

**FEDERALISM AND DEMOCRATIC CONSOLIDATION IN RUSSIA AND
BEYOND**

by

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Dedication

To my parents

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Abstract

This dissertation examines the role subnational elites played in building national political parties. The dissertation advances the existing literature on party building (Aldrich 1995, Chhibber and Kollman 2004, Hale 2006, Desposato and Scheiner 2008) in several respects. First, it brings to the foreground a set of actors--regional governors--who have been previously ignored by the existing party-building literature. These actors have institutional resources, name recognition, and social capital that serve as the foundation for top-down construction of political parties because they become substitutes for mass-partisanship and salient socioeconomic cleavages that usually anchor political parties to the electorate. Second, it underscores the importance of political communication in the party building process, the value of which has escaped the existing literature on coalition maintenance in clientelistic regimes and/or dominant party states (Green 2007, Stokes 2005). Third, the dissertation advances scant literature on the quality of representation and governance in emerging democracies (Stoner-Weiss 1997).

CHAPTER 1 INTRODUCTION

In his seminal *Democracy in America*, Alexis de Tocqueville observed that U.S. federal institutions are sustained not by the letter of the law but by the democratic spirit of the people, their commitment to self-governance, their profound knowledge of state and national governmental powers, and a geographic location that shields the country from major wars. He also warned other nations against copying the U.S. constitution because it might fail to produce similar outcomes.¹ Although two centuries have elapsed since de Tocqueville made this insightful observation, political science still lacks a theory of the impact of federalism on democratic consolidation. This gap is unfortunate because an increasing body of literature suggests that federal institutions may have hindered democratic consolidation in third-wave democracies.²

This dissertation examines the impact of federalism on democratic consolidation through the prism of Russia's derailed transition to democracy. In the blink of an eye, Russia metamorphosed from a pluralist regime into a political system in which regularly-held elections serve to conceal suppression of opposition parties, frequent interrogations of NGOs by tax police, sporadic instances of electoral fraud, and tight state control over the mass media. At first, this transformation appeared to be orchestrated single-handedly by President Vladimir Putin, who after eight years in office left the country more centralized, less democratic, and more hostile to the west. Yet a closer examination

¹*Democracy in America*, translated by George Lawrence (New York: Harper and Row Inc., 1966), pp 152-172.

² Edward Gibson, "Boundary Control: Subnational Authoritarianism in Democratic Countries," *World Politics* 58, (October 2005): 101-32; Rebecca Bill Chavez, "The Construction of the Rule of Law in Argentina: A Tale of Two Provinces," *Comparative Politics* 35 (July 2003); Richard Snyder, "After the State Withdraws: Neoliberalism and Subnational Authoritarian Regimes in Mexico," in *Subnational Politics and Democratization in Mexico*, ed. W. Cornelius, T. Eisenstadt, and J. Hindley (La Jolla, CA: Center for U.S.-Mexican Studies, University of California, San Diego, 1999).

reveals that federal institutions partially contributed to the rise of a quasi-authoritarian state.

As in Southern Europe and Latin America, democratization in Russia was initiated by elites who crafted democratic institutions and handed them down to a passive electorate that did not always share the same democratic ideals. Given that the elite consensus served as one of the major factors promoting democratic reforms, federal institutions facilitated democratization at first by allowing the liberal reformers to keep divisive issues (including implementation and timing of reforms) off the negotiation table and letting regional officials work out troublesome details.

This strategy backfired, however, because it transformed regional elites into vociferous supporters of the status quo, which permitted abuses of public office for personal gain. Subsequently, regional elites altered the trajectory of Russia's democratization by distorting institutional reforms that should have strengthened democracy. The reforms abolished single-member districts used between 1995-2003 to elect national legislators, mandated nationwide creation of regional party branches, and increased campaign and party finances transparency. In theory, these reforms should have reinforced democratization because they were aimed at making parties more cohesive and better connected to the electorate. In practice, however, these reforms strengthened party discipline in the parliament without making parties more programmatic, increased the number of party branches in the regions without at the same time promoting interaction between parties and voters, integrated national and regional party organizations without improving government accountability.

This study seeks to explain why the reforms went astray by considering gubernatorial involvement in national elections and national policy making. From the onset gubernatorial support toward the presidential party, United Russia, took a form unprecedented for Western countries: governors ran on the United Russia ticket, duly won seats but then voluntarily abdicated them in favor of candidates ranked lower on the party ballot. In 1999, only 5 of 89 governors were involved in such swapping of seats; by 2007 this number increased to 64.

The first empirical chapter depicts elections as an intra-elite bargaining process that occurs without regard to constituents interests. It illustrates how opaque nature of

candidate nomination and inadequate party and election finance laws gave rise to special interest coalitions dominated by regional governors. Party bosses had to coalesce with governors to compensate for inadequate partisan resources and in exchange, made the governors de facto gatekeepers to the ballot. This chapter reveals fundamental difference in intra-party politics between Russia and Western democracies. In the West, intra-party conflicts unfold over “policy, office, or votes,” while in Russia exchange of personal favors between governors and Moscow constitutes the essence of intra-party bargaining.³

The second empirical chapter examines how these special-interest coalitions were able to mobilize popular support. Governors cued the masses on how to vote by creating an information blockade around the opposition candidates and also by appealing to voter regional identities. They emphasized that the specific party would represent the best regional interests. As rational actors, voters weighted gubernatorial endorsements against the costs of obtaining unbiased information about the opposition candidates. Voters who faced steep costs of collecting this information, voted for the party endorsed by the governor, voters who could easily obtain the information about other parties were less prone to gubernatorial cueing.

The third empirical chapter shifts attention from elections to policy-making. Since governors served as intermediaries between voters and national parties during elections, this chapter examines the extent of gubernatorial influence on legislator voting behavior. The chapter shows that legislators elected with gubernatorial help were more likely to support measures that advanced gubernatorial narrow interests even when these bills hindered regional democratization.

These three chapters reveal that gubernatorial involvement in national elections distorted incumbent-constituents linkages. Gubernatorial political machines reduced party leaders’ incentive to reach out directly to voters and encouraged parties compete instead for gubernatorial support. However, when the elections were over, governors remained aloof from the national-policy making process, while disorganized voters lacked any meaningful channels for reaching incumbents in Moscow.

³ Wolfgang C. Müller and Kaare Strøm, *Policy, Office, or Votes?: How Political Parties in Western Europe Make Hard Decisions* (Cambridge and New York: Cambridge University Press, 1999).

Although this dissertation is based on data from one country only, its implications extend beyond Russian borders because it advances the literature on democratization in three respects. Unlike previous studies, which dichotomized their dependent variable as democracy and non-democracy, this study focuses on a quasi-democratic regime that holds regular elections but lacks such other key democratic attributes as an impartial state and the rule of law, autonomous civic and economic societies, and free mass media.⁴ In the mid-1990s, political scientists considered such regimes as transitory outcomes, but now an increasing number of scholars argue that partial democratization became a permanent condition in many countries world-wide.⁵ This study explains how such a partial democratization can be sustained.

This study also shows how federalism shapes intra-elite bargaining over the choice of regime and, in doing so, generates a set of hypotheses about the relationship between federalism and democracy relevant to the debate on democratic consolidation in third-wave democracies and the literature on political development of the United States.⁶ These hypotheses cannot be generated on the basis of the existing theories of democratization because they assume that negotiation over the type of regime takes place in an institutional vacuum and that therefore the actors who control the state have homogeneous preferences. This study places heterogeneity of state actors' preferences in the center of analysis and goes on to illustrate how alternative federal arrangements affect actors' preferences for the type of regime.

Finally, this dissertation integrates the existing studies of center-periphery relations and party politics in Russia into the mainstream comparative literature on institutional determinants of political behavior.⁷ Although Latin American countries and

⁴ Adam Przeworski, "Democracy as A Contingent Outcome of Conflicts," in Jon Elster and Rune Slagstad, eds, *Constitutionalism and Democracy* (New York: Cambridge University Press, 1993); Carles Boix, *Democracy and Redistribution* (New York: Cambridge University Press, 2003); Daron Acemoglu and James Robinson, *Economic Origins of Democracy* (New York: Cambridge University Press, 2006).

⁵ Larry J. Diamond, "Thinking About Hybrid Regimes," *Journal of Democracy* 13 (April 2002): 21-35; Andreas Schedler, ed., *Electoral Authoritarianism* (Boulder, CO: Lynne Rienner Publishers, Inc., 2006)

⁶ Scott Mainwaring, Guillermo O'Donnell, and J. Samuel Valenzuela, *Issues in Democratic Consolidation: The New South American Democracies in Comparative Perspective* (Notre Dame: University of Notre Dame Press-Helen Kellogg Institute for International Studies, 1992); Robert Mickey, *Paths Out of Dixie: The Democratization of Authoritarian Enclaves in America's Deep South, 1944-1972* (Princeton, NJ: Princeton University Press, forthcoming).

⁷ Daniel S. Treisman, *After the Deluge: Regional Crises and Political Consolidation in Russia* (Ann Arbor, MI: University of Michigan Press, 1999); Kathryn Stoner-Weiss, *Resisting the State: Reform and*

Russia face similar obstacles to democratic consolidation -- over-powerful presidents, under-institutionalized parties, weak civic society, and rampant corruption, studies about Latin American and Russian political development have been conducted in isolation from each other.⁸ This project illustrates how federalism can be used as a unifying theme for a comparative analysis of the challenges to democratic consolidation world-wide.

Retrenchment in Post-Soviet Russia (New York: Cambridge University Press, 2006); Henry E. Hale, *Why not Parties in Russia? Democracy, Federalism, and the State* (Cambridge and New York: Cambridge University Press, 2006); Grigorii V. Golosov, *Political Parties in the Regions of Russia: Democracy Unclaimed* (Boulder, CO: Lynne Rienner Publishers, 2004); Regina Smyth, *Candidate Strategies and Electoral Competition in the Russian Federation: Democracy without Foundation* (New York, NY: Cambridge University Press, 2006).

⁸ Edward Gibson, ed., *Federalism and Democracy in Latin America* (Baltimore: Johns Hopkins University Press, 2004); David Samuels, *Ambition, Federalism, and Legislative Politics in Brazil* (Cambridge and New York: Cambridge University Press, 2003).

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CHAPTER 2

GOVERNORS AS POSTER-CANDIDATES IN RUSSIA'S LEGISLATIVE ELECTIONS, 2003-2008



Source: *Noviye Izvestiya* (October 12, 2006)

Abstract:

This paper advances the literature on democratization and federalism by showing that federal institutions can create incentives and open opportunities for the formation of rent-seeking coalitions between regional incumbents and national party bosses. It develops a simple game theory model to predict when such coalitions will be formed and tests it using a unique panel dataset on Russian party finances, regional elites' backgrounds, and regional socioeconomic conditions. The paper finds that these coalitions are more likely to form when national political parties lack adequate resources and when regional elites have heterogeneous interests. The findings of the paper challenge the conventional wisdom that subnational governments serve as training grounds for national elites.

Introduction

Over the past decade, scholarly interest in the relationship between federalism and democracy intensified worldwide as evidence accumulated that the Third Wave of democratization was at best superficial and failed to eliminate authoritarian rule at the

subnational level.¹ Partial democratization resulted from the devolution of decision-making authority to the subnational governments, unaccompanied by concurrent strengthening of the mechanisms for keeping incumbents accountable to electorates. This mismatch created a strong incentive for regional actors to preserve the status quo and to delay building national political parties, an independent judiciary, a free mass media, and other institutions required for democratic consolidation. The resistance of subnational actors to democratic consolidation then gives rise to the following question: How to persuade local elites who benefited from partial reforms to participate in building of new democratic institutions while at the same time shielding already existing ones from contamination by authoritarian practices?

This study addresses this question through the prism of Russia's failed transition to democracy. When President Putin assumed office in 2000, his goal became to create a party system with nation-wide geographic coverage, which he achieved by attracting regional elites to the United Russia party.² However, regional elite support manifested itself in a peculiar form: they ran on the United Russia ticket, won votes, but after having qualified for parliamentary seats, abdicated them in favor of candidates ranked lower on the party ballot. In both 2003 and 2007 Duma elections, one third of United Russia

¹ David Samuels, "Federalism and Democratic Transitions: The "New Politics of the Governors in Brazil," *Publius* 30 (Spring 2000); Edward Gibson, *Federalism and Democracy in Latin America* (Baltimore: Johns Hopkins University Press, 2004); Rebecca Bill Chavez, "The Construction of the Rule of Law in Argentina: A Tale of Two Provinces," *Comparative Politics* 35 (July 2003); Vladimir Gel'man and Tomila Lankina, "Authoritarian Versus Democratic Diffusions: Explaining Institutional Choices in Russia's Local Government," *Post-Soviet Affairs* 24 (January 2008): 40-62; Edward L. Gibson, "Boundary Control: Subnational Authoritarianism in Democratic Countries," *World Politics* 58 (October 2005):101-32; Patrick Heller, "Degrees of Democracy: Some Comparative Lessons from India," *World Politics* 52 (July 2000): 484-519; Kelly M. McMann, *Economic Autonomy and Democracy: Hybrid Regimes in Russia and Kyrgyzstan* (New York, NY: Cambridge University Press, 2006); Ariane Lambert-Mogiliansky, Konstantin Sonin, and Ekaterina Zhuravskaya, "Are Russian Commercial Courts Biased? Evidence from Bankruptcy Law Transplant," *Journal of Comparative Economics* 35 (June 2007):254-77; Richard Snyder, "After the State Withdraws: Neoliberalism and Subnational Authoritarian Regimes in Mexico," in *Subnational Politics and Democratization in Mexico*, ed. W. Cornelius, T. Eisenstadt, and J. Hindley (La Jolla, CA: Center for U.S. -Mexican Studies, University of California, San Diego, 1999); Kathryn Stoner-Weiss, *Local Heroes: The Political Economy of Russian Regional Governance* (Princeton: Princeton University Press, 1997).

² Ora John Reuter and Thomas Remington, "Dominant Party Regimes and the Commitment Problem: The Case of United Russia," *Comparative Political Studies* 42 (April 2009): 501-526.

candidates eligible to become national deputies turned down this opportunity, making it possible for candidates ranked lower on the party ballot to get seated.³

Party bosses' behind the scenes manipulation who gets to serve as a Duma deputy severely compromised the essence of elections as "instruments of democracy." As Powell points out, in a proportional system, elections present voters with an opportunity to choose delegates who will bargain on their behalf with other parties.⁴ The replacement of elected candidates by actors unfamiliar to the electorate deprives voters of their delegates, thus destroying the links between incumbents and constituents and undermining popular trust in political parties. Furthermore, it reduces legislative professionalism because instead of sending professional politicians to the national parliament, the ruling party distributes seats to candidates with little or no policy-making experience.

