduced risk of countersanctions when comparatively weak states sanction stronger adversaries. It contributes to two strands of scholarship: first, research on how states with limited material resources deploy institutional strategies to compensate for their weakness (Daßler et al., 2025; Jones et al., 2010; Manulak, 2024; Mesquita, 2024; Mikulaschek, 2016; Panke, 2012; Schneider, 2011; Snidal et al., 2024); and second, the literature on economic sanctions by introducing IO support as a novel explanatory variable in the study of retaliation—an outcome that has generally received limited attention (Cranmer, Heinrich, & Desmarais, 2014; Peksen & Jeong, 2021).

The next section details the argument. Section three introduces the data and methods. Section four presents the results of the two-stage Heckman models, followed by robustness tests using two-equation bivariate probit models and a fixed-effects panel design.

2 Theory of Countersanctions: Material and Institutional Power

While the literature on sanctions provides important insights into when states adopt initial sanctions, it has largely overlooked the conditions under which targets choose to retaliate. This section builds on existing work but develops a theory of countersanctions that accounts for the distinct motivations and constraints faced by target states. The aim is to explain when states are likely to retaliate with sanctions, conditional on the balance of material and institutional power.

Subsection 2.1 situates the argument in the sanctions literature; 2.2 develops the material-power logic; 2.3 theorizes institutional power and IO support; 2.4 specifies when IO backing should matter most; and 2.5 illustrates the mechanisms before the empirical analysis.

2.1 Literature Gap: When States Adopt (Counter)Sanctions

Most scholarship explains when senders adopt initial sanctions; by contrast, systematic theorizing about when targets retaliate remains sparse. Accordingly, this subsection uses insights from the initiation literature as a starting point, while the following subsections develop a distinct account of the target's decision to retaliate.

International economic exchanges are mutually beneficial, meaning that restricting them through sanctions typically comes with costs not just for the target but also for the sender.[2] Broadly, states may choose to forgo these benefits and impose sanctions for *coercive* and *symbolic* reasons—the former aimed at compelling policy change or imposing material costs, and the latter at signaling legitimacy, resolve, or normative commitment.

A large body of literature examines the conditions under which sanctions achieve their *coercive* objectives by compelling policy concessions from the target (Allen, 2008; Ang & Peksen, 2007; Bapat & Kwon, 2015; Bapat & Morgan, 2009; Drezner, 1999, 2003; Hufbauer, Schott, Elliott, & Oegg, 2007; Kwon, 2024; McLean & Whang, 2010; Mertens, 2024; Morgan, Bapat, & Krustev, 2009; Walentek, Broere, Cinelli, Dekker, & Haslbeck, 2021; Weber & Schneider, 2020b). Even without policy concessions, economic sanctions can advance coercive goals by providing relative gains (Drezner, 1999), constraining targets (Kustra, 2022), and destabilizing targeted

[2] Foreign aid suspensions differ from other forms of economic coercion in that they are economically costly for the target but beneficial for the sender (Mertens, 2024).

regimes (Lee, 2024; Marinov, 2005). The lifting of initial sanctions is one important goal behind the adoption of countersanctions.

Governments also adopt sanctions for *symbolic* reasons, to improve their reputation with domestic and international audiences (Arı & Sonmez, 2024; Li, 2023; Lindsay, 1986; Liou, Murdie, & Peksen, 2022; McLean & Whang, 2014; Peterson, 2013). Although much of the direct evidence comes from studies of initiation, the same reputational mechanisms apply to targets deciding whether to retaliate. Assuming states act under complete information (Hovi, Huseby, & Sprinz, 2005), retaliation would be irrational if states only considered the previously discussed economic and policy payoffs. States would only adopt initial sanctions if they predicted the target to acquiesce but not if countersanctions were the likely outcome. Similarly, targets of initial sanctions would only retaliate if they expected this to influence the initial sender's actions (in which case the initial sender would not have adopted sanctions). The desire of states and their leaders to enhance their reputation helps explain why they adopt both initial and retaliatory sanctions, even when such measures are economically costly, unlikely to achieve coercive objectives, and directed against materially stronger opponents.

Symbolic and reputational payoffs of sanctions are well documented. US presidents receive a boost in domestic support when adopting sanctions, incentivizing them to do so (Whang, 2011). Similarly, US media coverage predicts whether sanctions will be adopted (Peksen, Peterson, & Drury, 2014). Recent survey experimental evidence confirms that domestic publics actively demand economic sanctions, particularly when expected costs are low and symbolic utility is high (Caton & Webb, 2025). Targeted citizens tend to be less supportive of acquiescing when suspecting the sender has "ulterior motives" (Zarpli, 2023). Targeted governments can also benefit from rally-round-the-flag effects when standing firm in the face of sanctions (Baker & Oneal,

2001), explaining why they may do so even if sanctions' economic costs exceed the direct costs of making the demanded policy concession. International audiences, too, influence states' decisions to adopt sanctions. Rivalry between the sender and the target is associated with sanction adoption due to deterrence as well as reputational and relative gains (Drezner, 1999; Drury, 2001). Lastly, states benefit from being perceived as acting legitimately (Arı & Sonmez, 2024; Dellmuth & Tallberg, 2021; Nye, 2004; Stacie, 2018), which also matters when adopting initial and retaliatory sanctions. Perceptions of legitimacy are not exogenous; they are shaped by institutional endorsement, a mechanism developed below.

In sum, the sanctions literature overwhelmingly analyzes initiation by senders and provides building blocks rather than a target-centered account of retaliation. The motivations reviewed above explain why targets might wish to retaliate. Whether they actually do so depends on two conditioning forces: material power and institutional support. Subsections 2.2–2.4 show how material power shapes the coercive economic cost side of the calculus. IOs operate both as forums that reduce coordination and enforcement problems, thereby enhancing coercive capacity, and as actors that confer legitimacy and yield symbolic and reputational payoffs.

2.2 Material Power

In the context of international economic conflict, material power is best understood as the ability to impose asymmetric economic costs on a target (Kavaklı et al., 2020; Keohane & Nye, 2012). Control over key 'chokepoints' in the global economy can amplify this ability, making material power dyad-specific rather than a simple function of aggregate economic size. In practice, however, differences in material power are often reinforced by differences in economic size through "rich-get-richer" effects (Farrell & Newman, 2019).

To clarify who qualifies as "weak," we must consider dynamics within coalitions. In 17% of sanction events recorded by the TIES dataset, sanctions are imposed by a coalition of sender states rather than a single sender. Material power can be viewed as either the combined material capabilities of the coalition or the individual power of each state within it. In the context of IOs, relatively weak states may "bandwagon," joining sanctions only when more powerful states take the lead. Because these weaker states are part of a stronger coalition, it would be misleading to classify them individually as weak. Therefore, this analysis primarily defines material power as the total material capabilities of the sender coalition relative to the target's capabilities. Nonetheless, sanctions are often led by a single "primary" sender (Morgan et al., 2014). An alternative approach to addressing the issues of coalitions and bandwagoning, then, is to focus on the relative material power of the primary sender and assess potential countersanctions aimed specifically at that state.[3]

Issues surrounding sanctions with several senders aside, previous studies have found material power—estimated using absolute GDP size (Peksen & Jeong, 2021) and relative GDP size (Cranmer et al., 2014)—to predict retaliation. Some interest groups might benefit from restricting economic exchanges, for example, through protectionism (Pond, 2017). However, in the medium to long term, escalation becomes economically costly for both sides. States are more likely to retaliate when they possess greater material power, which enables them to sustain an escalating economic confrontation and impose asymmetric costs on the adversary over time. Material power and weakness are not binary: as the gap in material power between sender and target widens, the weaker side's likelihood of facing countersanctions increases.

[3] The empirical analysis conducts robustness tests using this approach.

H1: Countersanctions are more likely if the initial sender is materially weaker than the target.

This logic also applies to the initial sender's decision to impose sanctions: a relatively weak sender is generally less inclined to adopt sanctions against a stronger state due to the increased risk of retaliation. Despite this inherent bias (addressed in the empirical analysis), relatively weak states do sometimes threaten or impose sanctions on materially stronger opponents. This can be motivated by various factors, including the previously discussed reputational considerations, which may enhance domestic or international standing. Additionally, support from an IO can encourage weaker states to engage in economic conflict with materially stronger adversaries by offsetting some of the risks.

2.3 Institutional Power

Though correlated in practice, material compulsory and institutional power are distinct forms through which states can influence foreign actors (Barnett & Duvall, 2005). Compulsory power involves the direct exercise of material capabilities to shape another actor's behavior, while institutional power operates indirectly by structuring the rules, agendas, and decision-making procedures that shape the range of possible outcomes.

In the case of economic sanctions, states can exercise institutional power by securing the support of IOs. Although IOs depend on member states for implementation and enforcement, they play a central role in coordinating sanctions. Securing such support requires, at a minimum, membership in the relevant IO (Walentek, 2022). In 2014, France and Norway held the highest number of IO memberships—116 and 105, respectively. The United States and China followed with 89 and 80 memberships, while Taiwan and Kosovo had significantly fewer, with 8 and 5 memberships, respectively (Pevehouse, Nordstrom, McManus, & Jamison, 2020).

Beyond the condition of membership, the process by which IOs decide whether to support sanctions varies. For example, the five permanent members of the UN Security Council can veto sanctions, while other UN member states cannot. The African Union's Peace and Security Council regularly adopts sanctions unanimously but requires at least a two-thirds majority (African Union, 2007). In the WTO, the Appellate Body is crucial in granting member states the right to adopt sanctions against other members, but the United States has blocked it since 2019 (WTO, 2023).

Member states typically incur considerable economic and political costs when pursuing an organization's support for sanctions (Bapat & Morgan, 2009; Martin, 1992). During negotiations with other member states, primary senders may have to compromise on the policy change they demand from the target and the severity of sanctions. Furthermore, time-consuming negotiations obstruct states' ability to impose sanctions swiftly. These costs explain why IOs are involved in only a quarter of sanction events (Morgan et al., 2014) and why states require some material capabilities to obtain IO support (Jeong, 2023). However, despite the costs involved, obtaining IO support may be worthwhile for sender states, as sanctions endorsed by an IO are more likely to achieve their intended foreign policy objectives (Bapat & Morgan, 2009; Martin, 1992; Weber & Schneider, 2020b).