How did this practice arise in Russia? Why did professional politicians agree to enter electoral competition if they did not seek a seat in a higher office? How does this practice affect the quality of governance? Russia is not the only country that has witnessed this phenomenon. The United States and Columbia in the past and Brazil in the present have also struggled to retain in the office candidates who won congressional seats. Since the Congress had fewer patronage and pork resources than state assemblies, politicians used national legislature as an opportunity to jumpstart their political careers in the state. Centralization of powers by the national government made this practice extinct in Columbia and the U.S.⁵ Russia's experience, however, deviates from this trend because the phenomenon of surrendered seats became more prevalent after more power became consolidated in Moscow.

I begin by discussing the institutional and attitudinal channels that enabled regional politicians influence the outcomes of national elections. I then develop a game theory model that provides insights into how intra-elite competition affected the

³ "Central Election Commission of Russian Federation, Decree N 72/620-4 (December 24, 2003)" *Rossiiskaya Gazeta* (December 27, 2003); "Gosduma Kotoruyu Ne Vybirali," *Gazeta.ru* at <http://www.gazeta.ru/politics/elections2007/articles/2424868.shtml> (February 16, 2008)

⁴ G. Bingham Powell, Jr. *Elections as Instruments of Democracy* (New Haven: Yale University Press, 2000).

⁵ David Samuels, *Ambition, Federalism, and Legislative Politics in Brazil* (Cambridge: Cambridge University Press, 2003), Chapter 3; James Sterling Young, *The Washington Community 1800-1828* (New York: Columbia University Press, 1966), pp. 86-90; James L. Payne, *Patterns of Conflict in Colombia* (New Haven: Yale University Press, 1968).

probability of alliance between regional office holders and the presidential party. I test the predictions of the model using a unique dataset on party finances. I conclude by discussing the relationship between federalism and democratic consolidation.

This paper contributes to the literature on democratic consolidation, political parties, and federalism by uncovering conditions without which democracy cannot flourish in a federal state. The key implication of this study is that regional politicians' aspirations for national office combined with compatible distribution of resources between national parties and regional incumbents create a solid foundation for democratic consolidation. Local politicians' national ambitions expand the pool of qualified candidates who can challenge national officeholders, while compatible distribution of resources between national parties and regional incumbents promotes merit-based selection of candidates.

Part I: Governors and Mayors in National Elections

For their help with voter mobilization, the candidates who run but subsequently abdicate their seats are referred to by the Russian media as “locomotives” (*parovozi*) that head a train and propel the movement of the attached cars, but retreat to the roundhouse as soon as the election ends. Although the metaphor of a locomotive-candidate is commonly used by the Russian media, I will refer hereafter to candidates who win seats but decline to become deputies as “poster-candidates.” A within-party transfer of seats is possible because Russia uses a proportional system with multi-member districts and thus the transfer of seats does not require holding an additional election. But there are two loopholes that allow parties to abuse the system: the absence of penalties for the party when its candidates surrender their seats and the constitutional ambiguity that allows incumbents to run for a second office while still holding a first. This legal void became first glaringly apparent in 2006 regional elections when the Folk Will party (*Narodnaya Volya*) nominated its leader as a candidate on the ballot simultaneously in six electoral districts.⁶ A year later, in the 2007 Duma elections United Russia pushed this practice even further by nominating the incumbent president Vladimir Putin on its ballot as one of the candidates for a legislative seat.

⁶ Kira Vasil'eva, “Postoy, ‘Parovoz’: S Podstavnimi Kandidatami v Partiynikh Spiskakh Ustal Borot'sya Dazhe TsIK,” *Noviye Izvestiya*, October 12, 2008.

In the light of these abuses, Alexander Vishnyakov, the head of the Central Election Commission, lobbied the Duma in vain to close this loophole by introducing penalties for parties whose candidates refuse to become deputies. However, his effort failed because the proposed changes would primarily have impacted on United Russia, the party with the highest number of poster candidates. In 2003, 39 percent of candidates nominated on the United Russia ballot declined to get seated, compared to 2 percent for the Communist Party (KPRF) and none for Liberal Democratic Party (LDPR). Similarly, in 2007, United Russia nominated a substantially greater number of poster candidates than the two other parties (Table 2-1).

The effects of selection process on the quality of representation can be assessed by comparing professional backgrounds of poster candidates with the candidates sent to parliament instead of them (Table 2-2). While regional officials comprised an overwhelming majority of poster candidates (74.5 %), 24 percent of their seats were transferred to businessmen and 40 percent to national officeholders. The fact that businessmen enter the Duma through the backdoor opened by poster candidates is unsurprising in the light of anti-business attitudes of the electorate. But the prevalence of national policymakers among candidates who got reelected with the help of poster candidates points to the weakness of links between national deputies and their constituents.

Out of all regional officials, the heads of regions, governors, were most likely to run as poster candidates. In 1999, they accounted for 88 percent, in 2003, for 75 percent, and in 2007 for 63 percent of poster candidates. Governors also ran as poster candidates in 39 regional elections held between 2004 and 2008.

Governors have more patronage resources than national officeholders because they control *de facto* federal employees by providing them with office space and housing, and other perquisites of office.⁷ This allows governors to turn state resources into electioneering tools. As Hale shows, governors rely on their political machines not only to secure office for themselves but also to get national legislators elected. Governors'

⁷ Kathryn Stoner-Weiss, *Resisting the State: Reform and Retrenchment in Post-Soviet Russia* (New York, NY: Cambridge University Press, 2006).

political machines are especially effective on the periphery as well as in regions with a high percentage of population receiving monetary transfers from the state.⁸

Russian scholars frequently refer to governors' political machines as "administrative resources" (*administrativniy resurs*); i.e., the situation in which incumbents exploit the state.⁹ Governors tailor administrative resources to the specific stages of a campaign. At the registration stage, governors, who appoint the heads of the Regional Election Commissions (REC), can use their control over the RECs to increase the costs of entry to the opposition parties. Numerous newspaper articles suggest that the RECs employ double standards while reviewing the paperwork submitted by the opposition and pro-Kremlin candidates.¹⁰ At the campaigning stage, governors can create an information blockade for the opposition by restricting its access to local TV stations, social events, and workplaces. Governors can also slow down the campaign of the opposition parties by sending tax police to their campaign office to examine financial records.¹¹ On the day of election, gubernatorial staffs work the polling stations to inflate both turnout and party vote share.

Besides administrative resources, name recognition is another factor that makes governor a valuable ally to the party he decides to support. In the western political science literature, it is a convention to think of party labels as information shortcuts. The acquisition of information about candidates is costly, and voters use party labels as shortcuts for deciding whom to vote for.¹² In Russia, the situation is reversed because parties are numerous, ephemeral, and non-programmatic. In 2003, 32 parties competed for the national office, and in 2007, 11. As survey evidence suggests, bewildered voters

⁸ Henry Hale, "Correlates of Clientelism: Political Economy, Politicized Ethnicity, and Post-Communist Transition," ft. 3 supra.

⁹ For a discussion of similar practice at the national level see Anna Grzymala-Busse, "Political Competition and the Politicization of the State," *Comparative Political Studies* (December 2003); Andrey Y. Chuklinov, "Administrativniy Resurs: Problemi Upravlencheskogo Metoda," *Otechestvenniye Zapiski* 2 (2004) at http://magazines.russ.ru/oz/2004/2/2004_2_29-pr.html (February 3, 2008).

¹⁰ Viktor Khamrayev, "The Russian Federation. Elections: 'A Precedent With Far-Reaching Consequences,'" *The Current Digest of the Post-Soviet Press* 40 (November 1, 2006); Nabi Abdullaev, "Battling to Get Back on Ballot," *The Moscow Times* (January 30, 2007): 3; "Stat' Deputatom ot Lyuboy Partii Udovol'stviye ne Deshevoe," at <http://www.compromat.ru/main/duma/mestavspiske.htm> (January 12, 2008).

¹¹ O.A. Matveychev and V.Y. Novikov, *Predvibornnaya Kompaniya: Praktika Protiv Teorii* (Yekaterinburg: The University of Ural Press, 2003), Chapter 3 at <http://www.matveychev.ru> (February 3, 2008).

¹² Richard R. Lau and David P. Redlawsk, "Advantages and Disadvantages of Cognitive Heuristics in Political Decision Making," *American Journal of Political Science* 45 (4) (October 2001): 951-71.

frequently lack a feel for party policy positions, and, hence base their choices on other heuristics, such as party leaders' personalities.¹³ Governors' names on a ballot can have a similar cuing effect because their endorsements of candidates do not go unnoticed. When, after the 2003 Duma election, respondents were asked if governors supported any party, 56 percent (n=341) of respondents were able to correctly recall the party's name.¹⁴ Respondents' attitudes toward parties and governors provide additional evidence that governors' names on ballots may increase party popularity. Surveys reveal that respondents rank governor influence higher than political parties. Table 2-3 compares the frequency distribution of responses to questions about the relative importance of parties and governors. Between 13 and 15 percent of respondents consider governors important political actors in Russia's politics, but only slightly more than 5 percent think that political parties are "very important." Thus, by placing a governor on a ballot the party may increase its credibility among the electorate, especially among voters in rural areas who tend to be less educated and less politically knowledgeable and voters distant from Moscow who seldom interact with national policymakers.

Governors' names are more familiar to voters than party policy positions not only because governors are less numerous but also they have been in office longer than most of the parties. In December 2007, an average gubernatorial term was seven years, whereas, only two parties in the 2007 Duma election (KPRF and LDPR) have been in office for more than seven years.

Incumbent governors can be grouped into three cohorts based on the time their first term began: the old guards, populists, and loyalists. The old guards cohort comprises seven regional leaders who have been in office since 1991 or 1992 and were recruited from the former members of the Soviet *nomenklatura* even before the ratification of the democratic constitution. Neither the introduction of popular elections for governors in 1996, nor President Putin's reform that abolished gubernatorial elections affected the political destinies of this "magnificent seven." These seven governors built their own regional parties, won several successive elections, and, later, got reappointed by President

¹³ Henry E. Hale, "Parties to Manipulation: Russia as a Case Study in Hybrid Regime Partisanship," Paper Presented at the AAASS annual meeting, 2007, p. 12; Ted Brader and Josh Tucker, "It's Nothing Personal? The Appeal of Party Leaders and the Development of Partisanship in Russia," at <http://as.nyu.edu/object/JoshuaTucker.html>.

¹⁴ Author's estimates using Colton's survey data.

Putin.¹⁵ The populist cohort is the most numerous and comprised 49 governors who came to office in the mid-1990s after winning the first-ever Russia's gubernatorial elections. Thus, their political fortunes were closely linked to regional economies and they were more likely to get reelected in regions where real wages grew faster than the national average. They won votes by pressing businessmen to share profits with workers and by increasing budgetary outlays to public sector employees.¹⁶ The loyalist cohort comprises 25 governors who were appointed by Putin after 2004, the year when gubernatorial elections were abolished. This group includes prominent businessmen and former members of the president administration and the cabinet.

The above classification of governors suggests that in 2007, at the time when United Russia was only entering its second election, 75 percent of the governors had been in office for longer than the party. They could present to the electorate a long list of accomplishments that was more impressive than party platforms. Therefore governors' names on the United Russia ballot functioned to increase party credibility.

Part II: Governors and their Rivals: Regional Party Bosses and Mayors

This section explains why governors enter elections but then abdicate their seats. Access to patronage resources constitutes one of these motivations. In the political science literature, the term "patronage" is a convention describing the distribution of positions in the public sector in exchange for votes. In Russia, however, slots on a party ballot are an alternative method of awarding constituents. Lobbying by professional organizations is still in a nascent stage in Russia; therefore, many large business corporations seek to influence policy outcomes by turning their top executives into Duma deputies. They are even willing to bribe party leaders to get nominated. According to informal sources, safe slots on the LDPR ballot were sold for as much as \$5 million in the 2007 Duma election and between \$70,000 and \$230,000 in regional elections.¹⁷ So, the

¹⁵ Y.A. Solov'yev, *Vizhivshiy Regional'nyy Lider Epokhi Peremen* (Moscow: Al'pina Business Books, 2006); Institut Sovremennoy Politiki, *Vlast': Gubernatori Rossii* (Moscow: SOLID Press, 1996).

¹⁶ Andrew Konitzer, *Voting for Russia's Governors: Regional Elections and Accountability under Yeltsin and Putin* (Washington D.C.: Woodrow Wilson Center Press, 2005), pp. 160-69.

¹⁷ Pavel Tolstikh, "Lobbisty Chetvertogo Soziva," Russia's center for the Studying of Business Governmnet Relations (December 10, 2007) at <http://www.lobbying.ru/index.php?article_id=2525&link_id=16> (February 7, 2008); Igor' Bel'skikh, "Mesto v Spiske," *Delovoe Povolzh'ye* (July 22, 2005); Valeriy Tseplayev, "Analis: Tayni Partiynikh Spiskov," *Argumenty i Fakty* (October 13, 1999); Mikhail V'yugin, "Politica-Economica: Zamikaniye v Yacheyke," *Vremya Novostey* (November 8, 2005):

actors who control the access to party ballot can enrich themselves by granting slots selectively to businessmen and other special interests.

Opaque process of candidate selection facilitates such abuses. Candidates are nominated at party caucuses, ironically called “primaries,” and restrict the number of actors who can vote on potential nominees to a handful of specially designated delegates from local party branches. Delegates cast votes usually on already prepackaged slates of candidates.

Parties grant the power to organize party caucuses and select candidates to party first secretaries (hereafter, party bosses) who control the nomination process. Party bosses are elected by rank-and-file party members to manage party regional branches. Since these positions are unpaid, party bosses also hold regular jobs. In one third of the regions, party bosses are regional deputies or speakers in regional assemblies, in the other third, they are employed in non-profit sector, and only in three regions are these positions held by governors. Since the party leadership relies on party as an instrument of oversight over governors, governors’ control of party organization is strongly discouraged by Moscow (Table 2-4).

Formal Model of Candidate Selection

The process of candidate selection can be represented by a simple sequential game of complete and perfect information involving two players: Party Boss and Governor. Party Boss moves first by offering Governor the number of slots on the party ballot: $g \in [0, N]$, where N is the total number seats contested. After observing g , Governor rejects (R) or accepts (A). The payoffs are as follows:

	Governor accepts	Governor rejects
Governor	g	w_G
Party Boss	$w_c - g$	w_0

where, w_G is Governor’s reservation threshold, i.e. the value that he derives from not being nominated by the party; w_0 is Party Boss’ reservation threshold. These thresholds

4; Aleksander Deryabin, “Valeriy Khomyakov: ‘Parityniye Budzheti Delo Temnoye’,” *Nezavisimaia gazeta* (October 16, 2007)

can be thought of as actors' confidence in their own skills and resources with higher degree of confidence corresponding to a higher threshold.

The existence of a solution will depend on the values of w_G , w_0 and w_c . For now assume that $w_c - w_0 \geq w_G$; i.e., Party Boss' surplus from forming a coalition is greater than Governor's reservation threshold. Since Party Boss seeks to maximize his surplus from forming a coalition, he will offer the smallest number of seats that Governor will accept. Governor will accept any offer that leaves him with a higher payoff than his reservation threshold. Sub-game perfect equilibrium of the game consists of the following strategies: For a given value of g , Governor will accept if $g \geq w_G$, and will reject otherwise, while Party Boss will offer $g = w_G$. For any offer lower than w_G , the equilibrium number of seats received by Governor (g^*) will be zero, for any offer equal to or higher than w_G , $g^* = w_G$.

The equilibrium offer (g^*) must satisfy two inequalities: $g^* \geq w_G$ and $g^* \leq w_c - w_0$, and these conditions are presented graphically in Figure 2-1. Governor will accept any offer to the right of w_G , while Party Boss, will offer number of seats only up to and including the point $w_c - w_0$. A coalition will be formed when the acceptance regions overlap, i.e. the interval $[w_c - w_0, w_G]$ is not empty. This interval shrinks when 1) w_G increases; 2) w_0 increases; 3) w_c decreases. Therefore, to understand when Governor and Party Boss form coalitions we need to examine the factors that affect the values of w_c, w_0, w_G .

Factors that affect the value of w_0

The gain from governor's participation will be higher in regions where party bosses lack resources to mobilize electorate. Party needs personnel to collect signatures required to register the party, motor-vehicles to conduct a door-to-door campaign in rural areas, and money to pay for the advertisement in media. The more resources the party boss has the more seats he expects to win without gubernatorial support. Therefore, the party boss who controls more resources has a higher value of w_0 and, hence, will be less likely to form coalitions with the governor.

I use two constructs for party resources: annual financial contributions from the central office to the regional party organization, and the number of cars by the regional party office. These data are reported in the annual financial statements that parties are required to submit to tax authorities under the Law on Parties of 2003. Table 2-5 summarizes within-party allocations and car ownership for the period 2003- 2006. Although during this period the allocations to regional branches grew persistently, vast disparities between the central office in Moscow and the periphery remained. In 2004, the central office owned 14 cars while 30 of 84 regional offices did not own any; the market value for an average car owned by the Moscow office was about \$47,500, while the average market value for a car in a region was only \$5,000.

Using these data, it is possible to test the following hypothesis:

H1: *ceteris paribus*, the probability that a governor will become a poster candidate will be positively correlated with party financial resources (substitution hypothesis).

Factors that affect the value of w_c

The number of seats won by a coalition will depend on governor's popularity. Although a share of popular vote is a conventional measure of an incumbent popularity, these data are not available for Russian governors because since 2005 they have been appointed by the president. Therefore, the number of years a governor has been in office was used instead. This construct seeks to capture the extent of governor's clientelist networks. As Carpenter demonstrates, the time bureaucrats spend in office affects the extensiveness of their social ties with influential civic society organizations and policy think tanks. Those networks become especially valuable when bureaucrats seek to build coalition behind policies and push them through Congress.¹⁸ In a similar manner, the time spent in office will affect the effectiveness with which the incumbent governor mobilizes the electorate during elections. Furthermore, the governors who stayed in office longer will have a better name recognition. This suggests the following hypothesis:

H2: *ceteris paribus*, the probability that a governor will become a poster candidate will be positively correlated with the length of his term in office (incumbency advantage hypothesis).

¹⁸ Daniel P. Carpenter, *The Forging of Bureaucratic Autonomy: Reputations, Networks, and Policy Innovation in Executive Agencies, 1862-1928* (Princeton, N.J.: Princeton University Press, 2001)

Factors that affect the values of w_G

Recall that w_G measures governor's utility when he does not run. This value will be lower when a party boss forms a coalition with governor's rivals, among whom are mayors of large cities. Conflicts between governors and mayors are frequently prompted by their disagreements over budgetary and pricing policies. The Soviet industrial policy encouraged the formation of cities around giant factories which used to contribute funds to city and regional budgets and to provide municipal services. They built schools and apartment buildings for their employees, provided health care and utility services to city dwellers, and paved roads. With the transition to a free-market economy, not all of those enterprises were able to restructure and become profitable in a new economic environment. Some of them continued to operate under a soft-budget constraint and from donors turned into recipients of city and/or regional funds. Therefore, the speed with which enterprises were able to restructure had a direct impact on the economic position of the city relative to the rest of the region. Cities with high concentration of unstructured enterprises became recipients of funds from regional budgets, whereas, cities with a high concentrations of profitable enterprises, became donors. As a result of this growing economic stratification between the central city and the rest of the region, urban-rural conflict on the budgetary allocations intensified. Donor cities started to demand a greater fiscal autonomy from the region, while recipient cities began to lobby for higher fiscal transfers from the regional budgets. Price liberalization aggravated this conflict further. Since the majority of food commodities is produced outside of the city but consumed by city residents, any price ceiling imposed by the regional government redistributes wealth from the rural areas to the city. Therefore, cities became strong supporters of price ceilings.

The conflict between the central city and the rest of the region manifests itself in the mayoral attempts to unseat the incumbent governor and the governor's desire to get rid of an uncontrollable mayor. This conflict frequently intensifies during the selection of candidates. For example, in Pskovskaya oblast the governor Kuznetsov and mayors of two region's biggest cities, Pskov and Velikiye Luki, deadlocked selecting candidates for both Duma and regional election. In Kalmikiya, the confrontation between the governor

and the mayor of the region's largest city, Elista, resulted in the purges of delegates loyal to mayor from the United Russia ballot.

One way to measure the extent of this conflict is to look at the difference in per capita industrial output of the central city and the rest of the region. This suggests the following hypothesis:

H3: *ceteris paribus*, the probability that a governor will become a poster candidate will be positively correlated with the differences in per capita output of the city and the rest of the region (conflict of interests hypothesis).

Part III: Model Specification and Results

This section estimates equation (1) using a probit specification:

$$y_{ijt}^* = \beta_0 + \beta_1 Transfers_{jt} + \beta_2 Cars_{jt} + \beta_3 YearsInOffice_{ijt} + \beta_4 CityDnr_{jt-1} + \beta_5 CityRcpt_{jt-1} + \theta'z_{ijt} + \varepsilon_{ijt}$$

$$y_{ijt} = 1 \quad \text{if } y_{ijt}^* > w_G$$

$$= 0, \quad \text{otherwise} \quad (2-1)$$

Where, i indexes a governor; j, a region; t, a year. The variable *Transfers* is per capita transfers received from Moscow by a party office in region j in year t. The variable *Cars* is the number of cars per capita owned by the party office in region j in year t. The variable *YearsInOffice* is the number of years a governor has been in office. The two variables *CityDonor* and *CityRecipient* measure the difference between per capita output in the central city and the rest of the region. They were constructed as follows:

$$CityDonor = \begin{cases} ctyOutput - rgnOutput & \text{if } ctyOutput > rgnOutput \\ 0, & \text{otherwise} \end{cases}$$

$$CityRecipient = \begin{cases} rgnOutput - ctyOutput & \text{if } ctyOutput < rgnOutput \\ 0, & \text{otherwise} \end{cases}$$

where *rgnOutput* is per capita industrial output in the region net of the central city output. The variable *z* is a vector of controls: 1) vote share won by United Russia in the 2003 Duma election to account for the safety of the region; 2) population density of the region to account for cross-regional differences in the cost of campaigning; 3) governor's age to account for possible cross-generation differences in aspirations for higher office. A detailed description of each variable and summary statistics is provided in Appendix A.

The sample includes 131 observations that include the 2007 Duma election regional elections held between March 2004 and March 2007.

The estimated regression coefficients are reported in Table 6. I start by including one variable at a time and then estimate a fully-specified model. The sign of the coefficients on the party resources, governor resources, and conflict of interest variables are consistent with the three hypotheses above and remain the same for all specifications. However, when control variables are included, the coefficient on the *Transfer* variable becomes insignificant. Of the two conflict of interest variables, the coefficient is significant only for the *CityRecipient* variable suggesting that governors become poster candidates to prevent election of actors who support greater redistribution of resources from the region to the poor city.

Figure 2 plots predicted probabilities of observing that a governor will be a poster candidate for different values of the *Transfers*, *Years in Office*, and *City Recipient* variables. Since these three variables are measured in different units, it is useful to compare their effects by looking at standard deviations from the mean. The labels on the x-axes denote the mean, one standard deviation from the mean, and two standard deviations from the mean. For a region with a mean value of *Transfers* variable, the probability of observing a governor running as a poster candidate is 73 percent and decreases to 60 percent *Transfers* go up by one deviation. This finding suggests that party bosses compensate for the shortfalls in their own resources by turning to governors for help.

As predicted by the incumbency effect hypothesis, the variable *yearsInOffice* is positively correlated with governor's participation. For a region where a governor has been in office for 7 years (mean value) the predicted probability that he will run on the United Russia ballot is 60 percent and increases to almost 80 percent as governor's stay in office increases by one deviation. It suggests that party bosses prefer to nominate governors from the old guard and the populist cohort rather than from the cohort appointed by Putin. As the coefficient on the *pcUnitedRussia2003* variable suggests, the party avoids nominating governors from traditionally communist regions where United Russia performed poorly in 2003 election.

The last graph focuses on the effect of the differences in the output. Governors are more likely to become poster candidates when the city is a recipient of regional funds. When the gap between regional output exceeds city's per capita output by 21 rubles (or \$0.85) the probability that a governor will head the party list is about 70 percent and increases to 83 percent for regions with one standard deviation above the mean.

Conclusion

Over the past decade, empirical evidence that the relationship between democracy and federalism is non-linear has been growing: the cleavage structure of the electorate, a starting point of the transition, and the intensity of party competition have been identified as factors affecting the speed of democratic consolidation at the subnational level.¹⁹ This paper took this research a step further by demonstrating that subnational authoritarian regimes can contaminate nascent democratic institutions by authoritarian practices. By forming rent-seeking coalitions with regional incumbents, United Russia party bosses expanded the party popular base. However, this goal was achieved by exploiting resources of the subnational governments and circumventing a merit-based selection of candidates. Such behind-the-scenes manipulation of who gets nominated and seated made the candidate selection process opaque and undemocratic, undermined voters' trust toward parties, and diminished national legislators' professionalism.

This finding suggests that campaign and party finance laws can be one of the factors that can speed or derail democratization. When these laws omit the procedures for within-party distribution of funds, this loophole allows party leaders to spend most of the resources to finance the operation of the central office, leaving party branches in the periphery under-funded and desperate for external assistance from regional incumbents. The latter, then, by politicizing state resources, undermine democratic consolidation from bellow. Therefore, studies of democratization should pay more attention on the effects of within-party distribution of funds and laws regulating party finances on democratic consolidation.

¹⁹ Rebecca Bill Chavez, "The Construction of the Rule of Law in Argentina: A Tale of Two Provinces," *Comparative Politics* 35 (July 2003); Edward L. Gibson, "Boundary Control: Subnational Authoritarianism in Democratic Countries," *World Politics* 58 (October 2005):101-32; Patrick Heller, "Degrees of Democracy: Some Comparative Lessons from India," *World Politics* 52 (July 2000): 484-519.

Figure 2-1 Range of Values under which a Coalition will be Formed

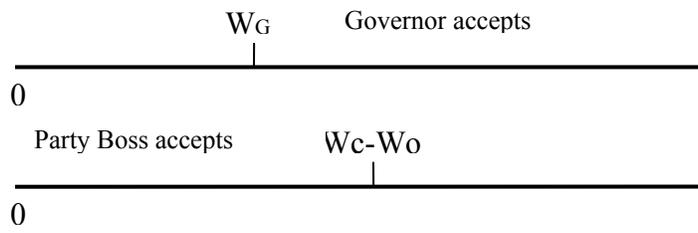
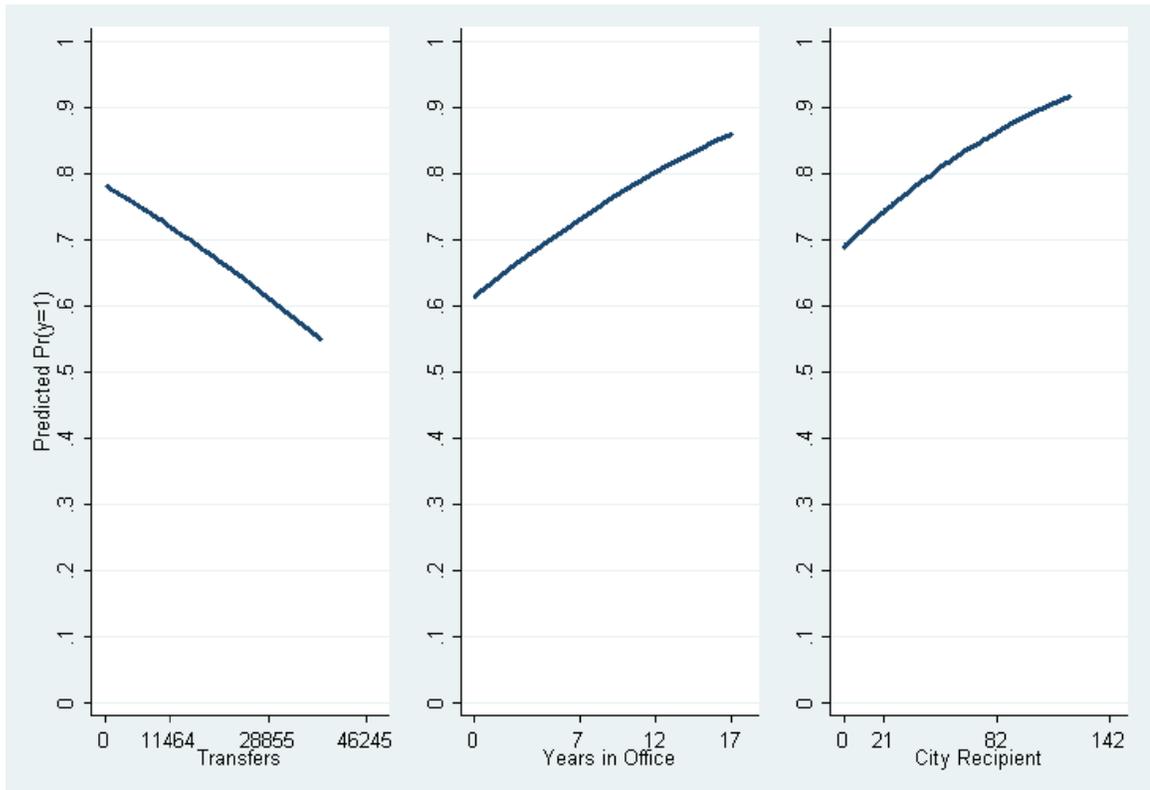


Figure 2-2 Predicted Probabilities that a Governor will Head the Ballot



Note: Predicted probabilities were computed using specifications in columns 1-3 in Table 2-4. For the figure with City Recipient on x-axis, the City Donor variable was fixed at its mean value.