IO support should not only enhance the effectiveness of economic sanctions in securing policy concessions; it should also reduce the likelihood of retaliation by the target. IOs function both as *forums* for member states to coordinate their actions and as *actors* with a degree of neutrality (Abbott & Snidal, 1998).

As *forums*, IO support reduces the likelihood of countersanctions through two *coercive* mechanisms. First, IOs help to coordinate the adoption of sanctions. This coordination increases the sender coalition's efficiency (Abbott & Snidal, 1998) and cohesiveness (Drezner, 2000; Drury,

1998; Martin, 1992). Strengthening the sender coalition through IO support is particularly important when the risk of sanctions busting is high (Jeong, 2023). Across time, IOs allow sender states to interact repeatedly, mitigating the collective action problems of sanction enforcement faced by coalitions of sender states (Walentek, 2022). Second, IOs indirectly increase senders' coercive power vis-à-vis the target by signaling the presence of a secondary coalition of potential sender states. Only one or a few member states might adopt the initial sanctions, but IO support signals that a broader coalition of sender states may be mobilized if the target escalates the conflict. Suddenly facing this larger coalition of senders increases the target's costs of retaliating.

As *actors*, IO support reduces the likelihood of retaliation through *symbolic* mechanisms. IOs possess autonomy that allows them to operate with a degree of neutrality (Abbott & Snidal, 1998). Sender states benefit from IO support as it signals to domestic and international audiences that their sanctions are pursuing reasonable and legitimate goals. Military interventions with IO support are associated with higher approval of the intervening states' domestic audiences (Chapman, 2007; Recchia & Chu, 2021) and other states (Voeten, 2005). Similarly, IO support can increase the perceived legitimacy of the sender state's economic sanctions (Drury, 1998). This legitimacy, conferred by a seemingly neutral IO, makes retaliation by the target appear less justified.

In sum, IO support reshapes the target's strategic calculus by reinforcing both the coercive and symbolic dimensions of sanctions in the sender's favor:

H2: Countersanctions are less likely if an IO supports the initial sanctions.

2.4 When IO Support Matters Most

States can leverage their material capabilities to influence outcomes through IOs. The formal and informal rules of IOs often reflect the interests of materially powerful member states (Stone, 2011).

Rich states deploy side payments and threats to influence agenda-setting and the outcome of IO decision-making processes (Dreher et al., 2009; Steinberg, 2002). In the context of economic sanctions, Jeong (2023) finds that sender states' absolute GDP size predicts their ability to obtain IO support. points out that IOs are "institutions of the privileged, by the privileged, and all too often for the privileged," but also notes that "[l]ike Churchill's aphorism about democracy, an institutionalized world is probably the worst form of governance—except for the alternatives."

However, material capabilities are not the sole determinant of states' ability to influence outcomes through IOs. A considerable body of work investigates the strategies materially deprived states can use to mitigate their weakness (Jones et al., 2010; Keohane, 1969; Narlikar, 2003;). Many of these strategies take place in the context of IOs, where materially weaker states can, for instance, leverage extraordinary bargaining situations (Schneider, 2011), veto and exit rights (Daßler et al., 2025), location within institutional network structures (Manulak, 2024; Mesquita, 2024), and informal power-sharing practices (Mikulaschek, 2016), and various other strategies ranging from agenda-setting to rhetorical framing (Panke, 2012; Snidal et al., 2024).

While compulsory power largely rests on material resources, institutional power acquired through these strategies can enable materially weaker states to 'punch above their weight.' Although the two forms of power often overlap in practice, they are analytically distinct and context-dependent. For example, China's GDP is more than four times that of Japan (World Bank, 2025a), yet it holds fewer voting rights than Japan in both the International Monetary Fund (IMF) and the World Bank (IMF, 2023b; World Bank, 2023), indicating comparatively limited institutional power in these organizations. By contrast, China dominates the Asian Infrastructure Investment Bank (AIIB), where it enjoys considerable influence and Japan is not a member (AIIB, 2023).

As previously noted, IOs can function both as *forums* that enhance the *coercive* impact of sanctions and as seemingly neutral *actors* that legitimize them, thereby increasing their *symbolic* utility. These mechanisms apply to both strong and weak senders (H2). However, materially strong senders can deter targets from retaliating through their material power and their capacity to escalate the conflict further (H1). By contrast, relatively weak senders cannot deter retaliation through material power and face a higher baseline likelihood of countersanctions. They are therefore likely to benefit more from IO support, which both strengthens the coercive leverage of their sanctions and raises the reputational costs for materially stronger targets of adopting countersanctions:

> *H3: IO support reduces the likelihood of countersanctions more for materially weaker senders than for stronger ones.*

2.5 Illustrative Cases

This subsection illustrates the conditional logic developed above. I begin with *forum* effects: IOs strengthening senders' *coercive* position by overcoming coordination and collective action problems and by signaling a broader latent coalition that could mobilize if the target escalates. I then turn to *actor* effects, where institutional rulings and endorsements function as *symbols* for legality and legitimacy. The four cases span different organizations, issue areas, sender–target pairings, and sanction types, but they share three features: (a) materially weaker states sanctioned a stronger state; (b) an IO supported these sanctions; and (c) despite its material superiority, the target did not adopt retaliatory countersanctions.

Forum 1: OAPEC. In the case of the 1973 Arab Oil Embargo, a coalition of sender states, led by Saudi Arabia, coordinated its action through the Organization of Arab Petroleum Exporting Countries (OAPEC) to put pressure on the United States and other Western states supporting Israel during the Yom Kippur War. The coalition decided to reduce output by "not less than 5 percent a

month" and threatened a total embargo against states aiding Israel. Together, Arab states held considerable leverage over the United States, whose domestic oil production was at full capacity and could not be ramped up quickly. However, to realize this leverage, Arab countries needed to coordinate their actions to overcome collective action problems amongst each other, and OAPEC proved an indispensable forum for Arab states to do so. Acting through OAPEC, they coordinated their restrictions, signaled resolve, and reduced incentives for individual members to defect by maintaining or increasing sales to the United States while others cut. These sanctions contributed to a near-quadrupling of oil prices within months, and OAPEC's evident ability to coordinate the actions of its members underpinned the credibility of OAPEC members' threat to further restrict oil sales. Instead of adopting retaliatory countersanctions, the United States responded with domestic energy measures and diplomacy (US Office of the Historian, 2023).

Forum 2: GCC/OIC. After Canada's 2018 public criticism of Saudi Arabia regarding detentions of human rights activists, Saudi Arabia (with a total GDP approximately half that of Canada) froze new trade and investment, expelled the Canadian ambassador, suspended Saudia flights, and ordered thousands of government-funded students to leave Canada. The sanctions were publicly supported by the Gulf Cooperation Council (GCC) and the Organisation of Islamic Cooperation (OIC), two regional IOs (Kuwait News Agency, 2018; Saudi Press Agency, 2018). Here, forum support operated by signaling a broader latent coalition that could mobilize if the target escalated, raising the expected costs of countersanctions. In practice, the GCC and OIC statements indicated regional alignment with Riyadh and the possibility of coordinated follow-on measures by other members, increasing Ottawa's perceived risks from escalation. Canada did not adopt countersanctions and the dispute later de-escalated.

Actor 1: WTO. In 2015, the World Trade Organization (WTO) authorized Mexico and Canada to impose over $1 billion in trade sanctions against the United States over its Country of Origin Labelling (COOL) requirements (WTO, 2015). Despite the US GDP being almost seven times the combined GDP of Mexico and Canada (World Bank, 2025a), the US did not escalate with countersanctions. This restraint reflected the legitimacy conferred by legalization rather than material power. Under the WTO's Dispute Settlement Understanding, members must channel disputes through WTO procedures and may not take unilateral countermeasures or make unilateral legal determinations (Article 23). US counter-retaliation against WTO-authorized Canadian and Mexican measures would have breached these obligations and entailed reputational and legal costs. Consistent with this logic, US officials framed repeal domestically as necessary to restore WTO compliance and to avoid legally authorized retaliation (Congressional Research Service, 2016).

Actor 2: ICJ. In 2024, Colombia suspended arms purchases from Israel and halted coal exports to the country in response to Israel's military operations in Gaza. The Colombian government justified these measures by invoking the provisional orders issued by the International Court of Justice (ICJ), which called on Israel to prevent acts that could constitute genocide in the territory (Daniels, 2024; The Times of Israel, 2024). By grounding its actions in compliance with the ICJ's ruling, Colombia sought to emphasize the legitimacy of its sanctions and to frame them as consistent with international judicial authority rather than as unilateral coercion. Despite its 30% larger economy (World Bank, 2025b), Israel did not adopt retaliatory measures in response.

These examples illustrate the broad range of situations in which IOs have supported the economic sanctions of materially weaker sender states, involving different IOs, different sender and target states, and different sanction types. Furthermore, they suggest the presence of the two theorized mechanisms, involving IOs as forums for coalition building and IOs as sources of

legitimacy. Naturally, these are illustrative cases. We cannot know whether targets would have adopted countersanctions in the absence of supportive IOs. The next section, therefore, tests the hypotheses across a large number of cases in which both materially weaker and stronger sender coalitions adopt economic sanctions with and without the support of IOs.

3 Data & Methods

Sanction event data are drawn from the TIES dataset (Morgan et al., 2014), which includes 1,412 dyadic observations of sanctions initiated between 1945 and 2005 involving one target state and one or more sender states. The duration of sanction episodes ranges from a few days to several years. Although TIES does not capture more recent sanction events, it offers several advantages. First, it is comprehensive in scope, covering sanctions imposed by any state, unlike alternative datasets that focus exclusively on specific senders such as the EU, UN, or US (Attia & Grauvogel, 2022; Weber & Schneider, 2020c). Second, unlike the Global Sanctions Database (GSDB) (Felbermayr et al., 2020), TIES records the exact start date of sanctions rather than just the year, allowing for temporal sequencing in instances where initial and retaliatory sanctions were adopted in the same calendar year. Third, and crucially for this study, TIES includes information on whether an IO supports a given sanction episode—an indicator not captured by the more recent GSDB. Fourth, TIES includes both threats and imposed sanctions, which the two-stage Heckman probit models will utilize to mitigate the risk of sample selection bias.

3.1 Data & Dependent Variable

COUNTERSANCTIONS is the dependent variable. It indicates whether the target of an initial episode of economic coercion (state *j*) adopted sanctions against the initial sender (state *i*) within 365 days. Accurately identifying retaliation is challenging because states frequently do not publicly declare their sanctions as retaliatory, and neither TIES nor alternative datasets explicitly indicate whether

a sanction is a response to a prior episode. Nonetheless, TIES' broad coverage makes it possible to identify initial sanctions imposed by state *i* on state *j*, followed by sanctions imposed by *j* on *i*. Using the start day rather than the calendar year allows for more precise sequencing, which is essential given that both sanctions could occur within the same year but in reversed order.[4] The 365-day window necessarily involves a trade-off between over- and undercounting. It is designed to strike a cautious balance and is conservative relative to existing work: for example, Peksen and Jeong (2021) code all sanctions imposed by the target while the initial sanctions remain in place as countersanctions, typically over a much longer period than one year.

Exemplary cases of countersanctions identified using this article's approach include a conflict over trade practices between Mexico and the United States in 2002, disputes over gas supplies between Russia and Ukraine (2000-2004), a dispute over the trade of beef between the United States and Japan (2003-2005), and the conflict between the United States and EU over subsidies to airplane makers that started in the early 2000s.

[4] In 34 cases, TIES does not include the start month for the initial sanctions episode. Of these, 13 observations were excluded from the sample because they also lacked information on the primary sender. For the remaining 21 cases (just over 1% of the sample), I impute a start date based on additional research on the specific episode. Where I could not identify an exact month and day (16 cases), I approximate the start date as June 30 of the recorded year. I follow the same logic for observations where only the day (but not the month) is missing, using the middle of the month (day 15) as an approximation. I have also added robustness tests in Appendix A that exclude all observations without complete start-date information from the sample; the results are substantively unchanged, indicating that the findings do not hinge on these imputations.

Countersanctions are relatively rare but empirically meaningful. In the panel data there are 609 instances of countersanctions,[5] and in the Heckman estimation sample (main results), targets impose countersanctions 73 times. These countersanctions are directed primarily at frequent senders such as the United States (20 cases), China (7), Mexico and Canada (6 each), and Brazil, the European Union, and India (3 each), alongside numerous other states that appear as countersanctioned senders once or twice over the sample period. Thus, the distribution of countersanctions broadly mirrors the distribution of sanction senders and is not confined to a single actor or dyad type.

The analysis excludes 31 observations where an IO is the sole sender. This is because target states can retaliate against other states but cannot feasibly target IOs. Therefore, not excluding these observations would risk biasing the results in favor of H2, which predicts retaliation to be less likely if an IO supports the initial measures.[6]

In numerous observations, sanctions are adopted by a coalition of sender states. To evaluate retaliation in response to each of the involved senders, these cases are divided into individual

[5] In the panel data design, I refer to the dependent variable as "state j sanctions" rather than "countersanctions" because it includes all sanctions imposed by the target, not only clearly retaliatory measures. I discuss this distinction in more detail in the panel data results section.

[6] The effect of excluding these cases is likely minor, as 27 of them are threat-only cases where sanctions were never imposed (the analysis focuses on imposed initial sanctions and countersanctions). A manual review of these cases also shows that the targets of these sanctions with missing sender-state information did not adopt sanctions in subsequent years, suggesting that, if anything, this exclusion means that the impact of IOs on the likelihood of retaliation might not be captured in full.

observations per sender state, resulting in 2,007 observations. Robustness tests limit the sample to the primary sender states of the original 1,412 observations.

The data include 494 episodes in which materially weaker senders sanction materially stronger targets.[7] Of these, 161 episodes (33 percent) involve weaker states sanctioning the United States, while the remaining 333 episodes involve sanctions against other materially stronger targets. The dataset also records 28 instances in which the Soviet Union is a sender, but only 2 of these are directed against the United States. These patterns indicate that weak-sender sanctions are not confined to US targets or to the Cold War period, but occur across a broader range of dyads and time.

3.2 Explanatory Variables

WEAK SENDER is a continuous variable defined as the natural logarithm of the GDP ratio between the target and the sender coalition: $\text{Log}_e\left(\frac{\text{GDP target}}{\text{GDP sender}}\right)$. Higher values indicate a relatively weaker sender. Taking the logarithm reduces skewness caused by extreme ratios. For example, a 1:1 GDP ratio yields a value of 0 (e.g., China vs. US; sender and target are equally matched), a 1:3 ratio yields −1.1 (e.g., Japan sanctions South Korea; materially stronger sender), a 3:1 ratio yields 1.1 (e.g., South Korea sanctions Japan; weaker sender), and a 1:100 ratio yields −4.6 (e.g., US sanctions Iraq; very strong sender). GDP data are drawn from Gleditsch (2013). In cases where a coalition imposes sanctions, the GDP of all sender states is aggregated. Robustness tests replicate the analysis using only the primary sender's GDP.

This operationalization captures fine-grained variation in relative material power while reducing the influence of outliers. As a simplified alternative, robustness tests employ a binary

[7] "Weaker" is defined here as the sender's GDP being smaller than the target's GDP.

version coded 1 if the aggregate GDP of the sender coalition is smaller than that of the target. Additional tests use the Correlates of War National Material Capabilities dataset (v6.0, 2021), which includes military expenditure, personnel, energy consumption, industrial production, urban population, and total population (Singer, 1988).

IO SUPPORT, a dummy variable derived from the TIES dataset, is coded as 1 when an IO supports the initial sanctions adopted by state *i*. Whether the EU should be considered an IO or a state actor in the context of sanctions is debatable. Unlike the members of other IOs, EU member states have fully transferred the authority to adopt sanctions to the EU and never adopt sanctions individually. Instead, EU sanctions are adopted by unanimous voting in the EU Council, which has important implications for the presented arguments surrounding a secondary coalition of senders and increased legitimacy through IO SUPPORT. The primary analysis, therefore, only considers EU sanctions to have IO SUPPORT if the sanctions are supported by another IO such as the UN. However, I conduct robustness tests, where (a) all EU sanctions are coded as having IO SUPPORT, (b) only EU sanctions prior to the 1993 Maastricht Treaty are coded as having IO SUPPORT, and (c) all EU sanctions are dropped from the sample.

IO X WEAK SENDER represents the interaction between the two variables mentioned above. This interaction term will test whether the IO SUPPORT variable's effect depends on the sender's and target's relative material power, as H3 predicts.

3.3 Control Variables

RIVALRY is a control variable derived from Klein, Goertz, and Diehl (2006), using the Type 2 rivalry measure, which captures enduring political rivalries that typically persist for several years. To identify whether sanctions were imposed during an ongoing rivalry, the data were converted into a dyadic format and matched with the sender, target, and year of each sanction episode.

TRADE LINKAGE is a control variable measuring the target's dependence on trade with the sender. Following standard practice (Akoto, Peterson, & Thies, 2019; Kavaklı et al., 2020; Peksen & Jeong, 2021; Peterson, 2018), it is calculated by summing the target's imports from and exports to the sender (in current US$) and dividing this total by the target's GDP. Import, export, and GDP data are sourced from Gleditsch (2013).

TARGET DEMOCRATIC indicates whether the initial target is democratic, as regime type has been found to influence targets' reactions (Early & Peksen, 2020; Peksen & Jeong, 2021; Zarpli & Peksen, 2024). The data for this control is derived from Polity V (Marshall & Gurr, 2020). To account for potentially non-linear effects of regime type (Zarpli, 2022), Polity's 21-point scale is converted to a binary format that considers only targets with a Polity score of 4 or above as democratic.

AID SUSPENSION indicates whether state *i*'s initial measures consist solely of restricting aid transfers to state *j*, without additional measures such as trade restrictions. Suspending aid may not trigger the same adversarial response as other types of economic coercion (Mertens, 2024).

MAJOR ISSUE indicates what type of issue is being disputed. Data comes from the TIES dataset's *issue* variable, and the coding follows Bapat and Kwon (2015) in considering the following issues as major: contain political influence or military behavior, destabilize the targeted regime, release citizens or property, solve territorial disputes, deny strategic materials, retaliate for alliance or alignment choices, and end weapons proliferation.

DECADE fixed effects (FEs) account for potential changes in the international system over time. Using decade rather than year FEs strikes a balance between capturing slow-moving shifts in the international environment (e.g., Cold War vs. post–Cold War) and preserving degrees of

freedom in a relatively sparse sample of sanction episodes. As a robustness check, I re-estimate the main models with year FEs and without any time FEs.

3.4 Econometric Approach

The analysis begins with standard (one-stage) probit models that estimate the probability of COUNTERSANCTIONS for the subset of sanction episodes in which initial sanctions were imposed. These baseline models ignore potential selection into the sample of imposed sanctions but provide a transparent starting point for assessing the core theoretical expectations: that COUNTERSANCTIONS are more likely against relatively WEAK SENDERs (H1), less likely when initial sanctions receive IO SUPPORT (H2), and particularly less likely when IO SUPPORT is extended to relatively WEAK SENDERs (H3).

Building on this baseline, the main analysis then employs two-stage Heckman probit models (Heckman, 1976) to mitigate the risk of potential selection into the sample of imposed sanctions and to test the same expectations while explicitly accounting for the threat stage. In particular, sender states with limited material power may refrain from imposing sanctions when the risk of retaliation is high. Similarly, states (and especially materially weaker ones) may make the imposition of sanctions conditional on IO backing. This raises concerns regarding the initial senders' potential self-selection into the subset of cases in which sanctions are actually imposed, based on their anticipated likelihood of facing countersanctions. Because the outcome of interest in this study—countersanctions imposed in response to imposed initial sanctions—is only defined for those episodes in which the sender escalates from threat to imposition, analyses that restrict the sample to imposed sanctions risk selection bias. The Heckman model addresses this risk and is well-established in the sanctions literature (Bapat & Kwon, 2015; Cilizoglu & Bapat, 2020; Jeong, 2023; Mertens, 2024).

Sanction episodes begin with the sender threatening economic measures and proceed to imposition only if the target fails to comply. The Heckman probit model accounts for this two-stage process by jointly estimating two equations. The selection equation (stage 1) models the probability that a sanction threat escalates to imposition, using the TIES dataset's binary IMPOSITION variable as the dependent variable. The outcome equation (stage 2) then estimates the probability of imposed COUNTERSANCTIONS, conditional on the imposition of initial sanctions. By allowing for correlation between the unobserved determinants of each stage, the model corrects for potential sample selection bias that could arise from restricting the analysis to imposed sanctions as if they were randomly drawn from all threatened sanctions. In the data, a small number of countersanctions occur already at the threat stage, before sanctions move to the imposition stage; these cases enter only the selection equation and are not used to estimate the outcome equation.