Table 2-1 Distribution of Poster Candidates by Parties, 1999-2007

	<i>Poster Candidate per Number of Party Seats in Duma (%)</i>		
	1999	2003	2007
Parties of Power ^a	20.00	38.95	33.02
LDPR	2.00	0.00	5.00
KPRF	4.21	2.00	5.26

^a For 1999, refers to Unity, Fatherland All Russia, and Our Home is Russia, for 2003 and 2007, United Russia, Sources: Central Election Commission, Decrees N67/768-3 (January 9, 2000), N67/767-3 (January 9, 2000), N67/769-3 (January 9, 2000), N67/770-3 (January 9, 2000), N72/620-4 (December 24, 2003), N72/621 (December 24, 2003), N73/592-5 (December 13, 2007), N73/593-5 (December 13, 2007), N73/595-5 (December 13, 2007), N74/607-5 (December 14, 2007), N 75/609 (December 14, 2007), N78/619-5 (December 19, 2007).

Table 2-2 Professional Background of Poster and Seated Candidates, 1999-2007

<i>Occupation prior to elections</i>	<i>Poster Candidates</i>		<i>Seated Candidates</i>	
		<i>%</i>		<i>%</i>
Regional elected officials	117	74.52	31	19.75
Mayors	12	7.64	2	1.27
National deputies or cabinet members	10	6.37	63	40.13
Businessmen	7	4.46	38	24.2
Not-for-profit	8	5.1	19	12.1
Other	3	1.91	4	2.55
Total	157	100	157	100

Sources: Compiled by the author using lists of registered by the Central Election Commission candidates published in *Vestnik Tsentral'noi Izbiratel'noi Komissii* 22 (1999), *Rossiyskaya Gazeta* (December 2007).

Table 2-3**Attitudes toward Parties and Governors**

respondents who think that:	2000	2001	2002	2003	2004	2005	2006
parties play very important role in Russia	5.4%	7.1%	5.1%	5.3%	6.3%	4%	5.2%
governors play very important role in Russia	15.8%	15.6%	16.1%	15.7%	14%	13.9%	14.4%
N	1599	1600	1600	1585	1581	1601	1601

Source: Express 2000-18, 2001-9, 2002-9, 2003-8, Kur'yer 2004-9, 2005-9, 2006-9 at

<http://sofist.socpol.ru/oprview.shtml?en=0> (February 5, 2008) respondents were asked: "In your opinion what role do political parties (governors) play in Russia today?"; the scale goes from 1 ("insignificant") to 5 ("very important role").

Table 2-4 Professional Backgrounds of United Russia First Secretaries in 2008

	N	%
Deputy in the national parliament	12	14.81
Deputy in the regional assembly	35	43.21
Employed at governor's administration	8	9.88
Governor	3	3.7
Businessman	8	9.88
other	15	18.52
Total	81	100

Sources: official websites as of September 22, 2008.

Table 2-5 Distribution of Cars and Party Funds between Moscow and Regions

(in thousands of real dollars)

	2003	2004	2005	2006
total expenditures by the central office	40,073.60	31,379.12	31,649.84	38,801.48
Transfers to regional offices	13,110.20	14,524.40	17,558.76	22,209.92
(% of total)	32.72	46.29	55.48	57.24
number of regional offices without a car	--	30	30	32
number of cars owned by Moscow office	--	14	16	18
average car value for Moscow	--	47.456	43.38	32.636
average car value for cars outside of Moscow	--	4.96	5.76	6.02

Source: Central Election Commission, Aggregate Financial Report at http://www.cikrf.ru/elect_duma/politpart/index.jsp; financial statements.

Table 2-6 Estimated Probit Coefficients for Equation 2-1

	(1)	(2)	(3)	(4)	(5)
Transfers per 1000 residents	-1.700* $\times 10^{-5}$ (0.932 $\times 10^{-5}$)				-1.990 $\times 10^{-5}$ (1.26 $\times 10^{-5}$)
Cars per 1000 residents		-82.398 (59.151)			-88.238 (88.727)
Years in Office			0.046* (0.025)		0.049* (0.029)
City donor				0.001 (0.003)	0.001 (0.003)
City recipient				0.007* (0.004)	0.008* (0.005)
% Vote for United Russia, 2003					0.024 (0.016)
Population density					0.006 (0.006)
Governor's Age					-0.011 (0.017)
Intercept	0.776*** (0.150)	0.689*** (0.132)	0.287 (0.199)	0.456*** (0.158)	-0.045 (0.967)
N	131	131	131	131	131
Ln-likelihood <i>Intercept</i>	-77.025	-77.025	-77.025	-77.025	-77.025
Ln-likelihood <i>All_var</i>	-74.909	-75.731	-75.193	-74.954	-69.060
LR-test statistic	4.230	2.59	3.66	4.14	15.93
P-value	0.039	0.108	0.056	0.126	0.043
Pseudo- R^2	0.026	0.017	0.024	0.027	0.103

Note: standard errors in parentheses; * significant at 10%; ** significant at 5%; *** significant at 1%; dependent Variable=1 if a governor is heads the United Russia Ballot in the Duma 2007 election or regional elections in March 2004-07.

Appendix A

Notes on geography

All data are at the regional level, but the number of regions changed from 89 to 84 between 2003 and 2008; so, to keep the number of observations the same throughout the years, I aggregated data to correspond to 2008 borders.

The dependent variable, *HeadedBallot*, equals one if a governor was listed among top three candidates on the United Russia ballot in the Duma 2007 election or elections to regional assemblies that took place between March 2004 and March 2007. Data for 2007 Duma election come from the official list of candidates submitted to the Central Election Commission. Data on the composition of regional ballots come from regional newspapers.

The variable *Transfers* is per capita allocations from the central party office to regional offices between 2004 and 2007. Data are reported in party annual financial statements submitted to the Ministry of Justice and tax authorities no later than March of the following year. The nice feature of those reports is that they exclude campaign finances, which makes data more accurate because it is not subjected to a campaign expenditure ceiling and, hence, parties do not have an incentive to misrepresent financial information.

The variable *Cars* measures the number of cars owned by the regional party office per 1000 residents. It comes from the same source as the variable *Transfers*, and, hence, covers the period between 2004 and 2007.

To convert those values in per capita terms I used data on population from *Demograficheskii Ezhegodnik Rossii*.

The variable *YearsInOffice* measures the number of years a governor has been in office by the day of regional or Duma election. It was constructed using on-line biographic dictionary, viperson.ru.

The variables *City Donor* and *City Recipient* measure the difference in per capita regional (*rgnOutput*) and city output (*ctyOutput*). They were constructed using data from *Regiony Rossii: Sotsial'no-ekonomicheskiye Ppokazateli* published by Goskomstat. The key caveat is that in 2005 the Goskomstat changed how those data are reported. For the period 2003-04, it does not differentiate between the commodities that were sold and the ones in inventories. Output data for 2005 and later, include only goods that were sold and

shipped to buyers. In spite of this discontinuity, these data can still be used as a legitimate construct for economic output because these two measures are highly correlated with each other. All data are lagged by one year to account for possible impact of election on overall productivity. Moscow and St. Petersburg, the two cities with regional status, were excluded because they are not subordinate to any region. Leningradskaya and Moscovskaya oblast' do not have officially designated capital, so used Gatchina and Podol'sk, respectively as central cities.

The variable *pcUnitedRussia2003* measures the percent of popular vote won by United Russia in the 2003 Duma election. The data are available on the official website of the Central Election Commissions.

The variable *popDensity* measures population density in the region and comes from the same source as population

The variable *Age* measures governor's age on the day of election and was constructed using the same source as the variable *YearsInOffice*.

Table 2-1A**Descriptive Statistics, 2004-07**

<i>Variable</i>	<i>Obs</i>	<i>Mean</i>	<i>Std.Dev</i>
Headed UR ballot	157	0.682	0.467
Transfers	144	11463.960	17390.760
Cars	144	0.001	0.003
Years in office	149	7.101	5.049
City Donor	140	26.693	45.178
City Recipient	140	21.008	60.627
% of votes for UR in 2003	147	39.002	11.111
Population density	147	250.805	1340.475
Governor's age	150	54.500	8.694

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CHAPTER 3
SINCERE VOTERS, STRATEGIC ELITES, AND THE EFFECTS OF
POLITICAL ENDORSEMENTS IN RUSSIAN LEGISLATIVE ELECTIONS,
1995-2007

Abstract:

This paper offers a novel solution to the commitment problem that arises during a *quid pro quo* exchange between the incumbents and voters in clientelist regimes. This approach stems from the literature on political communication that focuses on the role of third-party endorsements of candidates. This paper develops a formal model and uses macro- and micro-level data from Russian legislative election to show that the cost of acquiring information significantly alters the effectiveness of political endorsements as vote mobilization tool.

Introduction

An outstanding question in the literature on clientelistic regimes is how the incumbent party solves the commitment problem. Since the secret ballot prevents party leaders from directly observing voter choices at the polls, the party cannot punish the opportunistic behavior of those voters who do not vote for it subsequent to receiving tangible benefits. Several alternative explanations have emerged that emphasize different deterrent mechanisms. The first one argues that the density of social networks among party members reduces the party member utility obtained by voting for another party.¹ The second suggests that the anonymity of vote is frequently violated in emerging

¹ Javier Auero, *Poor People's Politics: Peronist Survival Networks and the Legacy of Evita* (Durham, NC: Duke University Press); Steven Levitsky, "From Populism to Clientelism? The Transformation of Labor-Based Party Linkages in Latin American," in Herbert Kitschelt and Steven I. Wilkinson, eds. *Patrons, Clients, and Polices: Patterns of Democratic Accountability and Democratic Competition* (New York: Cambridge University Press, 2007).

democracies, and parties can detect and punish defectors.² The third foregrounds intra-party competition wherein lucrative state resources are awarded to those regional party bosses who mobilize voters more effectively.³ The fourth claims that political machines influence voter turnout but not electoral choices.⁴

All these approaches, however, are applicable to regimes with well-developed party-society linkages. The Peronists in Argentina, the Revolutionary Party in Mexico, and the Christian Democrats in Italy exemplify parties with strong societal roots which also serve as channels for distribution of state resources. As Kitschelt and Wilkinson note: “It takes complicated internal mechanisms of monitoring and control to limit the predatory behavior of party agents so that external clientelistic exchanges can still generate the resources needed to enable a party to win electoral office and to dominate the benefits-dispensing government executive.”⁵

Students interested in politicization of state resources in Eastern Europe face a different environment: popular aversion to well-institutionalized parties, political apathy at the grass-root level, and weak partisan affinities. In such an environment, conventional mechanisms that mitigate the commitment problem and facilitate monitoring are not available. This paper, therefore, turns to the literature on political communication to offer an alternative explanation about how the incumbent party can overcome the commitment problem. In the U.S., political endorsements frequently become shortcuts that allow uninformed voters to make intelligent decisions even when they lack encyclopedic knowledge. Since such endorsements are visible not only to the electorate but also to the party leaders, they can be used to overcome the monitoring problem. By allocating state resources to seemingly disinterested speakers, the incumbent party can attempt to persuade the electorate. These endorsements, however, can fall on deaf ears if voters realize that they and the speaker have conflicting interests or when voters are more concerned with one-time material benefits than policy outcomes as it is assumed by the literature on voting in clientelistic regimes. The question then becomes when and how

² Susan Stokes, “Perverse Accountability: A Formal Model of Machine Politics with Evidence from Argentina,” *American Political Science Review* 99 (2005): 315-25.

³ Ozge Kemahlioglu, “When the Agent Becomes the Boss: The Politics of Public Employment in Argentina and Turkey,” Ph.D. Thesis, Columbia University, 2006.

⁴ Simeon Nichtor, “Vote Buying or Turnout Buying? Machine Politics and the Secret Ballot,” *American Political Science Review* 102 (2007): 19-31.

⁵ *Patrons, Clients, and Polices*, p. 9.

political endorsements can further the incumbency advantage for the ruling party especially in a clientelistic regime?

This paper answers the above question by developing a formal model and testing it on the basis macro- and micro-data from Russian legislative elections 1995-2007. Several factors make the study of Russian elections a fruitful venue to pursue. First, similar to other emerging democracies, Russian voters have not yet developed strong partisan attachments which can influence their electoral choices, and therefore they are more receptive to political endorsements than voters in Western European countries. Second, many political parties have appeared on the scene relatively recently, and party labels convey little information about their policy platforms. This encourages voters to look for alternative heuristics for deciding how to vote. Third, Russia's unexpected transformation from a multi-party system to a dominant party state unaccompanied by electoral realignment among the electorate, offers a unique opportunity to examine the efficacy of political endorsements for bringing about regime change.

The paper begins by laying out a formal model in which efficacy of political endorsements depends on the costs of obtaining information about party policy platforms. It then provides a brief history of political endorsements in Russia which stem primarily from regional governors as a part of their party-building efforts, followed by the empirical analysis of macro- and micro-data. Macro- and micro-level analyses imply that efficacy of elite cueing depends on voters' access to the Internet which reduces the cost of gathering of information about the opposition parties which do not always receive a fair coverage by the state-controlled media. Voters take cues from governors for which party to vote only in the regions with low internet-connectivity.