Although the Heckman probit model is formally identified by its functional form, the inclusion of theoretically motivated exclusion restrictions strengthens empirical identification and enhances estimation efficiency. Accordingly, the selection equation includes two instruments that influence the likelihood of sanction imposition but are unlikely to directly affect the probability of retaliation once sanctions are imposed. The first, THREAT DURATION (cubic), captures the length of the threat stage. As more time passes after the initial threat, the likelihood of IMPOSITION declines. However, once sanctions are imposed, the duration of the preceding threat stage has no clear theoretical connection to the target's decision to impose COUNTERSANCTIONS. The second instrument, UNSPECIFIC DEMAND, is also taken from the TIES dataset and indicates whether the sender articulated concrete demands during the threat stage. Vague threats are less likely to result in IMPOSITION but should not influence the probability of retaliation if sanctions are ultimately

adopted. These instruments help disentangle the determinants of initial sanctioning from those shaping the likelihood of COUNTERSANCTIONS.

Formally, the Heckman probit model jointly estimates two latent-variable equations via maximum likelihood. Both equations include a vector of control variables, *C*, capturing additional factors that may influence the likelihood of sanction imposition and retaliation.

Selection equation (stage 1):

$$\begin{aligned}\text{IMPOSITION}^* = {} & \gamma_0 + \gamma_1 \text{WEAK SENDER} + \gamma_2 \text{IO SUPPORT} + \gamma_3 (\text{WEAK SENDER} \times \text{IO SUPPORT}) \\ & + \text{C}\gamma + \gamma_4 \text{THREAT DURATION} + \gamma_5 \text{UNSPECIFIC DEMAND} + \varepsilon_S\end{aligned}$$

$$\text{IMPOSITION} = \begin{cases} 1 & \text{if IMPOSTION}^* > 0 \\ 0 & \text{otherwise} \end{cases}$$

Outcome equation (stage 2):

$$\begin{aligned}&\text{COUNTERSANCTIONS}^* \\ &\quad = \beta_0 + \beta_1 \text{WEAK SENDER} + \beta_2 \text{IO SUPPORT} + \beta_3 (\text{WEAK SENDER} \times \text{IO SUPPORT}) \\ &\quad + \text{C}\beta + \varepsilon_o\end{aligned}$$

$$\text{COUNTERSANCTIONS} = \begin{cases} 1 & \text{if COUNTERSANCTIONS}^* > 0 \text{ and IMPOSITION} = 1 \\ \text{unobserved} & \text{if IMPOSITION} = 0 \end{cases}$$

3.5 Robustness Tests

Robustness tests proceed in three steps. First, various alternative probit and Heckman probit models test alternative operationalizations of the main models. Second, robustness tests leverage recursive two-equation bivariate probit models, which are particularly suitable for addressing concerns regarding the endogeneity of IO support (Sartori, 2003). Third, the data are converted to an eleven-year panel structure, enabling robustness tests with dyad fixed effects, which are well-suited to mitigate bias from unobserved, time-invariant characteristics of the sender–target dyad.

4 Results

4.1 Main Results

Table 1 presents the main results. Columns 1–3 report estimates from a standard probit model predicting the likelihood of countersanctions. The sample contains only initial sanctions that were imposed (not those that were merely threatened). While this model ignores potential sample selection, it provides a useful baseline for comparison. Columns 4–5 report a two-stage Heckman probit model. Unlike the standard probit model, the Heckman specification explicitly incorporates the threat stage by modeling the likelihood that a threat escalates to imposition, thereby including both threatened and imposed sanctions in the sample and mitigating the risk of selection bias. The selection equation incorporates exclusion restrictions to improve identification. Columns 6–7 build on this specification by including the full set of control variables.

Across all specifications, the results support the three hypotheses. First, in line with H1, COUNTERSANCTIONS are more likely when the sender is materially weaker than the target, consistent with the argument that weaker senders are more vulnerable to retaliation in international economic conflict. Second, COUNTERSANCTIONS are significantly less likely when initial sanctions receive IO SUPPORT, supporting H2. This finding aligns with the expectation that IOs reduce the risk of retaliation by signaling legitimacy and enhancing coordination among sender states. Third, the results support H3: the pacifying effect of IO support is theorized to be particularly pronounced for materially weaker senders. The negative and statistically significant interaction between WEAK SENDER and IO SUPPORT is consistent with this argument.

Table 1. *Results of standard and two-stage Heckman probit models*

	Standard probit			Two-stage Heckman probit		Two-stage Heckman probit, incl. controls	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dependent variable:	COUNTERSANCTIONS			**Outcome** COUNTER-SANCTIONS	**Selection** IMPOSITION of initial sanctions	**Outcome** COUNTER-SANCTIONS	**Selection** IMPOSITION of initial sanctions
Weak sender (H1)	**0.122*** (0.022)**		**0.131*** (0.025)**	**0.130*** (0.026)**	-0.037* (0.014)	**0.165*** (0.036)**	-0.065*** (0.017)
IO support (H2)		**-0.683*** (0.184)**	**-0.828*** (0.209)**	**-0.899*** (0.206)**	0.082 (0.110)	**-0.855*** (0.221)**	-0.030 (0.119)
IO X weak sender (H3)			**-0.136*** (0.035)**	**-0.151*** (0.039)**	0.026 (0.023)	**-0.151*** (0.044)**	0.022 (0.025)
Unspecific demand					-0.460*** (0.088)		-0.429*** (0.094)
Rivalry						0.195 (0.304)	0.004 (0.150)
Trade linkage						0.026** (0.008)	-0.014** (0.005)
Target democratic						-0.153 (0.161)	0.151 (0.082)
Aid suspension						-0.329 (0.451)	-0.246 (0.128)
Major issue						-0.037 (0.220)	0.140 (0.092)
Constant	-1.508*** (0.075)	-1.602*** (0.072)	-1.402*** (0.081)	-1.860*** (0.333)	0.724*** (0.116)	-1.772*** (0.414)	0.562*** (0.151)
athrho					-0.088 (0.313)		0.013 (0.323)
Decade FEs	NO	NO	NO	YES	YES	YES	YES
Selected observ.	—	—	—	1,158		1,032	
Total observati.	1,158	1,273	1,158	1,744		1,552	

Notes: Robust standard errors in parentheses; *** p<0.001, ** p<0.01, * p<0.05; equations 5 and 7 include the THREAT DURATION (t, t^2, t^3) as instruments.

Turning to the selection equations (columns 5 and 7), the results are consistent with the identification strategy. Both exclusion restrictions—THREAT DURATION (not shown) and UNSPECIFIC DEMAND—are negatively and significantly associated with the likelihood that the

initial sender follows through on a threat and imposes sanctions, suggesting that longer and vaguer threats are less likely to lead to the adoption of sanctions. Among the main explanatory variables, WEAK SENDER is negatively associated with the likelihood of imposition, consistent with the idea that materially weaker states are more reluctant to move from the threat to the imposition stage due to the risk of facing retaliatory sanctions. IO SUPPORT and the interaction term do not reach conventional levels of significance in the selection equation, suggesting that while they are central to understanding retaliation, they play a limited role in explaining sanction imposition.

In sum, the results provide empirical support for the argument that, although materially weaker senders are generally more vulnerable to retaliation, they can leverage institutional power by securing IO support, thereby reducing the likelihood of facing countersanctions.

4.2 Substantive Effect Sizes and Predicted Probabilities

To convey the substantive size of the interaction between sender weakness and IO support, I translate the Heckman probit results (column 6, Table 1) into predicted probabilities of countersanctions conditional on sanctions being imposed. Because this is a nonlinear probit model with an interaction term, the coefficients in Table 1 are not directly interpretable on their own; all substantive statements about IO support and sender weakness, therefore, rely on predicted probabilities. Figure 1 plots these probabilities over the observed range of the WEAK SENDER variable (the log GDP ratio of target to sender), separately for sanctions with and without IO support. For ease of interpretation, the x-axis labels express this log ratio in terms of sender GDP as a share of target GDP. Values on the right-hand side correspond to materially weaker senders.

Averaged over the sample, IO backing is associated with a sizeable protective effect: moving from sanctions without IO support to IO-backed sanctions reduces the predicted probability of countersanctions by about 3.8 percentage points. The figure shows that this general deterrent effect

is strongest where the theory expects it to matter most: when sanctions lack IO backing, the probability of countersanctions increases sharply as senders become weaker, whereas under IO-backed sanctions, the probability remains low and essentially flat across the same range of relative power.

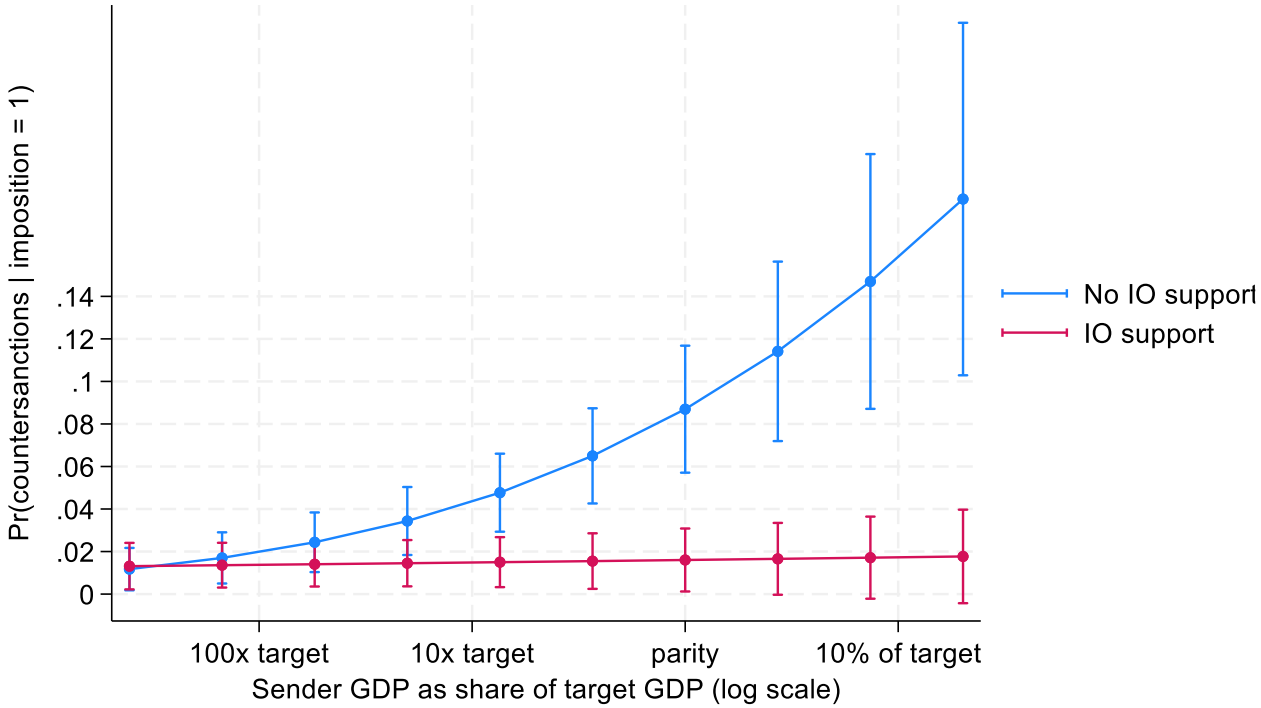

Figure 1. Predicted probability of countersanctions by IO support and sender weakness