Although my argument is developed and tested employing data from Russia only, its implications extend beyond its borders because it calls belated attention to the practice of "intermediation" that became widespread in regimes with weakly institutionalized parties.⁶ It consists of relying on a third party for vote mobilization via outsourcing

⁶ Nicolas van de Walle, "Meet the New Boss, Same as the Old Boss? The Evolution of Political Clientelism in Africa," in Kitschelt and Wilkinson, *Patron, Clients, and Policies*; David Samuels, "Gubernatorial Coattail Effects: Federalism and Congressional Elections in Brazil," in David Samuels, *Ambition, Federalism, and Legislative Politics in Brazil* (New York: Cambridge University Press, 2003); Henry Hale, *Why Not Parties in Russia: Democracy, Federalism, and the State* (New York: Cambridge University Press, 2006).

conventional party services to state-owned enterprises, regional officials, tribal chiefs, religious leaders, etc. This practice reduces citizen-incumbent linkages and narrows the circle of actors to whom elected officials find themselves accountable and consequently makes incumbents less responsive to citizens' preferences by transforming the essence of election from competition for voters to contestation for the support of power brokers. This is the first formal and large-n analysis of intermediation and the mechanisms by which it occurs.

The paper also advances the emerging literature on the effect of the Internet on political behavior⁷ by shifting the attention from the consolidated to emerging democracies and by developing a formal model which clearly links the availability of the Internet and other technology that affects the costs of collecting information to voter behavior. The key result of the paper is that the Internet limits the effectiveness of the elite cuing. When masses can verify the information provided by the elites using unbiased and uncensored sources of information political endorsements become less effective for mobilizing electorate.

Part I: Intermediation as a Solution to the Commitment Problem?

Studies of clientelism frequently evoke the image of local power brokers who mobilize segments of the electorate. Their capacity to deliver votes stems either from their monopoly on scarce resources--land plots, local services, in-kind payments, and/or their affiliation with clearly identifiable group of constituents. Power brokers may or may not seek public office for themselves but agree to mobilize voters in exchange for preferential treatment by the incumbent party.⁸ Their ability to deliver block votes facilitates *ex post* monitoring. Electoral results for localities and ethnic groups substitute the need to monitor individual behavior and, the smaller the level for which electoral results are reported the easier it is to assess accurately the mobilization effort exerted by

⁷ Caroline J. Tolbert and Ramona S. McNeal, "Unraveling the Effects of the Internet on Political Participation?" *Political Research Quarterly* 56 (July 2003):175-185; Kent Jennings and Vicky Zeitner, "Internet Use and Civic Engagement: A Longitudinal Study," *The Public Opinion Quarterly* 67 (Autumn, 2003): 311-334.

⁸ S.J.R. Noel, *Patrons, Clients, Brokers: Ontario Society and Politics, 1791-1896* (Toronto: University of Toronto Press, c1990); Gerald Curtis, *Election Campaigning Japanese Style* (New York: Columbia University Press, 1971); John Duncan Powell, "Peasant Society and Clientelist Politics," *American Political Science Review* 64 (June 1970): 411-25.

the power broker.⁹ Such aggregate monitoring, however, does not solve the commitment problem because even though the party can observe the aggregate outcomes and punish the broker, the latter, in his turn cannot punish voters who defect because the secret ballot protects the anonymity of individual votes. So, how can brokers deter opportunistic behavior?

The literature on political communication offers a useful starting point for answering this question. It suggests that elites' ability to "educate" voters stems from informational asymmetries between elites and citizens over the true state of the world. Acquisition of information about political and economic realities is time-consuming and requires diverting cognitive effort from other salient issues. Voters may therefore rely on endorsements by third parties to compensate for gaps in their knowledge about a candidate or a policy initiative. Information about speakers' policy preferences allows uninformed voters to make the same electoral choices as informed voters when the former know policy preferences of those actors who endorse candidates.¹⁰ But from where comes the information about speaker's policy preferences? Speaker's affiliation with a specific group becomes a useful indicator at this point. Member of labor unions, sexual minorities, or party members can form their policy preferences by listening to their group leader. If the group leader says that a candidate or policy proposal is good for the entire group, then it must be also beneficial for an individual member. Thus, political endorsements by the group leader can provide informational shortcuts that facilitate intelligent decisions at the polls. The stronger a member's attachment to the group, the greater the effect of the leader's message.

⁹ Kitschelt and Wilkinson, "Citizen-Politician Linkages: an Introduction," in *Patron, Clients, and Policies*, pp. 17-19; Luis Fernando Medina and Susan C. Stokes, "Monopoly and Monitoring: An Approach to Political Clientelism," in *Patron, Clients, and Policies*, pp. 75-82.

¹⁰ Arthur Lupia and Mathew D. McCubbins, *The Democratic Dilemma: Can Citizens Learn What They Need to Know?* (New York: Cambridge University Press, 2001); Arthur Lupia, "Shortcuts versus Encyclopedias: Information and Voting Behavior in California Insurance Reform Elections," *American Political Science Review* 88 (March 1994): 63-76; Donald R. Kinder, "Communication and Opinion," *Annual Review of Political Science* 1 (1998): 167-97; Malcolm E. Jewell and Sarah M. Morehouse, "What are Party Endorsements Worth?: A Study of Preprimary Gubernatorial Endorsements," *American Politics Research* 24 (July 1996): 338-62; Ronald B. Rapoport, Walter J. Stone, Alan I. Abramowitz, "Do Endorsements Matter? Group Influence in the 1984 Democratic Caucuses," *American Political Science Review* 85 (February 1991): 1993-2003; Timothy G. Hill, "Interest-ing Candidates: The Electoral Impact of Interest Group Endorsements," Ph.D. Thesis, Ohio State University (2003).

A simple model below illustrates how political endorsements by the group leader address the commitment problem triggered by the secret ballot. In a clientelistic regime, voters are assumed to choose among parties by simultaneously considering party policy positions and material benefits:

$$U_i(D) = -(x_i - x_d)^2 + b \quad (3-1)$$

Where, D denotes a vote for party D ; x_d party policy platform; x_i individual's ideal point, and b material benefit offered by the incumbent party: state job, pension benefits, a bottle of vodka, etc.¹¹ The material reward is assumed to be the same for all individuals and non-stochastic. The commitment problem arises because individuals try to have the best of both worlds: take the bribe b from the incumbent party but then vote for a different party because its policy position is closer to the voter's ideal point.

Although the functional form above is a commonly used in the literature on voting in clientelistic regimes, it imposes assumptions of complete information about party policy positions and costless acquisition of information, none of which is supported by the empirical findings on voter behavior in the U.S. and even less likely to hold in emerging democracies where bewildering number of evanescent parties compete with each other. Acquiring information about party platforms takes away from consumption of leisure or other activities, hence, the time spent researching party programs reduces utility from voting by $e(t)$:

$$U_i(D, t) = -(x_i - x_d)^2 + b - e(t) \quad (3-2)$$

Where, $e(t)$ is a real-valued function such that $e(0) = 0$, $e(t) > 0$ and increasing in t . The parameter t measures the time it took an individual to become familiar with party policy positions. The shape of this learning function can be specific to individual cognitive abilities and education. Voter's utility maximization problem then becomes:

$$\max_{j, t} U_i(j, t) \quad (3-3)$$

Political endorsements by a group leader can help some voters to keep t at 0 because they reveal party policy position relative to the ideal point of the group. This information can be used by group members to compare party policy position with their

¹¹ This specification is based on Greene (2007) and assumes that only the incumbent party can credibly promise bribe b . This assumption address the commitment problem of another type that the party fails to deliver promised material benefits after the election. The solution to this commitment problem goes beyond the scope of this project, see Kenneth F. Greene, *Why Dominant Parties Lose: Mexico's Democratization in Comparative Perspective* (New York: Cambridge University Press, 2007), pp. 47-57.

ideal points. If we assume that the leader always tells the truth and the voter knows it, a following dilemma arises. By taking the leader's endorsement, the voter can keep t at 0. Yet, spending some time ($t > 0$) on researching party policy positions, a voter might find the party with policy program closer to her ideal point. When will a group member take the leader's suggestion and when instead will she search for another party independently?

Proposition 1:

A group member will vote for the party C endorsed by the leader if her ideal point x_i is between the party platform and the group ideal point, and will search for another party otherwise. (See appendix A for the proof).

Proposition 2:

High cost voters are more likely to vote for the party endorsed by the leader. (See appendix A for the proof).

These propositions provide an important insight into how political endorsements by power brokers can solve the commitment problem, which arises because voters have complete information about all parties' policy positions and receive b from the incumbent party (D) before going to the polls. So, instead of voting for D they vote for another party that has policy position closer to their ideal points. However, when voters face a non-zero cost of acquainting themselves with party policy platforms, third party endorsements can save *some* voters from undertaking a search which will not be utility improving. The subset of voters for which search for information about parties not endorsed by the group leader consists of those who identify themselves with a particular group and have policy preferences between those of party platforms and the ideal point of the group or face steep search costs. They are the ones who will vote for the party endorsed by the group leader regardless of the amount of material benefits provided by the incumbent party. Thus political endorsements can deter opportunistic behavior for some voters who received bribes from the party endorsed by the power broker.

This conclusion hinges critically on the assumption that the leader provides accurate information about party policy positions. If voters suspect that endorsements are

biased because the leader received a material award from the party, political endorsements may not be effective.¹²

Part II: Political Endorsements in Russian Legislative Elections

Russian legislative elections present an exciting opportunity to study the effect of political endorsements on electoral outcomes outside the U.S. context. Russian elections exhibit both clientelistic and programmatic features. Although there is a big divide between pro-reform and the Communist party on the issues of state regulation of economy, centralization, and the size of welfare state,¹³ Russian parties also enlist non-party actors who have extensive clientelistic linkages with the electorate to compensate for inadequate party institutions. These actors can provide club goods to selected constituents or selectively coerce the opposition.

Regional executives (hereafter, governors) usually function as such intermediaries. Governors derive vast regulatory powers from their offices and can direct them to create preferential regimes for a narrow circle of economic actors for their support of the preferred party or candidate *ax ante*. Governors control local media networks and can create information vacuum for the opposition; governors also select personnel who administers national elections and can manipulate electoral results *ex post*. As Hale shows, gubernatorial political machines are especially strong in rural areas in the country's periphery, or in regions in which large segments of the electorate receive pensions and other manipulable, targetable, and salient state benefits.¹⁴

Apart from political machines, many governors are charismatic leaders. A popular perception of governor as the protectors of regional interests stems from the soviet-time practice of negotiating with Moscow all aspects of regional economy: the share of regional tax revenues remitted to Moscow and the amount of federal expenditures returned back to the region, the quantity of scarce consumption goods allocated to the region by the federal planning agency, the production quotas imposed on regional

¹² See Eric S. Dickson, "Leadership, Fellowship, and Beliefs About the World: An Experiment," Working Paper, Department of Political Science, NYU (2009); Arthur Lupia and Matthew McCubbins, *Democratic Dilemma The Democratic Dilemma: Can Citizens Learn What They Need to Know?* (New York: Cambridge University Press, 1998).

¹³ Evgeniya Popova, "Russian Electoral Politics: Before and Under Putin," Paper Presented at the Annual MPSA Meeting, Chicago, IL, April 1, 2009.

¹⁴ Henry Hale, "Correlates of Clientelism: Political Economy, Politicized Ethnicity, and Post-Communist Transition, in Kitschelt and Wilkinson, eds. *Patrons, Clients, and Policies*.

enterprises.¹⁵ During the first years of transition many governors won popular support by taking anti-Moscow stand and demanding a greater autonomy for the region.

Throughout the 1990s governors remained largely independent from the national parties. They fought and won regional elections as independent candidates who owed little or nothing to Moscow for their victories.¹⁶ However, with the abolition of popular elections for governors in 2005, the presidential party gradually co-opted governors in its ranks.

If in the U.S. political parties frequently endorse candidates, in Russia, parties themselves become subjects of political endorsements which come primarily from governors. The precedent for gubernatorial endorsements of political parties was set in 1995, on the eve of the first democratic elections to the Russian Parliament, when President Boris Yeltsin and Prime Minister Victor Chernomirdin attempted to create a liberal-democratic party Our Home is Russia (NDR) that could compete for votes with the Communist. Although thirty-nine governors joined this party and campaigned on its behalf, it won only ten percent of the popular vote and began losing its popularity after Chernomirdin lost his bid for reappointment as Prime Minister for the second term.

By the 1999 parliamentary election, the need for a viable new presidential party became apparent because popular support toward the NDR virtually evaporated. This time party-building initiative came from new Prime Minister Vladimir Putin who personally met with governors and asked them to support the party Unity. Although twenty five governors endorsed it, as the campaign unfolded, they also decided to support candidates nominated by other parties in single member districts, thereby failing to generate unequivocal message regarding which party voters should support.¹⁷

¹⁵ Donna Bahry, *Outside Moscow: Power, Politics, and Budgetary Policy in the Soviet Republics* (New York: Columbia University Press, 1987).

¹⁶ Grigorii V. Golosov, *Political Parties in the Regions of Russia: Democracy Unclaimed* (Boulder & London: Lynne Rienner Publishers, 2004), pp. 67-75.

¹⁷ Olga Shvetsova, "Resolving the Problem of Pre-election Coordination: The 1999 Parliamentary Elections as an Elite Presidential 'Primary'," in Vicki L. Hesli and William Mark Reisinger, eds., *The 1999-2000 Election in Russia: Their Impact and Legacy* (New York, NY: Cambridge University Press, 2003); Robert W. Orttung, ed., *The Republics and the Regions of the Russian Federation; A Guide to Politics, Policies, and Leaders* (New York, NY: East West Institute, 2000), p. xviii. Between 1995-2007, Russian deputies were elected from a mixed-member system in which fifty percent of legislators were elected from single-member districts (SMDs) and the other fifty percent from a single at-large district on a basis of a closed-list proportional system.

This failure encouraged the Unity leaders to search for alternative vote mobilization strategies which emerged from seemingly innocuous provisions in the electoral law. The first provision allowed incumbents to run for another public office prior to the expiration of their terms. The second waived any penalties for parties whose candidates left public office before the end of their terms. These two provisions enabled United Russia, the successor to Unity, to nominate 28 governors as its candidates in the 2003 elections. These governors were nominated to run on the party list even though they did not seek legislative seats which become evident when all of them refused to become deputies from their regions after the electoral results became known.