To further illustrate the effect size, I compare predicted probabilities at the 10th and 90th percentiles of WEAK SENDER, which capture a shift from very strong to weak senders over most of the empirical distribution. In the data, the 10th percentile corresponds to cases where the sender's economy is over a hundred times larger than the target's, while the 90th percentile corresponds to cases where the sender is less than one-third the size of the target. Without IO support, moving from the 10th to the 90th percentile of WEAK SENDER increases the probability of countersanctions from about 1.0% to 12.2% (a more than 12-fold increase). For IO-backed

sanctions, by contrast, the same change in relative power moves the probability only from 1.3% to 1.7%, leaving the risk of countersanctions essentially unchanged at a very low level.

4.3 Robustness of Main Results

The results of various alternative model specifications are reported in Appendix A and support the robustness of the main results. The results of the standard one-stage probit model remain robust when (1) the control variables and (2) decade FEs are included.

The two-stage Heckman probit results, too, are robust. First, alternative operationalizations of the relative material power of the sender and target do not change the main results. This includes: (3) a binary coding of the WEAK SENDER variable that indicates whether the GDP of the target exceeds that of the sender coalition, (4) using the GDP of individual sender states (instead of the aggregated GDP of the sender coalition), and (5) deploying the Correlates of War National Material Capabilities indicator instead of GDP.

Furthermore, the results are robust to (6) the inclusion of sender state fixed effects and (7) restricting the sample to dyads involving only the target and the primary sender, excluding other members of the sender coalition. Then, (8) instead of capturing the disputed issue type through the binary MAJOR ISSUE variable, I include dummies to account for the more detailed 15 issue categories captured by TIES. Focusing on the nature of IO support, the results are also robust to alternative treatments of EU involvement: (9) coding sanctions adopted by the EU (and its predecessors) without the support of another IO as IO-supported, (10) recoding IO support so that the EU (and its predecessors) is treated as an IO only up to the entry into force of the Maastricht Treaty in 1993 but not thereafter, and (11) excluding from the sample all observations in which the EU is the sole supportive IO.

Furthermore, (12) a robustness test disaggregates the IO SUPPORT variable by including each IO as a separate dummy variable. Naturally, with fewer observations per IO, not all are associated with a statistically significant reduction in the likelihood of countersanctions. However, eleven out of fourteen IOs do show this effect, including diverse organizations such as the Commonwealth Secretariat, the European Economic Community, the IMF, the OECD, OPEC, the Organization for African Unity, and the WTO. While not all IOs are created equal, these results indicate that the hypothesized effects extend beyond a few major IOs dominated by the same countries.

Finally, robustness tests (13) add a covariate for whether sanctions were adopted multilaterally, by several senders outside an institutional context, (14) drop observations where the exact start day was not available, (15) remove decade FEs, and (16) add year FEs.

4.4 Robustness Tests: Bivariate Probit Models

IO support is not randomly assigned. Certain states are better positioned to obtain such support—due to their material capabilities, diplomatic networks, or embeddedness in IO structures. The same characteristics that facilitate IO support may also deter retaliation, creating a potential endogeneity concern. For instance, IOs might be more active in issue areas where retaliation is less likely, or they might prefer to support sanctions imposed by states that are already less vulnerable to countersanctions in order to preserve their perceived effectiveness. Although the main results—particularly the larger pacifying effect of IO support for relatively weak senders—alleviate much of this concern, further investigation is warranted.

To address potential endogeneity, I estimate recursive bivariate probit models. These models jointly estimate two equations with binary dependent variables—IO SUPPORT and COUNTERSANCTIONS—allowing for correlation in the error terms across the two processes. This

approach is especially appropriate in strategic interaction settings where actors' decisions are influenced by expectations about others' responses (Sartori, 2003).

Appendix B reports the results. In the first equation, the model predicts IO SUPPORT. This equation includes IO MEMBERSHIP COUNT as an independent variable, capturing the number of IOs of which the sender (state i) is a member. Membership is a necessary condition for receiving support. The model also includes THREAT DURATION, reflecting the fact that securing IO backing can delay sanction imposition. This variable aids identification, even though the nonlinearity of the bivariate probit model allows all parameters to be estimated without exclusion restrictions (Greene, 2020). The second equation models the likelihood of COUNTERSANCTIONS, incorporating IO SUPPORT as an explanatory variable along with the main set of covariates, thus forming a recursive structure.

The results reinforce the main findings: IO support is associated with a significantly lower likelihood of countersanctions, particularly for relatively weak senders. Interestingly, the first-equation results also reveal that relatively weak senders are more likely to obtain IO support. While this may seem at odds with prior research highlighting the role of material capabilities in securing IO backing (Jeong, 2023), the discrepancy is only apparent. Jeong (2023) focuses on absolute material capabilities, whereas this study defines weakness relatively, in relation to the strength of the adversary. While some material capacity is likely a prerequisite for leveraging institutional power, the findings suggest that once this threshold is met, relatively weaker states may be more inclined to seek IO support—especially when facing stronger opponents, where institutional backing can mitigate the heightened risk of retaliation.

4.5 Robustness Tests: Panel Data Fixed Effects Models

A further robustness check builds a novel panel data structure from the TIES dataset. I estimate fixed effects (FE) panel models that exploit within-dyad variation across years with and without imposed sanctions. In these models, the unit of analysis is the sender–target dyad–year. For each dyadic sanction episode—i.e. an instance where state *i* adopts sanctions against state *j*—I generate eleven yearly observations: five pre-treatment years (YEAR −5 to −1), the year of initial sanctions (YEAR 0), and five post-treatment years (YEAR 1 to 5). This results in a panel of 2,007 sender–target dyads observed over eleven years, totaling 22,077 observations. This panel data structure complements the Heckman models by examining a broader set of years around each episode rather than conditioning only on imposition.

The key dependent variable, STATE J SANCTIONS, captures whether the initial target (state *j*) imposes sanctions against the sender (state *i*) in a given year. The treatment variable, IMPOSED SANCTIONS, is coded as 1 when state *i* imposes sanctions and remains 1 as long as those sanctions remain in place. This setup captures both the onset and duration of sanction episodes, allowing for staggered treatment exit. A key advantage of this model is that it explicitly estimates the baseline propensity of state *j* to sanction state *i* by comparing the likelihood of STATE J SANCTIONS in years with and without IMPOSED SANCTIONS.

A potential concern with this coding is that STATE J SANCTIONS can take the value of 1 in pre-treatment years, which may seem counterintuitive given that such observations precede the initial sanctions by state *i*. However, this is a deliberate feature of the model: pre- and post-treatment observations of STATE J SANCTIONS serve to identify the baseline level of economic conflict between the dyad. With sender–target dyad fixed effects, the design isolates the change in the likelihood of STATE J SANCTIONS after the onset of IMPOSED SANCTIONS, controlling for time-

invariant propensities for economic conflict such as long-standing rivalries, geopolitical alliances, or geographic features like shared borders. Only increases above this baseline are interpreted as retaliatory responses.

The eleven-year panel includes episodes in which (a) sanctions are imposed immediately in YEAR 0, (b) sanctions are initially threatened and later imposed, and (c) sanctions are threatened but never imposed. In the latter case, IMPOSED SANCTIONS equals 0 in all years. Because the fixed-effects estimator exploits within-dyad variation, such threat-only episodes do not identify the effect of imposed sanctions; they enter the models as always-untreated episodes and contribute mainly to the estimation of fixed effects and the baseline probability of STATE J SANCTIONS. As discussed below, these threat-only episodes also underpin a placebo test that uses a "threat-only" treatment indicator to show that the panel results are specific to the imposition of sanctions rather than to generic conflict dynamics.

The fixed-effects models mirror the core independent variables of the main specification. First, to test H1, I allow the effect of imposed sanctions to vary with WEAK SENDER by interacting the two variables. Second, to address H2, I interact IMPOSED SANCTIONS with IO SUPPORT. Third, to test H3, the full specification includes the three-way interaction IMPOSED SANCTIONS × WEAK SENDER × IO SUPPORT, allowing the effect of imposed sanctions on STATE J SANCTIONS to depend jointly on relative material power and institutional backing. Fourth, control variables are interacted with IMPOSED SANCTIONS so that they can condition the effect of imposed sanctions on the likelihood that state *j* sanctions state *i*. All models are estimated as linear probability models with dyad fixed effects and standard errors clustered by dyad.

Table 2. *Fixed-effects panel results*

Dependent variable = **STATE J SANCTIONS**	(1) *Weak sender*	(2) *IO*	(3) *Full*	(4) *Controls*
Initial sanctions (state i)	0.052***	0.033***	0.060***	0.070***
	(0.011)	(0.008)	(0.013)	(0.019)
Initial sanctions x weak sender (H1)	**0.008*** **		**0.011*** **	**0.013*** **
	(0.002)		**(0.003)**	**(0.003)**
Initial sanctions x IO support (H2)		**-0.018***	**-0.032**	**-0.035**
		(0.010)	**(0.021)**	**(0.025)**
Initial sanctions x IO support x weak sender (H3)			**-0.008** **	**-0.011** **
			(0.004)	**(0.005)**
Control variables	No	No	No	Yes
DYAD FEs	Yes	Yes	Yes	Yes
Constant	0.062***	0.023***	0.064***	0.028
	(0.019)	(0.001)	(0.021)	(0.023)
Observations	20,180	22,077	20,180	17,808
Number of DYADs	1,922	2,007	1,922	1,731

Notes: Robust standard errors in parentheses; standard errors clustered by DYAD; *** p<0.01, ** p<0.05, * p<0.10.; for brevity, only the key interaction terms are shown here; the full set of lower-order terms, interactions implied by the shown factors, and covariates are reported in Appendix B.

Table 2 reports the results. Because the dependent variable is binary and the model is linear, all coefficients can be interpreted as changes in the probability that STATE J SANCTIONS occur, measured in percentage points. Across all specifications, the coefficient on IMPOSED SANCTIONS is positive and statistically significant, indicating that, within a given sender–target dyad, years in which state *i* has imposed sanctions are more likely to see STATE J SANCTIONS than years without imposed sanctions. Consistent with H1, the interaction between IMPOSED SANCTIONS and WEAK SENDER is positive and highly significant in the full specification: the effect of imposed sanctions on the probability that state *j* sanctions state *i* increases as the target's GDP exceeds that of the

sender coalition. In other words, imposed sanctions are particularly likely to be met with sanctions by state *j* when the sender is materially weaker than the target, even after accounting for all time-invariant dyad characteristics through dyad fixed effects and including the full set of covariates.

The interaction between IMPOSED SANCTIONS and IO SUPPORT is negative in all specifications, which is consistent with H2's expectation that IO-backed sanctions are less likely to provoke sanctioning by the target than sanctions imposed without IO support. However, once the interaction with WEAK SENDER and the full three-way specification are included, the associated standard errors increase, and this interaction term is no longer statistically significant at conventional levels. In line with H3, the triple interaction IMPOSED SANCTIONS × WEAK SENDER × IO SUPPORT is negative and statistically significant in the full model. This further supports the argument that IO support dampens the risk that state *j* sanctions state *i* most strongly for materially weak senders. Taken together, these panel results are consistent with the main findings: materially weak senders are more likely to be targeted by sanctions from the other side, and IO support mitigates this vulnerability, especially for weak senders.

A placebo test ensures that the panel results are not driven by generic sanctioning dynamics or peculiarities of the data, but are specific to the imposition of sanctions by state *i*. I construct a THREAT-ONLY indicator that equals 1 in years where sanctions are threatened but not imposed and 0 otherwise. A model including both IMPOSED SANCTIONS and THREAT-ONLY shows that imposed sanctions significantly increase the probability of imposed STATE J SANCTIONS (i.e., countersanctions), whereas the coefficient on THREAT-ONLY is small and statistically indistinguishable from zero (the full results are reported in Appendix B). Threat-only years are thus not associated with a systematic increase in STATE J SANCTIONS, while imposed sanctions are. This placebo test strengthens confidence that the panel results are not driven by generic

conflict dynamics, but reflect a specific association between imposed sanctions by state *i* and retaliatory sanctioning behavior by state *j*.

In sum, the panel data analysis provides further support for the argument. By transforming the TIES dataset into a panel that captures time dynamics within dyads, the model isolates retaliation from broader patterns of economic conflict and strengthens the causal interpretation of the results.

5 Conclusion

This article has examined under what conditions sanctioned states adopt countersanctions, and to what extent materially weaker sender states can reduce the risk of such retaliation by acting through IOs. While the conventional wisdom associates the imposition of sanctions with materially powerful states, a significant proportion of sanctions originate from materially weaker senders—posing a puzzle for theories rooted in bargaining and material power asymmetries. Drawing on the distinction between material and institutional power, I argued that IOs can serve as amplifiers of state influence, especially for those lacking the economic capabilities to deter retaliation through material power.

The empirical analysis supports three main claims. First, weaker senders are more likely to face countersanctions (H1), as they are less able to deter retaliation through the threat of escalation. Second, sanctions that are backed by IOs are less likely to trigger retaliation (H2), as IO support strengthens coalitions and enhances the sanctions' perceived legitimacy. Third, this pacifying effect of IO support is larger for materially weaker senders (H3), indicating that IOs can mitigate the vulnerabilities weaker states face in geoeconomic conflicts with more powerful targets.

These findings contribute to several strands of scholarship. Within the sanctions literature, they challenge the assumption that economic coercion—and particularly the ability to secure IO

support for sanctions—is confined to materially powerful actors (Jeong, 2023). Within the IO literature, the findings further nuance the view that IOs primarily serve the interests of powerful states (Dreher et al., 2009; Steinberg, 2002; Stone, 2011). By showing how materially weaker states can reduce the risk of retaliation by leveraging IOs, the paper links the sanctions literature to a growing body of research on how weaker states 'punch above their weight' by exercising institutional power (Daßler et al., 2025; Jones et al., 2010; Manulak, 2024; Mesquita, 2024; Mikulaschek, 2016; Panke, 2012; Schneider, 2011; Snidal et al., 2024).

Further research on the conditions under which materially weaker states obtain IO support would be valuable. This study has treated institutional power, as reflected in the ability to secure IO backing, largely as given. While this assumption is not problematic for the empirical strategy deployed here, which focuses on the effects of IO support rather than its determinants, it does raise important questions about who holds institutional power. Existing work describes various strategies through which states can overcome material weakness by acting in and through IOs. Future research could examine when and how materially weaker states activate different institutional strategies to secure IO support for sanctioning stronger adversaries. In addition, future research could explore forms of retaliation beyond countersanctions, including the use of military force or retaliatory behavior within IOs—for instance, voting patterns at the United Nations, building on existing studies focused on how sanctions affect UN voting behavior (Adhikari, Mun, & Peksen, 2022; Lektzian & Biglaiser, 2023). Finally, the analysis highlights the limits of existing data on countersanctions. More fine-grained information on which sanctions imposed by targets qualify as countersanctions would allow for an even more precise assessment of retaliatory dynamics and is an important avenue for future research.

Beyond their academic contributions, the findings have important policy implications. Amid increasing geoeconomic tensions, the world economy is becoming more fragmented—a trend estimated to cost 5 to 12 percent of global GDP, with even higher costs for smaller economies forced to choose between rival economic blocs (IMF, 2023a; World Economic Forum, 2025). Economic sanctions are one important contributor to this trend, especially when they trigger escalating spirals of economic conflict. In line with the broad understanding of sanctions in the TIES dataset, this study treats sanctions as encompassing restrictions aimed at securing more favorable trade or policy concessions from foreign governments. Recent episodes that clearly fall within this scope include the Trump administration's 2025 use of punitive tariffs to seek concessions on issues ranging from drug trafficking and migration to trade agreements, and Chinese threats to retaliate by restricting exports of critical minerals.

At a time when the future of the institutionalized, U.S.-led international order is uncertain, the findings suggest that IOs can help sustain international peace and prosperity by defusing economic conflicts and lowering the likelihood of countersanctions. Except when adopting coercive measures against targets with only a fraction of their material capabilities, states across the power spectrum obtain tangible economic and political benefits by taking economic foreign policy decisions with and through IOs. The advantages of IO support increase with relative material weakness, but even in dyads characterized by approximate material parity, such as between the United States and China, the estimates suggest that IO backing reduces the predicted risk of retaliation by more than three quarters (Figure 1). Even if great powers increasingly choose to act unilaterally rather than through IOs, the findings suggest that coalitions of smaller states can still considerably improve their position by acting in and through IOs.

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Appendix

Appendix A: Robustness Tests with Probit and Heckman Probit

Table 3. *Standard probit including controls*

	(1) Probit with controls	(2) Incl. decade FEs
Weak sender (H1)	**0.160*** **	**0.166*** **
	(0.034)	**(0.035)**
IO support (H2)	**-0.781*** **	**-0.855*** **
	(0.234)	**(0.215)**
IO X weak sender (H3)	**-0.137** **	**-0.151*** **
	(0.043)	**(0.044)**
Rivalry	**0.136**	**0.195**
	(0.308)	(0.304)
Trade linkage	0.026***	0.026***
	(0.007)	(0.008)
Target democratic	-0.185	-0.154
	(0.168)	(0.164)
Aid suspension	-0.455	-0.327
	(0.412)	(0.447)
Major issue	-0.179	-0.039
	(0.173)	(0.216)
Constant	-1.286***	-1.765***
	(0.160)	(0.389)
Decade FEs	NO	YES
Selected observ.	—	—
Total observati.	1,032	1,032

Notes: Robust standard errors in parentheses; *** p<0.001, ** p<0.01, * p<0.05

Table 4. *Robustness Tests Heckman probit: types of weakness*

	Binary weakness		Sender 1 GDP only		COW material weakness	
	(1)	(2)	(3)	(4)	(5)	(6)
Dependent variable:	**Outcome** COUNTER-SANCTIONS	**Selection** IMPOSITION of initial sanctions	**Outcome** COUNTER-SANCTIONS	**Selection** IMPOSITION of initial sanctions	**Outcome** COUNTER-SANCTIONS	**Selection** IMPOSITION of initial sanctions
IO support (H2)	**-0.444***	-0.014	**-0.899*****	0.071	**-0.811*****	0.071
	(0.203)	(0.088)	**(0.189)**	(0.099)	**(0.189)**	(0.094)
Binary Weak Sender	**0.508****	-0.098				
	(0.173)	(0.108)				
IOxBinWeakSend	**-4.323*****	-0.117				
	(0.255)	(0.196)				
Weak Sender 1			**0.131*****	-0.041*		
			(0.032)	(0.017)		
IOxWeak Sender 1			**-0.172*****	0.055*		
			(0.038)	(0.025)		
Materially weak sender					**0.133*****	-0.027
					(0.033)	(0.018)
IO x Materially weak sender					**-0.156****	0.060*
					(0.052)	(0.029)
Unspecific demand		-0.422***		-0.421***		-0.373***
		(0.093)		(0.093)		(0.096)
Rivalry	0.207	-0.036	0.219	-0.019	0.240	-0.025
	(0.301)	(0.152)	(0.304)	(0.152)	(0.302)	(0.152)
Trade linkage	0.017*	-0.010*	0.023**	-0.011*	0.022*	-0.009
	(0.008)	(0.005)	(0.008)	(0.005)	(0.009)	(0.005)
Target democratic	-0.022	0.073	-0.100	0.073	-0.075	0.033
	(0.153)	(0.077)	(0.158)	(0.081)	(0.155)	(0.080)
Aid suspension	-0.598	-0.083	-0.386	-0.175	-0.437	-0.091
	(0.431)	(0.122)	(0.450)	(0.130)	(0.451)	(0.132)
Major issue	-0.152	0.174	-0.137	0.183*	-0.168	0.192*
	(0.208)	(0.091)	(0.210)	(0.091)	(0.206)	(0.090)
Constant	-2.032***	0.688***	-1.847***	0.617***	-1.842***	0.630***
	(0.406)	(0.152)	(0.416)	(0.151)	(0.417)	(0.150)
athrho		-0.087		0.008		-0.032
		(0.352)		(0.357)		(0.371)
Decade FEs	YES	YES	YES	YES	YES	YES
Selected observ.	1,032		1,032		1,027	
Total observati.	1,552		1,552		1,527	

Notes: Robust standard errors in parentheses; *** p<0.001, ** p<0.01, * p<0.05; equations 2, 4, and 6 include the THREAT DURATION (t, t^2, t^3) as instruments.