The strategy of nominating regional officials who did not seek a federal office may seem an absurd practice at first, but the United Russia leaders saw in it an excellent opportunity to shorten the gap between the endorsement and electoral choices and also reach out to voters who do not follow campaign coverage. This strategy also allowed United Russia to recast legislative elections not in terms of policy issues but personalities. The local press was replete with slogans emphasizing that by voting for United Russia, people express their approval for their governor who heads this party ballot in the region. United Russia won 32 percent of the popular and used the same strategy again in 2007 with already 64 governors running as its poster candidates.

Table 3-1 summarizes gubernatorial support and the percent of the popular vote won by the presidential party in all parliamentary elections. There is no apparent correlation between the number of governors who endorsed the party and the popular vote. Therefore, the following two sections examine if in fact political endorsements can affect electoral outcomes.

Part III: Aggregate Analysis

Cost of Collecting Information

Several empirically testable hypotheses can be inferred from section I above. Proposition 2 implies that the effect of gubernatorial endorsements will be conditional on the cost of acquiring information about other parties. These costs can be affected by macro- and micro-level factors. At the aggregate level such region-level factors as freedom of the local media and the number of competing parties will influence the cost of finding the party close to voter's ideal point. At the individual level, educational

attainment and, possibly, socioeconomic status will alter the cost of searching. To capture cross-regional differences in the cost of acquiring information, I collected data on Internet access, measured by the number of computers connected to the Internet per 100 employees in 2003 and 2007. When the media is controlled by the national or regional governments, the Internet can become a source of politically accurate information that allows voters to overcome the informational vacuum that surrounds the parties and the candidates not endorsed by the governor. Unfortunately, these data are available only for the period corresponding to the two last elections, both of which were held under the Putin administration. But this resource will be much more valuable to voters than after the federal government took over several important national TV networks, than at the time of the Yeltsin administration. Proposition 2 predicts that the effect of gubernatorial endorsements will be lower when voters have greater access to the Internet.

Size of the Material Benefit

Intergovernmental transfers to regions capture the size of the material award bestowed by the incumbent party on voters. These transfers are distributed through two major channels: the Fund for Financial Support of the Regions (FFSR) and the fund for regional development (RDF). The FFSR was created in 1994 following the recommendation of the World Bank team with the goal to offset the imbalance between expenditure needs and tax revenues in poor regions.¹⁸ In 1994, FFSR accounted for 58 percent of all intergovernmental aid and remained the most important instrument for intergovernmental transfers throughout the Yeltsin administration. Although the distribution was formula-based, the transfers were influenced by political factors.¹⁹ In 2000, President Putin revised the formula to account for cross-regional difference in revenue rising capacity and expenditure needs but the allocation of funds remained politicized.²⁰ The regional development fund (RDF) was established in 1995 to provide matching funds to regions eligible for FFSR grants to finance infrastructure development projects, but there is no clear-cut criterion for allocating this grant and decisions are made

¹⁸ Christine I. Wallich, *Russia and the Challenge of Fiscal Federalism* (Washington, D.C.: World Bank, c1994).

¹⁹ Daniel Treisman, *After the Deluge: Regional Crises and Political Consolidation* (Ann Arbor, MI: University of Michigan Press, 1999).

²⁰ Vladimir Popov, "Fiscal Federalism in Russia: Rules versus Electoral Politics," *Comparative Economic Studies* 46 (December 2004): 515-541.

on a case by case basis. At first, the RDF accounted for about 3 percent of all intergovernmental transfers, but after the implementation of the budgetary reform in 1999, its share declined to less than 1 percent.

Model Specification

To test if the availability of the Internet conditions elite ability to influence the masses, the following model was estimated:

$$pcVote_{gt} = \beta_0 + \beta_1 Gov_{gt} + \beta_2 GovIntr_{gt} + \beta_3 Intr_{gt} + \beta_4 Eqlz_{gt-1} + \beta_5 Dev_{gt-1} + \theta'x_{gt} + \gamma_g + \varepsilon_{gt} \quad (3-4)$$

where, g indexes region and t, year, and γ_g is the region effect.

The dependent variable *pcVote* equals the percent of vote won by the presidential party in the region. The two variables *Eqlz* and *Dev* measure per capita allocations to the region in fiscal equalization and infrastructure development grants. The dummy variable *Gov* indicates if a governor supported the presidential party. To capture the conditionality of this endorsement on the cost of collecting information about other parties, it was interacted with the number of computers connected to the Internet per 100 employees, *Intr*. Given low monitoring capacities of the company chief managerial officers, white collar employees frequently use computers at work for non-job related activities that range from live chatting and pornography viewing to reading news and even listening to the world news on-line. Therefore, availability of the Internet at work can sufficiently reduce the costs of collecting information about other parties that compete with the party endorsed by the governor by visiting their websites, reading their programs, and learning more about the party leaders.

The vector of controls *x* includes economic factors that usually affect voters support for the incumbent party and might be also correlated with the amount of intergovernmental transfers: regional GDP per capita, tax revenues collected in the region a year before the election, unemployment rate, the strength of three major opposition parties--LDP, Agrarian, and the Communists--measured by the percent votes these parties won in the previous elections, and the size of urban population. All other unobserved time-invariant region-specific characteristics are controlled for by the vector of regional dummy variables.

Table 3-2 reports estimated fixed-effects coefficients. The model was first estimated by including only the measures for intergovernmental transfers and the control

variables. The presidential party won more votes in the regions that received more fiscal equalization grants but not development grants. A \$100 increase in fiscal equalization grants corresponds to 1.7 percentage point increase in vote share won by the presidential party. The coefficient on the regional development transfers, although is positive, but not statistically significant which suggests that fiscal equalization grants are more salient to voters because they distributed to pensioners and teachers, health care workers and other state employees.

Column 2 reports the coefficient on the endorsement variable. In regions in which governors endorsed the presidential party, it received 6.5 percent more votes than in regions in which the governor did not endorse the party. To compare the magnitude of the endorsement variable, which is dummy, with the effect of fiscal equalization grants, it is useful to ask the following question: By how much does the fiscal equalization grant must be changed to increase the vote share won by the presidential party by 6.5 percentage points? A back of the envelope calculation suggests that in an average region with 1.6 million residents, the incumbent party must increase fiscal equalization grants by \$405 per capita more or \$649.6 million more just in one region to increase vote share by 6.5 percentage points. This suggests that gubernatorial endorsements constitute an important electioneering tool because they allow the presidential party to increase popular support while avoiding unrealistically high budgetary outlays.

Before adding the Internet variable, which is available for 2003-2007 only, Column 3 reestimates the same model with the sample restricted to 2003 and 2007 elections to make sure that any possible effects found after including the Internet variable are not driven by unobserved time trend. The coefficients remain the same.

Column 4 reports the key finding of this paper: the estimated conditional effects of gubernatorial endorsements. The negative coefficient on the *Gov*Intr* variable suggests that voters are more likely to be influenced by gubernatorial endorsements in regions with low Internet connectivity because the Internet reduces the cost of acquiring information about other parties. The size of the marginal effect of gubernatorial endorsements for different values of the Internet variable is shown in Figure 3-1. Political endorsements have positive effect on the votes received by the presidential party in regions with 8 or fewer computers connected to the Internet. For regions with 8-12

connections, political endorsements have no statically significant effect on votes won by the presidential party and have negative effect in regions with 12 or more computers per 100 employees connected to the Internet.

Another interesting feature of the internet variable is its positive correlation with the support toward the presidential party. Connecting one more computer per 100 employees to the internet corresponds to 4.16 percent more votes cast for the presidential party. This variable also changes the importance of the regional GDP. When the Internet variable is not included, the coefficient on the regional output is positive and statistically significant (Column 4), yet, the coefficient on the GDP variable stops being significant when the Internet variable is included. One possible explanation is that the Internet variable captures a somewhat different type of economic development and economic conditions. During the 2000s, the GDP grew especially fast in oil extracting regions because of overall increase of prices on the world market, but the Internet variable captures the improvement at the firm level in other than natural-resource-rich regions. So, voters were more likely to support the presidential party when they experienced first-hand improvement in technological development but not total regional output.

Robustness of Results

Even though the estimates reported in Table 3-2 are based on the fixed-effects specification which controls for unobserved region-specific effects, it is still useful to check the robustness of the results to alternative specifications and to outliers. The first robustness check consists of the construct validity of the Internet variable. Although it is assumed to measure the costs of acquiring information about political parties, it can also measure the level of technological development in the region. Therefore the model was reestimated by including the control for the total number of computers in the region. If the Internet variable simply serves as a proxy for economic development, it should not have any effect on the electoral outcome after a more direct measure of development is included in a model. The coefficient on the Internet variable, although shrinks but 50 percent in a new specification, remains positive and statistically significant. The coefficient on the interaction term remains negative and significant. This implies that even after controlling for computerization of the production place, access to the internet continues to influence political behavior.

The results on the Internet variable can be also caused by the unobserved time trend that could have affected both the extent of IT development in the region and the propensity of governors to endorse the presidential party and the omission of which can bias the coefficients on both the Internet and the endorsement variables. Specifically, the abolition of gubernatorial elections in 2005 could have been responsible for gubernatorial activism during the 2007 election when the governors tried to demonstrate their loyalty to the president to secure reappointment in the future. Therefore, the model was reestimated by adding a dummy variable for 2007. The results are reported in Column 6. The changes in the specification affected primarily the coefficients on the Internet and the total number of computer variables: the former although remains positive stops being statistically significant, while the latter changes its sign from the positive to negative. The coefficients on the gubernatorial endorsement variable and on the interaction term also become smaller but continue to be statistically significant. Thus even after taking into account both the regional and time trends the effect of the endorsement variable is still conditional on the availability of the Internet at the work place.

Post-regression diagnostics is another useful way for checking if the results are driven by outliers, for example such regions as Moscow and St. Petersburg, which exhibit the highest level of technological development. The model in Column 4 was reestimated by omitting these two regions, but the results remain unchanged. In addition, after estimating the model in Column 4, Cook's D statistic was computed for each region to capture how the omission of individual region affect overall model fit. The mean value for the Cook's D ranges from 0 to 0.25, which suggests that the influence of an individual region on the estimates is relatively small.

Part IV: Micro-Level Estimates of the Effects of Gubernatorial Endorsements

Micro-level analysis allows us to disentangle further the causal mechanisms by which political endorsements affect political behavior. In 1999 and 2003, right after the parliamentary elections, Timothy Colton and colleagues surveyed a representative sample of respondents about their political attitudes and factors that influenced their decision at the polls, including questions about gubernatorial support of a particular party and Internet literacy.

It is useful to begin the analysis by providing some preliminary description of the data. The surveys were conducted in 32 randomly selected regions in 1999 and in 2003, and administered by a reputable polling agency. To maximize the accuracy of retrospective self-reported voting behavior, all interviews were completed within two months after the day of the parliamentary elections. In 1999, 1,922 and 1,648 in 2003 respondents were visited at their homes and interviews lasted for about an hour.²¹

Among numerous questions about their political beliefs and opinions, respondents were asked if they use the Internet at home, at work, at friends' places, or somewhere else. In 1999, 3.69 percent (n=71) of all respondents said that they use the Internet. This percentage increased to 7.95 (n=131) in 2003. At first these numbers seem to be extremely low; however, they become significantly higher once computer ownership becomes accounted for. Ownership of personal computers has been extremely low in Russia: in 1999 only 4.06 percent (n=78) of the sample said that there was a computer at home; in 2003 this number increased threefold to 12.62 percent (n=208), but still remains much lower than in Western countries. When the tabulation of the internet usage is constrained only to those respondents who have a computer at home, a different pattern emerges: 32.05 percent (n=25) in 1999 and 36.6 percent (n=75) in 2003 said that they use the Internet.

The survey also includes questions about gubernatorial support of political parties. Respondents were asked if the governor in their region supported any party during the parliamentary elections and those who answered affirmatively were subsequently asked to name the party. In 1999, 28.2 percent (n=542) and in 2003, 44.9 percent (n=741) of respondents said that a governor supported a political party during the parliamentary elections. In 1999, only 11.55 percent (n=62) of these subsample said that the support was directed at Unity. In 2003, as high as 83.67 percent of the subsample (n=620) said that the governor supported United Russia. Based on the answers to these questions four categories of respondents were created. The first consists of those who thought that the governor supported the presidential party; the second, who thought that he supported some other party; the third, those who thought that the governor did not

²¹ For more information about the dataset, see Henry E. Hale, Michael McFaul, and Timothy Colton, "Putin and the 'Delegative Democracy' Trap: Evidence from Russia's 2003-04 Elections," *Post-Soviet Affairs* 20 (October-December 2004): 285-319.

support any party, and the last one comprises those who could not recall if the governor supported any party or could not name the party which one he supported.

To test how Internet literacy affects the effectiveness of gubernatorial endorsements the respondents were divided into two sub-samples: those who knew presidential party policy position relative their own (hereafter as “informed” respondents) and those who did not (hereafter as “uninformed” respondents). Respondents were asked to locate themselves and the five major parties on the left-right scale with 0 corresponding to the most left and 10 to the most right. In 1999, 63 percent (n=1, 210) of the sample and 58.7 percent (n=967) in 2003 could locate themselves and the presidential party on the left-right dimension. These two questions were used to construct the measure of ideological distance $(x_i - x_p)^2$. Since political endorsements serve as informational shortcuts, respondents who did not know $(x_i - x_p)^2$ should be more receptive to cuing by the governor.

The following probit model was estimated:

$$Pr(y_{ig} = \text{Presidential Party} | \mathbf{x}_{ig}) = \Phi(\mathbf{x}'\boldsymbol{\beta}) \quad (3-5)$$

$$\mathbf{x}'\boldsymbol{\beta} = \beta_0 + \beta_1 GovPP_{ig} + \beta_2 GovNeutral_{ig} + \beta_3 Intr_{ig} + \beta_4 Gov_{ig} * Intr_{ig} + \beta_5 Dist_{ig} + \beta_6 Eqlz_g + \beta_7 Dev_g + \boldsymbol{\theta}'\mathbf{x}_{ig} + \varepsilon_{ig}$$

where, i indexes a respondent; g, a region,

The dummy variables: *GovPP* and *GovNeutral* indicate, respectively, if a voter thought that the governor endorsed the presidential party or neither party. Those who thought that the governor supported other than the presidential party comprise the reference category. The dummy variable *Intr* indicates if a respondent uses the Internet. The variable *Dist* captures the distance between respondent’s ideal point and the presidential party policy position on the left-right dimension. The two aggregate-level indicators of intergovernmental transfers to the region—*Eqlz* and *Dev*-- are the same as in the macro-level analysis. They were matched to regions included in the survey using geographic identifiers contained in the survey. The vector of controls, \mathbf{x} , contains a dummy variable for those respondents who had some college education, a measure of respondent’s age, wealth index measured by the ownership of automobile, washing machine, land phone line, and/or a summer house, and a dummy variable *Urban* which equals one for respondents in the largest city of the region.