Table 5. *Robustness Tests Heckman probit: primary sender (reduced sample), sender FEs, issue type*

	Primary sender only (sub-sample)		Sender FEs		Issue type breakdown	
	(1)	(2)	(3)	(4)	(5)	(6)
Dependent variable:	**Outcome** COUNTER-SANCTIONS	**Selection** IMPOSITION of initial sanctions	**Outcome** COUNTER-SANCTIONS	**Selection** IMPOSITION of initial sanctions	**Outcome** COUNTER-SANCTIONS	**Selection** IMPOSITION of initial sanctions
Weak sender (H1)	0.170***	-0.048*	0.367***	-0.120***	0.177***	-0.057**
	(0.037)	(0.019)	(0.059)	(0.024)	(0.042)	(0.019)
IO support (H2)	-0.634*	-0.357*	-0.704*	0.047	-0.849***	-0.014
	(0.279)	(0.156)	(0.281)	(0.155)	(0.199)	(0.120)
IO X weak sender (H3)	-0.192***	-0.013	-0.237***	0.078**	-0.175***	0.030
	(0.054)	(0.034)	(0.066)	(0.029)	(0.049)	(0.028)
Unspecific demand		-0.392***		-0.343***		-0.379***
		(0.109)		(0.098)		(0.100)
Rivalry	0.076	-0.045	0.170	0.080	0.143	-0.117
	(0.316)	(0.170)	(0.371)	(0.170)	(0.299)	(0.158)
Trade linkage	0.025**	-0.011*	0.029***	-0.007	0.027**	-0.013*
	(0.008)	(0.005)	(0.008)	(0.005)	(0.008)	(0.005)
Target democratic	-0.103	0.128	-0.124	0.221*	-0.184	0.202*
	(0.168)	(0.096)	(0.196)	(0.091)	(0.182)	(0.086)
Aid suspension	-0.393	-0.141	-0.110	-0.292*	-0.122	-0.267
	(0.470)	(0.148)	(0.449)	(0.137)	(0.488)	(0.145)
Major issue	-0.026	0.139	0.223	0.395***		
	(0.242)	(0.118)	(0.245)	(0.109)		
Contain Military Behavior					-5.006***	0.924***
					(0.508)	(0.268)
Destabilize Regime					-0.721	1.189***
					(0.608)	(0.289)
Release Citizens, Property, or Material					-0.134	0.891**
					(0.573)	(0.310)
Solve Territorial Dispute					-0.317	0.813*
					(0.626)	(0.346)
Deny Strategic Materials					-0.716	1.578***
					(0.621)	(0.362)
Retaliate for Alliance or Alignment Choice					-0.798	0.687**
					(0.570)	(0.258)
Improve Human Rights					-0.813	0.705**
					(0.636)	(0.259)
End Weapons/Materials Proliferation					-0.297	-0.211
					(0.700)	(0.291)
Terminate Support of Non-State Actors					-0.592	1.055**
					(0.660)	(0.383)
Deter or Punish Drug TraÂ¢ cking Practices					-4.627***	0.071
					(0.520)	(0.411)

Improve Environmental Policies					-5.340***	0.369
					(0.582)	(0.306)
Trade Practices					-0.453	0.449
					(0.511)	(0.239)
Implement Economic Reform					-4.190***	0.308
					(0.660)	(0.326)
Other					-4.578***	0.602*
					(0.519)	(0.288)
Constant	-1.521***	0.572**	-1.687*	0.331	-1.151	-0.072
	(0.457)	(0.179)	(0.690)	(0.186)	(0.646)	(0.266)
athrho		-0.059		-0.384		-0.117
		(0.353)		(0.264)		(0.333)
Decade FEs	YES	YES	YES	YES	YES	YES
Sender FEs	NO	NO	YES	YES	NO	NO
Selected observ.	704		1,032		1,032	
Total observati.	1,108		1,552		1,552	

Notes: Robust standard errors in parentheses; *** p<0.001, ** p<0.01, * p<0.05; equations 2, 4, and 6 include the THREAT DURATION (t, t^2, t^3) as instruments.

Table 6. *Robustness Tests Heckman probit: EU, and IO support breakdown*

	IO support, incl. EU		IO support breakdown	
	(1)	(2)	(3)	(4)
Dependent variable:	**Outcome** COUNTER-SANCTIONS	**Selection** IMPOSITION of initial sanctions	**Outcome** COUNTER-SANCTIONS	**Selection** IMPOSITION of initial sanctions
Weak sender (H1)	**0.162*** **	**-0.061*** **	**0.154*** **	**-0.061*** **
	(0.036)	**(0.018)**	**(0.035)**	**(0.017)**
IO support, incl EU (H2)	**-0.863*** **	**-0.051**		
	(0.220)	**(0.117)**		
IO incl EU X weak sender (H3)	**-0.143** **	**0.011**		
	(0.044)	**(0.025)**		
Unspecific demand		-0.430***		-0.365***
		(0.094)		(0.098)
Rivalry	0.194	0.002	0.194	0.085
	(0.306)	(0.150)	(0.282)	(0.159)
Trade linkage	0.025**	-0.013**	0.026**	-0.014**
	(0.008)	(0.005)	(0.009)	(0.005)
Target democratic	-0.155	0.154	-0.189	0.116
	(0.160)	(0.083)	(0.166)	(0.087)
Aid suspension	-0.349	-0.238	-0.281	-0.313*
	(0.448)	(0.128)	(0.476)	(0.135)
Major issue	-0.038	0.134	-0.060	0.199
	(0.220)	(0.092)	(0.267)	(0.106)
IO support breakdown				
Commonwealth Secretariat			-3.379***	5.004***
			(0.571)	(0.177)
European Economic Community			-0.332	0.230
			(0.347)	(0.157)
EU			-4.388***	0.030
			(0.124)	(0.132)
International Atomic Energy Agency			-3.880***	5.474***
			(0.414)	(0.214)
International Monetary Fund			-3.685***	4.554***
			(0.618)	(0.132)
League of Arab States			0.641	-0.693*
			(0.628)	(0.316)
NATO			-4.116***	5.091***
			(0.338)	(0.128)
OECD			-3.497***	0.977*
			(0.428)	(0.404)
Organization for African Unity			-4.055***	4.417***
			(0.264)	(0.109)
Organization of Arab Petroleum Exporting			-4.403***	4.960***
			(0.311)	(0.240)

Countries (OAPEC)				
Organization of the Islamic Conference (OIC)			-4.946***	5.283***
			(0.424)	(0.197)
Pan American Union (OAS)			-4.243***	-0.640*
			(0.401)	(0.267)
United Nations			0.136	-0.904***
			(0.516)	(0.160)
World Trade Organization (WTO)			-4.990***	-0.084
			(0.210)	(0.336)
Constant	-1.766***	0.567***	-1.727***	0.723***
	(0.413)	(0.151)	(0.425)	(0.154)
athrho		0.014		-0.008
		(0.325)		(0.367)
Decade FEs	YES	YES	YES	YES
Selected observ.	1,032		1,032	
Total observati.	1,552		1,552	

Notes: Robust standard errors in parentheses; *** p<0.001, ** p<0.01, * p<0.05; equations 2 and 4 include THREAT DURATION (t, t^2, t^3) as instruments.

Table 7. *Robustness Tests Heckman probit: EU coded as IO until 1993 Maastricht Treaty, drop all EU IO observations*

	Maastricht		Subsample: No EU IO observations	
	(1)	(2)	(3)	(4)
Dependent variable:	**Outcome** COUNTER-SANCTIONS	**Selection** IMPOSITION of initial sanctions	**Outcome** COUNTER-SANCTIONS	**Selection** IMPOSITION of initial sanctions
***Weak sender** (H1)*	0.165***	-0.063***	0.162***	-0.058**
	(0.036)	(0.017)	(0.036)	(0.018)
***IO support** (H2)*	-0.851***	-0.061	-0.857***	-0.041
	(0.222)	(0.119)	(0.222)	(0.120)
***IO X weak sender** (H3)*	-0.147***	0.015	-0.148***	0.015
	(0.043)	(0.025)	(0.044)	(0.026)
Unspecific demand		-0.430***		-0.418***
		(0.094)		(0.095)
Rivalry	0.196	0.002	0.191	0.007
	(0.305)	(0.150)	(0.304)	(0.150)
Trade linkage	0.026**	-0.014**	0.025**	-0.013*
	(0.008)	(0.005)	(0.008)	(0.005)
Target democratic	-0.153	0.152	-0.155	0.160
	(0.160)	(0.082)	(0.161)	(0.083)
Aid suspension	-0.340	-0.245	-0.334	-0.200
	(0.446)	(0.128)	(0.455)	(0.131)
Major issue	-0.038	0.140	-0.040	0.137
	(0.220)	(0.092)	(0.221)	(0.093)
Constant	-1.771***	0.568***	-1.763***	0.551***
	(0.413)	(0.151)	(0.417)	(0.152)
athrho		0.015		0.008
		(0.323)		(0.342)
Decade FEs	YES	YES	YES	YES
Selected observ.	1,032		1,005	
Total observati.	1,552		1,511	

Notes: Robust standard errors in parentheses; *** p<0.001, ** p<0.01, * p<0.05; equations 2 and 4 include THREAT DURATION (t, t^2, t^3) as instruments.