The estimated probit coefficients are reported in Table 3-3. To facilitate cross-group comparison they were rescaled by setting the coefficient on the Internet dummy to 1. Although the initial model specification contained the interaction term *Gov*Int* for both 1999 and 2003, this variable was dropped for 1999 because of the extremely small number of observations per cell: only 3 respondents said that the governor endorsed the presidential party and also used the Internet. For 2003, this number was 49 for the “informed” sample and 19 for the “uninformed.”

The estimates for the 1999 sample are consistent with the proposition that the effect of gubernatorial endorsements will be weaker for the informed group. The coefficient on the *GovSup* dummy is indistinguishable from zero for the informed group, while positive and statistically significant for uninformed respondents. The pattern of support is somewhat different for the 2003 sample. Although none of the coefficients for the *GovSup* dummy is statistically significant, the coefficient on the interaction term *GovIntr* is negative and significant for the informed respondents but not for uninformed. This suggests that internet-literate respondents were not only better informed about United Russia policy position, but were more likely to verify gubernatorial campaign rhetoric and were less likely to be influenced by it.

It is useful to compare the micro-level estimates in Table 3-3 with the aggregate level results in Table 3-2, Column 4. The coefficients on gubernatorial endorsement variable are always positive for the two specifications albeit not always statistically significant for the micro-level estimates. Urbanization is another variable that has persistently negative effect on the vote for the presidential party in both macro and micro level specification. Respondents who reside in large cities and regions with higher share of urban population are less likely to vote for the presidential party. The urban-rural cleavages became more prominent in 2003.

The sign of the internet variable for micro-level estimates depends on the model specification. When the probit specification contains the same right-hand-side variables as the fixed effects model, the coefficients on the interaction term *GovIntr* of the same sign.

Robustness of Results

Recall bias constitutes an important concern. The survey data measure respondents' subjective assessment of gubernatorial support and may not be accurate. Therefore, using geographic identifier contained in the survey, the objective measure of gubernatorial support was created and the model was reestimated. New coefficients are reported in Table 3-4. Interestingly, for the 1999 election, the coefficient on gubernatorial endorsements is negative and is not statistically significant from zero. For the 2003 election, the coefficients have correct sign but are not distinguishable from zero. This suggests that subjective perception of gubernatorial support mattered more than actual governors' behavior. Such disparities between the perceived and actual gubernatorial behavior might be partially caused by inconsistent behavior on the part of the governors themselves. As been noted in Part II, in 1999 many governors behaved opportunistically and endorsed one party in the at-large-district, while simultaneously endorsing candidates nominated by a different party in the SMD. In doing so, governors confused voters about the party they actually supported and, hence, respondents' opinion about gubernatorial behavior mattered more than actual gubernatorial behavior. In 2003, the United Russia leaders address this problem by listing governors' names on the top regional party list. Change in the mobilization strategy may account for the differences in the signs for 1999 and 2003 estimates.

Conclusion

This paper examined how voters' access to uncensored sources of information limits elite's vote mobilization efforts behind the presidential party and how political endorsements can mitigate the commitment problem that frequently arises when the incumbent party seeks to buy voter support. The finding presented in this paper recast the existing consensus about the politics of quasi-democratic regimes in several respects. The rapidly growing literature on the sustainability and peaceful democratization of hegemonic regimes that stems primarily from the studies of PRI in Mexico asserts that three factors allow the dominant party to remain in power: 1) provision of generous material benefits to the regime supporters through extensive grass-root networks; 2) sporadic electoral fraud and coercion of opposition; 3) long history of holding public

office that increases the credibility of the dominant party's campaign promises.²² But unlike the PRI in Mexico, Russian parties have little political history to leave behind and have atrophic partisan organization to rely on; therefore, this study instead uncovered how strategic use of political communication supplements the importance of material award and substitutes for previous policy-making experience and extensive grass-root partisan organization. Personal political reputation of regional leaders helped Russian party builders overcome deficiencies in organizational infrastructure and hastily put together party platforms and was especially valuable during the formative years of the dominant-party state.

The paper also offered a novel solution to the commitment problem, endemic to political regimes in which the incumbent party seeks to influence electoral choices by providing selective incentives to clearly identified constituents. Since these benefits are provided before the election, they constitute sunk cost that should not affect voters' future choices. This gives rise to the commitment problem in which voters who received material benefits in exchange for votes, still cast their ballots for another party. This paper has demonstrated how endorsements by power brokers coupled with their control of the mass media and campaign coverage of the opposition parties can deter such opportunistic behavior for some voters. Voters are more likely to support the opposition when they have access to the Internet or other uncensored sources of information they can provide unbiased information about other parties and candidates.

This paper also provided an insight into the relationship between democracy and technological development by showing that political machines are more likely to flourish in technologically backward regions where voters cannot freely access accurate information about all contestants for public office. The literature on the effect of the Internet and democratic processes is only starting to emerge and the existing studies on this topic in unconsolidated democracies suggest that the Internet can facilitate democratic deepening by encouraging citizen-incumbent communication, increasing government transparency, opening outlets for communication for the opposition parties

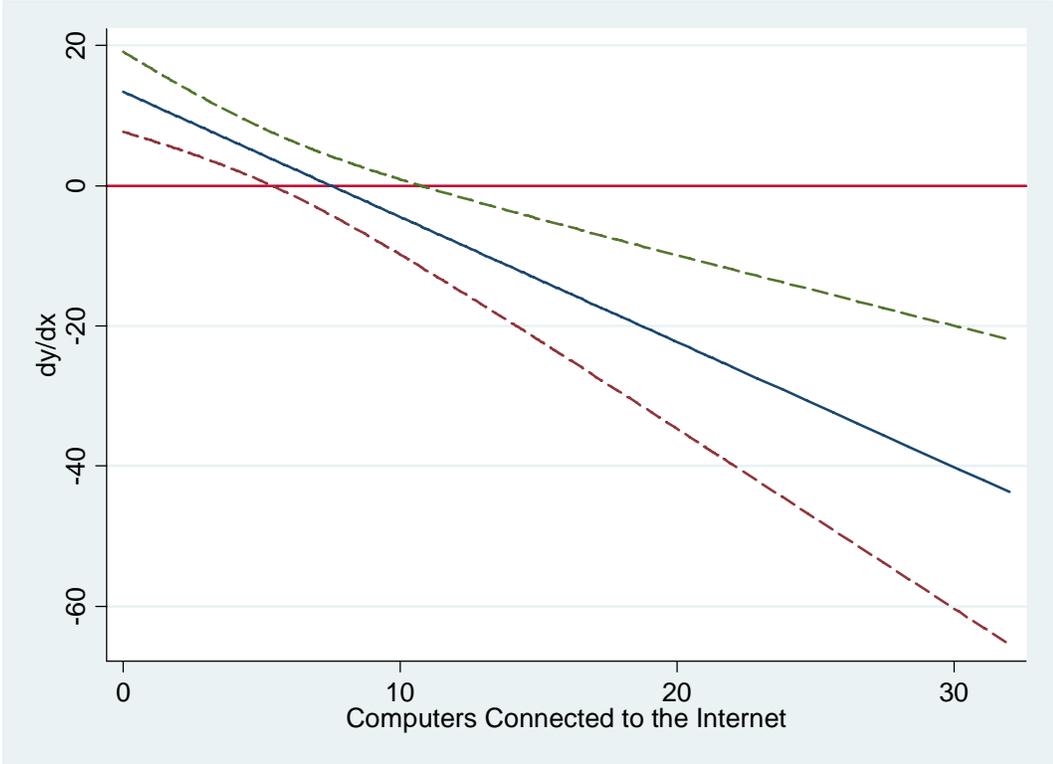
²² Beatriz Magaloni, *Voting for Autocracy: Hegemonic Party Survival and Its Demise in Mexico* (New York: Cambridge University Press, 2006); Kenneth F. Green, *Why Dominant Parties Lose: Mexico's Democratization in Comparative Perspective* (New York: Cambridge University Press, 2007).

and NGOs, and at the times of social upheavals mitigating coordination problem.²³ This paper advanced the existing literature a step further by showing that the Internet can limit the power of political machines because Internet –literate voters can filter more effectively the elite campaign rhetoric and party leaders’ personal appeals.

This finding has important policy implication for democratic consolidation of nascent democracies that depend heavily on loans from the Western donors. These loans frequently come with string attached, but the donors primarily focus on balanced budget, privatization, and free trade, while ignore other provisions that contribute to democratic deepening. This paper demonstrated that by encouraging economic actors to train their employees to use the Internet, foreign lenders, in addition to facilitating economic development can foster democratic practices and undermine the power of the dominant party.

²³ David T. Hill, Krishna Sen, *The Internet in Indonesia's New Democracy* (London and New York: Routledge, 2005); Peter Ferdinand, *The Internet, Democracy, and Democratization* (London and New York: Routledge, 2000); Sarah Oates, Diana Marie Owen, Rachel Kay Gibson, eds., *The Internet and Politics: Citizens, Voters and Activists* (London and New York: Routledge, 2006).

Figure 3-1 Marginal Effect of Gubernatorial Endorsements on % of Votes Won by the Presidential Party, 2003-2007



Note: Computed from Table 3-2, column 4.

Table 3-1 Gubernatorial Support of the Presidential Party, 1995-2007

	<i>Our Home is</i>			
	<i>Russia</i>	<i>Unity</i>	<i>United Russia</i>	
	1995	1999	2003	2007
Number of governors who supported the party	39	25	28	65
Percent of popular vote won by the party	10.1	23.32	37.6	64.3

Sources: Treisman, *After the Deluge*, Orttung, *The Republics and Regions of Russian Federation*, official party lists.

Table 3-2

Estimated FE Coefficients

	1995-07	1995-07	2003-07	2003-07	2003-07	2003-07
	(1)	(2)	(3)	(4)	(5)	(6)
Gov=1 if endorsed		6.510*** (1.774)	8.090*** (2.446)	13.396*** (2.907)	11.203*** (3.041)	4.082* (2.152)
Inter				4.158*** (0.543)	2.718*** (0.886)	0.969 (0.616)
Gov*Intr				-1.785*** (0.409)	-1.436*** (0.435)	-0.578* (0.302)
# of computers (per 100 employees)					0.746** (0.367)	-0.724** (0.289)
Equalization grants (\$, per capita)	0.017** (0.008)	0.016** (0.008)	0.053*** (0.014)	0.032*** (0.011)	0.026** (0.011)	0.014* (0.008)
Development grants (\$, per capita)	0.007 (0.094)	-0.040 (0.092)	-0.158* (0.089)	-0.092 (0.067)	-0.085 (0.066)	-0.023 (0.609)
Reg. tax revenues (\$, per capita)	0.000 (0.002)	0.000 (0.002)	0.000 (0.002)	-0.001 (0.001)	-0.001 (0.001)	-0.001 (0.001)
Regional GDP (\$, per capita)	0.004*** (0.000)	0.004*** (0.000)	0.002*** (0.000)	0.0001 (0.001)	0.0001 (0.001)	-0.0001 (0.0001)
Opposition	-1.445*** (0.100)	-1.460*** (0.098)	-0.307* (0.174)	-0.089 (0.133)	-0.082 (0.130)	0.231** (0.092)
Unemployment	-0.186 (0.157)	-0.091 (0.155)	-3.399*** (0.567)	-1.895*** (0.482)	-1.543*** (0.503)	-0.430 (0.353)
Urban pop.	-1.103 (0.734)	-1.138 (0.715)	-1.196 (0.858)	-1.276* (0.646)	-1.374** (0.634)	-0.841** (0.424)
Dummy for 2007						29.610** * (3.155)
Constant	157.578*** (51.257)	157.318*** (49.922)	155.521** (59.936)	129.769*** (45.310)	125.737*** (44.362)	100.618* ** (29.495)
Observations	316	316	158	158	158	158
R-squared	0.499	0.508	0.120	0.240	0.282	0.520

Note: Dependent variable= percent of votes won by the presidential party; Standard errors in parentheses; *significant at 10%; ** significant at 5%; *** significant at 1%

Table 3-3 Rescaled Probit Coefficients Using Respondent's Subjective Assessment of Gubernatorial Support

	<i>Informed</i>			<i>Uninformed</i>		
	1999	2003	2003	1999	2003	2003
	(1)	(2)	(3)	(4)	(5)	(6)
Gov. sup. pres subjective	0.759 (0.948)	0.646 (0.713)	5.700 (5.120)	1.172** (0.516)	5.919 (4.747)	0.839 (0.753)
govNeutral	0.234 (0.509)	0.233 (0.684)	1.500 (4.980)	-0.133 (0.398)	3.758 (4.646)	0.551 (0.743)
Dist=($x_i - x_p$) ²	-0.069*** (0.010)	-0.075*** (0.019)	-0.560*** (0.140)			
uses internet	-1.000 (0.698)	-1.000** (0.499)	1.000 (6.760)	-1.000 (0.686)	-1.000 (2.798)	-1.000 (0.897)
intr*GovSupPP			-14.380* (8.140)			1.384 (1.195)
some college	-1.079*** (0.409)	-0.292 (0.421)	-1.900 (3.180)	-0.805*** (0.219)	-0.444 (1.990)	-0.118 (0.333)
wealth	0.110 (0.175)	0.040 (0.099)	0.340 (0.740)	0.059 (0.093)	0.444 (0.677)	0.069 (0.110)
Age	-0.017 (0.014)	-0.038*** (0.011)	-0.280*** (0.080)	-0.011** (0.005)	-0.051 (0.040)	-0.008 (0.007)
Eqlz grants	0.000 (0.003)	0.003 (0.005)	0.020 (0.040)	-0.002 (0.002)	0.000 (0.020)	0.000 (0.003)
Reg dev grants	-276.623*** (94.666)	0.011*** (0.003)	0.080*** (0.020)	-36.244 (115.400)	0.000 (0.010)	0.000 (0.003)
Urban	-1.027* (0.591)	-0.997*** (0.298)	-7.400*** (2.280)	-0.627* (0.346)	-3.141** (1.414)	-0.518** (0.231)
Constant	-0.079 (1.041)	2.298** (0.997)	16.240** (7.380)	-0.478 (0.434)	-2.485 (5.303)	-0.269 (0.866)
Observations	879	569	569	676	396	396

standard errors clustered by region in parentheses; * significant at 10%; ** significant at 5%; *** significant at 1%; dependent variable=1 if a respondent voted for Unity or United Russia;
¹Reference category consists of respondents who thought that the governor supported different than Unity or United Russia party
²Reference category consists of regions where governor endorsed some other party