Table 8. *Robustness Tests Heckman probit: multilateral sender coalition, excluded missing start date*

	Multilateral		Subsample: Excluded missing start date	
	(1) **Outcome** COUNTER-SANCTIONS	(2) **Selection** IMPOSITION of initial sanctions	(3) **Outcome** COUNTER-SANCTIONS	(4) **Selection** IMPOSITION of initial sanctions
Weak sender *(H1)*	**0.160*** **	-0.057**	**0.192*** **	-0.073***
	(0.035)	(0.018)	**(0.041)**	(0.018)
IO support *(H2)*	**-0.651****	-0.224	**-0.959*** **	-0.050
	(0.248)	(0.135)	**(0.226)**	(0.126)
IO X weak sender *(H3)*	**-0.155*** **	0.028	**-0.190*** **	0.020
	(0.047)	(0.025)	**(0.055)**	(0.027)
Unspecific demand		-0.437***		-0.431***
		(0.094)		(0.099)
Rivalry	0.150	0.027	0.327	-0.016
	(0.311)	(0.150)	(0.330)	(0.152)
Trade linkage	0.025**	-0.012*	0.028**	-0.011*
	(0.008)	(0.005)	(0.009)	(0.005)
Target democratic	-0.154	0.144	-0.174	0.118
	(0.159)	(0.082)	(0.181)	(0.086)
Aid suspension	-0.383	-0.176	-4.719***	-0.283*
	(0.444)	(0.129)	(0.720)	(0.132)
Major issue	0.031	0.098	-0.216	0.088
	(0.217)	(0.093)	(0.246)	(0.095)
Multilateral	-0.317	0.339**		
	(0.237)	(0.111)		
Constant	-1.674***	0.521***	-1.624***	0.577***
	(0.445)	(0.152)	(0.463)	(0.156)
Decade FEs	Yes	Yes	Yes	Yes
athrho		-0.003		-0.070
		(0.341)		(0.421)
Observations	1,552	1,552	1,434	1,434

Notes: Robust standard errors in parentheses; *** p<0.001, ** p<0.01, * p<0.05; equations 2, 4, and 6 include the THREAT DURATION (t, t^2, t^3) as instruments.

Table 9. *Robustness Tests Heckman probit: no fixed effect, year fixed effects*

	No period FEs		Year FEs	
	(1)	(2)	(3)	(4)
Dependent variable:	**Outcome** COUNTER-SANCTIONS	**Selection** IMPOSITION of initial sanctions	**Outcome** COUNTER-SANCTIONS	**Selection** IMPOSITION of initial sanctions
Weak Sender (H1)	**0.162*** **	-0.057***	**0.174*** **	-0.056**
	(0.034)	(0.017)	**(0.040)**	(0.019)
IO support (H2)	**-0.769** **	-0.118	**-1.028*** **	-0.075
	(0.258)	(0.111)	**(0.235)**	(0.140)
IO x weak sender (H3)	**-0.137** **	0.019	**-0.214*** **	0.013
	(0.043)	(0.024)	**(0.055)**	(0.029)
Unspecific demand		-0.318***		-0.427***
		(0.095)		(0.103)
Rivalry	0.136	0.007	0.219	0.074
	(0.307)	(0.149)	(0.377)	(0.184)
Trade linkage	0.026**	-0.013*	0.024	-0.014*
	(0.008)	(0.005)	(0.019)	(0.007)
Target democratic	-0.193	0.150	-0.066	0.149
	(0.165)	(0.081)	(0.169)	(0.096)
Aid suspension	-0.438	-0.242*	-0.459	-0.277
	(0.428)	(0.120)	(0.535)	(0.152)
Major issue	-0.192	0.227**	-0.006	0.091
	(0.178)	(0.082)	(0.257)	(0.109)
Constant	-1.235***	0.568***	-7.150	0.118
	(0.239)	(0.087)	(341.664)	(0.297)
athrho		-0.087		0.985
		(0.361)		(3.187)
Year FEs	NO	NO	YES	YES
Decade FEs	NO	NO	NO	NO
Selected observ.	1,032		1,032	
Total observati.	1,552		1,552	

Notes: Robust standard errors in parentheses; *** p<0.001, ** p<0.01, * p<0.05; equations 2, and 4 include THREAT DURATION (t, t^2, t^3) as instruments.

Appendix B: Robustness Tests with Bivariate Probit and Panel Data

Table 10. Bivariate probit robustness tests

VARIABLES	(1) Bivariate probit	(2) Bivariate probit	(3) Bivariate probit	(4) Bivariate probit	(5) Bivariate probit	(6) Bivariate probit
Weak sender (H1)	**0.124*** **	0.010	**0.166*** **	-0.034	**0.114** **	0.004
	(0.028)	(0.019)	**(0.041)**	(0.026)	**(0.035)**	(0.025)
IO support (H2)	**-1.108***		**-0.841^**		**-1.124*** **	
	(0.451)		**(0.601)**		**(0.332)**	
IO X weak sender (H3)	**-0.155*** **		**-0.150*** **		**-0.177*** **	
	(0.039)		**(0.044)**		**(0.046)**	
IO membership count		0.008***		0.007***		0.008***
		(0.000)		(0.001)		(0.001)
Rivalry			0.196	-0.033		
			(0.314)	(0.221)		
Trade linkage			0.026**	-0.018		
			(0.008)	(0.017)		
Target democratic			-0.153	-0.389**		
			(0.175)	(0.124)		
Aid suspension			-0.322	-1.041***		
			(0.494)	(0.209)		
Major issue			-0.040	-0.164		
			(0.198)	(0.138)		
Issue type breakdown						
1) Contain Political influence						*Reference category*
2) Contain Military Behavior					-0.251	1.268*
					(0.584)	(0.565)
3) Destabilize Regime					-0.539	0.253
					(0.606)	(0.586)
4) Release Citizens, Property, or Material					0.294	0.406
					(0.591)	(0.590)
5) Solve Territorial Dispute					-0.098	0.085
					(0.661)	(0.648)
6) Deny Strategic Materials					-0.463	0.315
					(0.649)	(0.577)
7) Retaliate for Alliance or Alignment Choice					-0.202	0.965
					(0.572)	(0.554)
8) Improve Human Rights					-0.535	0.810
					(0.628)	(0.557)
9) End Weapons/Materials Proliferation					-0.055	-1.249
					(0.669)	(0.867)
10) Terminate Support of Non-State Actors					-0.050	0.496
					(0.652)	(0.667)
					-4.423***	-3.990***

11) Deter or Punish Drug Trafficking Practices					(0.480)	(0.570)
12) Improve Environmental Policies					-4.780*** (0.535)	-0.169 (0.587)
13) Trade Practices					-0.052 (0.506)	0.340 (0.562)
14) Implement Economic Reform					-4.309*** (0.583)	1.174 (0.755)
15) Other					-4.429*** (0.517)	-0.023 (0.610)
athrho		0.189 (0.372)		-0.012 (0.486)		0.175 (0.253)
Constant	-1.862*** (0.310)	-2.121*** (0.169)	-1.766*** (0.410)	-2.088*** (0.241)	-1.833** (0.587)	-3.086*** (0.576)
Observations	1,158	1,158	1,032	1,032	1,158	1,158

Notes: Robust standard errors in parentheses; *** p<0.001, ** p<0.01, * p<0.05, ^p<0.1; equations 2, 4, and 6 include the THREAT DURATION (t, t^2, t^3) as instruments.

Table 11. Fixed-effects panel models (full results)

Dependent variable = **STATE J SANCTIONS**	**(1) Weak sender**	**(2) IO**	**(3) Full**	**(4) Controls**
Initial sanctions (state i)	0.052***	0.033***	0.060***	0.070***
	(0.011)	(0.008)	(0.013)	(0.019)
Initial sanctions × weak sender	**0.008*** **		**0.011*** **	**0.013*** **
	(0.002)		**(0.003)**	**(0.003)**
Initial sanctions × IO support		**-0.018***	**-0.032**	**-0.035**
		(0.010)	**(0.021)**	**(0.025)**
Weak sender × IO support			**-0.009**	**-0.007**
			(0.015)	**(0.016)**
Initial sanctions × IO support × weak sender			**-0.008****	**-0.011****
			(0.004)	**(0.005)**
Rivalry				0.011
				(0.015)
Rivalry × initial sanctions				0.024
				(0.029)
Trade linkages				-0.000
				(0.000)
Trade linkages × initial sanctions				0.001
				(0.001)
Target democracy				0.056***
				(0.012)
Target democracy × initial sanctions				0.043**
				(0.017)
Aid suspension				-0.005
				(0.010)
*Major i*ssue				0.009
				(0.013)
Constant	0.062***	0.023***	0.064***	0.028
	(0.019)	(0.001)	(0.021)	(0.023)
Observations	20,180	22,077	20,180	17,808
Number of dyads	1,922	2,007	1,922	1,731

Notes: Robust standard errors in parentheses; standard errors clustered by DYAD; *** p<0.01, ** p<0.05, * p<0.10.; Models were estimated using Stata's factor-variable notation, which includes the full set of lower-order terms and interactions between initial sanctions (state i) and the control variables. Some of the higher-order control interactions are normalized to zero or absorbed by the intercept and main effects and therefore do not appear as separate non-zero coefficients in the table.

Table 12. Placebo fixed-effects panel model: imposed sanctions vs. threat-only treatment

Dependent variable = **STATE J SANCTIONS *(imposed)***	(1) Imposed sanctions vs. threat-only treatment
***Initial sanctions (state i)* (imposed)**	**0.026*** **
	(0.005)
***Threat only* (placebo)**	**0.008**
	(0.007)
Constant	0.023***
	(0.001)
Observations	22,077
Number of DYADs	2,007

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.10

Appendix C: Additional Descriptive Statistics

Imposition and Countersanctions

The table below reports the distribution of countersanctions across sanction threats that do and do not escalate to imposition in the Heckman risk set. Most countersanctions occur in episodes where sanctions are actually imposed (50 of 73 cases), but a minority (23 cases) arise when sanctions are not imposed. I interpret these latter cases as instances in which targets respond to threats or very early stages of sanction episodes. As explained in Section 3.4, these threat-stage countersanctions enter only the selection equation in the Heckman model and are not used to estimate the outcome equation.

Table 13. Imposition and Countersanctions

	Countersanctions = 0	**Countersanctions = 1**	**Total**
Imposition = 0	711	23	734
Imposition = 1	1,223	50	1,273
Total	1,934	73	2,007