Table 3-4 Estimated Probit Coefficients Using Objective Measure of Gubernatorial Support

	<i>Informed</i>				<i>Uninformed</i>		
	1999	1999	2003	2003	1999	2003	2003
	(1)	(2)	(3)	(4)	(5)	(7)	(8)
gov sup pres. party objective	-0.005 (0.138)	-0.011 (0.136)	-0.076 (0.146)	-0.075 (0.153)	0.137 (0.152)	0.091 (0.164)	0.035 (0.174)
dist=(x_i-x_p) ²	-0.020*** (0.002)	-0.020*** (0.002)	-0.028*** (0.007)	-0.028*** (0.007)			
uses internet	-0.276 (0.203)	-0.304 (0.217)	-0.358* (0.197)	-0.356 (0.247)	-0.484 (0.473)	-0.077 (0.277)	-0.744* (0.386)
intrGov		0.208 (0.403)		-0.007 (0.356)			1.199*** (0.452)
some college	-0.328*** (0.117)	-0.328*** (0.116)	-0.104 (0.155)	-0.104 (0.155)	-0.471*** (0.115)	-0.019 (0.196)	-0.029 (0.196)
wealth	0.023 (0.056)	0.023 (0.056)	-0.001 (0.037)	-0.001 (0.037)	0.048 (0.052)	-0.002 (0.062)	-0.004 (0.063)
Age	-0.005 (0.004)	-0.005 (0.004)	-0.014*** (0.004)	-0.014*** (0.004)	-0.005* (0.003)	-0.004 (0.004)	-0.004 (0.004)
Eqlz grants	-0.000 (0.001)	-0.000 (0.001)	0.001 (0.002)	0.001 (0.002)	-0.001 (0.001)	0.000 (0.001)	-0.000 (0.001)
Reg dev grants	-78.075*** (28.032)	-78.212*** (28.179)	0.006*** (0.001)	0.006*** (0.001)	-11.140 (75.155)	0.001 (0.002)	0.001 (0.002)
urban	-0.283* (0.171)	-0.284* (0.171)	-0.378*** (0.109)	-0.378*** (0.109)	-0.321 (0.202)	-0.317** (0.137)	-0.321** (0.138)
Constant	0.019 (0.327)	0.020 (0.328)	1.137*** (0.269)	1.137*** (0.269)	-0.372** (0.178)	0.406 (0.304)	0.417 (0.310)
Observations	898	898	569	569	700	399	399

Cluster by region standard errors in parentheses, * significant at 10%; ** significant at 5%; *** significant at 1%

Appendix A

Preliminaries

Before presenting formal proofs, it is useful to examine the amount of information available to voters at different stages of electoral campaign presented in Figure A1. At stage 1, voter I assumed to know only his own and group leader ideal points. At stage 2, as the result of the leader's endorsement of party C, voter learns party policy position x_c , and, hence, can calculate the distance $(x_i - x_c)$. If voter decides to invest time $t > 0$ to gather the information about other party platforms he might find party K with the policy position x_k .

Proof of Proposition 1

Consider the case when $x_g < x_c$. For an arbitrary voter i with x_i there can be four possibilities:

Case 1: $x_i \in [0, x_g]$: Leader's endorsement of party C implies that there is no party K with a policy position x_k such that $x_k \in [x_g - x_c, x_c]$, otherwise K would have been endorsed. But if $x_g - x_c > 0$ there might exist a party H such that $x_h \in [0, x_i]$ and $x_i - x_h < x_c - x_i$. So it makes sense to search for another party that may in fact be closer to the voter's ideal point than the party endorsed by the leader.

Case 2: $x_i \in [x_g, x_c]$: Leader's endorsement of party C implies that there is no party K with a policy position x_k such that $x_k \in [x_g - x_c, x_c]$. Since voter's ideal point is in this interval, there is no other party K such that $x_k \in [x_g, x_i]$ or $x_k \in [x_i, x_c]$. If it existed, it would have been endorsed otherwise.

Case 3: $x_i \in (x_c, \infty)$: Since x_i is to the right of x_c , while x_g is to the left of x_c , any party K with $x_k \in (x_c, x_i]$ will be closer to x_i than party C.

Case 4: $x_i = x_c = x_g$: since $x_i = x_c$, there is no other party closer to x_i , and the voter will not search for a different party.

The same logic applies when $x_c < x_g$.

Proof of Proposition 2

This proposition follows from the observation that the maximum gain in utility by searching for a party K with policy platform x_k such that $x_i = x_k$ equals to:

$$\begin{aligned} \Delta U_i &= (x_i - x_c)^2 - (x_i - x_k)^2 - e(t) \\ &\Leftrightarrow (x_i - x_c)^2 - e(t) \end{aligned}$$

So, the steeper is the cost function, the smaller is the improvement in utility from finding the party that closely corresponds to the voter's ideal point.

Figure 3-1A Information about Party Platforms at Different Stages of Electoral Process

- Voter knowledge of party platforms at $t=0$ prior to the endorsement by the leader



- Voter knowledge of party platforms at $t=0$ after the leader endorses party C



- Voter knowledge of party platforms at $t>0$ after the leader endorses party C



X_i =voter's ideal point; X_g =leader's ideal point; X_c =platform of party C; X_k =platform of party K

Appendix B

Table 3-1B

Summary Statistics for Table 2

Variable	Obs	Mean	Std. Dev.
% of votes won by the presidential party	351	35.302	22.236
Gov=1 if governor endorsed the president. party	349	0.453	0.498
Gov*Intr	347	2.761	4.258
Intr= # of computers with internet connection (per 100 employees)	176	6.233	4.398
Equalization grants (\$, per capita)	351	114.605	260.417
Development grants (\$, per capita)	349	2.099	9.054
Regional tax revenues (\$, per capita)	349	371.746	1401.485
Regional GDP (\$, per capita)	316	1775.038	2351.660
Strength of opposition parties in previous elections	349	36.240	12.106
Unemployment rate	338	34.881	61.332
Total # of computers in a region (per 100 employees)	174	22.052	7.428

Table 3-2B Summary Statistics for Table 3

	1999				2003			
	<i>informed</i>		<i>uninformed</i>		<i>informed</i>		<i>uninform</i>	
	Obs	Mean (st.d.)	Obs	Mean (st.d.)	Obs	Mean (st.d.)	Obs	Mean (st.d.)
Voted for Unity or UR	934	0.224 (0.417)	735	0.158 (0.365)	618	0.482 (0.500)	440	0.541 (0.499)
Gov. sup. pres party subjective	957	0.041 (0.198)	763	0.024 (0.152)	889	0.474 (0.500)	740	0.269 (0.444)
Gov did not sup any	942	0.334 (0.472)	750	0.217 (0.413)	891	0.153 (0.360)	743	0.162 (0.368)
Doesn't know if gov sup any party	957	0.307 (0.462)	763	0.571 (0.495)	889	0.331 (0.471)	740	0.545 (0.498)
Uses internet	952	0.051 (0.221)	768	0.020 (0.138)	892	0.091 (0.287)	756	0.066 (0.249)
Gov*Intr	949	0.002 (0.046)	760	0.001 (0.036)	889	0.052 (0.222)	740	0.026 (0.158)
Has a computer	953	0.056 (0.229)	769	0.022 (0.147)	886	0.142 (0.349)	752	0.109 (0.312)
Dist=(x _i -x _p) ²	960	15.197 (24.018)			892	10.550 (19.096)	0	
Education =1 if some college	960	0.550 (0.498)	771	0.691 (0.462)	891	0.324 (0.468)	756	0.192 (0.394)
Wealth	948	1.379 (1.125)	766	0.984 (1.076)	884	6.399 (1.213)	747	6.695 (1.149)
Age	959	46.346 (16.333)	769	52.187 (17.989)	814	48.393 (16.565)	682	50.249 (18.604)
Equalization grants	959	10.560 (27.382)	771	13.438 (35.110)	892	31.902 (38.537)	760	36.978 (59.820)
Reg dev grants	941	0.001 (0.001)	743	0.000 (0.001)	892	5.120 (21.322)	760	2.027 (11.915)
Urban	960	0.473 (0.500)	771	0.428 (0.495)	892	0.454 (0.498)	756	0.405 (0.491)
trueUnity	959	0.244 (0.430)	771	0.147 (0.354)	892	0.369 (0.483)	770	0.358 (0.480)
intrGov	951	0.007 (0.086)	768	0.001 (0.036)	892	0.037 (0.189)	756	0.033 (0.179)

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CHAPTER 4
**PRE-ELECTORAL COALITIONS AND POST-ELECTORAL CENTER-
PERIFERY BARGAINING IN RUSSIA, 1999-2005**

Abstract:

This paper examines how informal pre-electoral coalitions between national legislators and regional governors affected the development of Russian federalism. Between 2000 and 2005, Russia witnessed rapid recentralization of power that subsequently led to the abolition of popular elections for governors. This paper examines the incremental process that resulted in this outcome and explains why legislators supported presidential intervention in regional affairs. Using roll call data on a bill that paved the way to the suspension of gubernatorial elections, the paper shows that legislators supported federal encroachment when it benefited regional governors because the former depended on the latter for their own political survival.

Introduction

Opportunistic behavior is endemic to all federations. The costs of compliance with federal rules accrue unevenly to member states, prompting some of them to shirk from contributing to the collective good and to shift the burden onto other federation members. Similarly, the national government may circumvent the constitution when the expansion of powers becomes politically expedient. This paper examines such opportunistic behavior in the Russian Federation between 1999-2005. Although throughout the 1990s the balance of power was clearly tilted toward the periphery, in the early 2000s the pendulum of power shifted back toward the center in such a manner that Russia began resembling a unitary state with federal trappings rather than a genuine federal republic. The center deprived the states of independent tax instruments, abolished

popular elections for governors, and consolidated the control of administrative personnel in presidential hands.¹

President Vladimir Putin, who orchestrated this dramatic transformation, did not act unilaterally. Although he had the power of decree, he never invoked it to recentralize the state. Instead, he built the “vertical power” abiding by the confines of existing institutions and mustering legislative majorities behind his institutional reforms. This strategy gave the reforms the appearance of legitimacy and popular backing given that the majority of national legislators voted for them. This paper, therefore, focuses on micro-level processes and examines legislators’ voting records on bills that led to this transformation.

Not all of Putin’s recentralization measures were unlawful transgressions, most of them falling into gray areas. Upward shift of taxing powers, introduction of a system of federal envoys, and even a reform of the upper chamber shifted authority upward without violating the Constitution, while others, such as the abolition of gubernatorial elections, dissolution of regional assemblies, and the reform of regional electoral system, constituted a gross violation of the federal principle. These violations constitute the focus of this paper. Since all these measures received the majority of votes in the lower chamber, the Duma, this prompts the following question: Why did popularly elected legislators vote for measures that violated the constitution?

This paper reveals that federal encroachment upon regional powers became possible because national legislators lacked independence from governor and supported federal regulation of regional elections when it allowed incumbent governors to prolong their stay in office. The analysis that leads to this conclusion consists of three parts. Part I reviews the literature on authority migration and shows that the question of political recentralization, which constitutes the focus of this paper, has to date been inadequately studied. Part II provides a brief overview of Moscow’s interference in regional elections beginning with sporadic changes in election dates made by President Boris Yeltsin, changes which culminated in the abolition of popular elections for governors during the

¹ Vladimir Gel’man, “Leviathan’s Return: The Policy of Recentralization in Contemporary Russia,” in Cameron Ross ed., *Federalism and Local Politics in Russia* (New York: Routledge, 2009); Cameron Ross, “Putin’s Federal Reforms and the Consolidation of Federalism in Russia: One Step Forward, Two Steps Back!” *Communist and Post-Communist Studies* 36 (March 2003): 29-47.

second term of Putin's administration. Part III develops a simple formal model that links authority migration to electoral considerations and tests it by employing roll call data.

Part I: Authority Migration in a Federation

Over the past decade the number of studies explaining authority migration between the center and periphery rapidly expanded (Table 4-1) from which two schools of thought emerged. The first views (de)centralization as a process of policy-making with a clear starting and ending point. The second considers authority migration as an institution-building process that causes the problem of compliance with legal norms. The policy-making paradigm views federal statutes as the ultimate source of power distribution and thus focuses attention entirely on the legislative branch. It argues that legislators' preferences are all that matters for changing center-periphery relations. These preferences are shaped by electoral considerations, while legislators' ability to translate preferences into policy outcomes depends on the distribution of resources between the center and the periphery. Therefore, the extent of decentralization reflects the preferences of legislators who can support either national or subnational governments. Legislators' preferences for decentralization depend on the probability of success in upcoming national elections, partisan ideology, and personal ties to home districts.²

Path dependency plays an important role in this explanation because intergovernmental reforms create transitional losers and winners who may find it advantageous to support only partial decentralization. As Falleti shows, decentralization is a multi-dimensional concept entailing the devolution of political, fiscal, and administrative authority to subnational government. Governors and presidents prefer different sequencing of reforms, with governors advocating political decentralization before fiscal and administrative one. Such sequencing brings about more profound decentralization because the introduction of popular elections at subnational level increases governors' independence from the President. Then, more autonomous governors build coalitions and subsequently demand greater fiscal and administrative autonomy. The President, to the contrary, prefers minimal decentralization through devolution of administrative authority unaccompanied by fiscal or political reforms.

² Rodrigo Mardones Z., "The Congressional Politics of Decentralization: The Case of Chile," *Comparative Political Studies* 40 (March 2007): 333-358; Kathleen O'Neill, "Decentralization as an Electoral Strategy," *Comparative Political Studies* 36 (November 2003): 1068-1091.

When the President prevails, reforms result only in partial decentralization, and the transfer of administrative autonomy becomes equivalent to unfunded mandates that undermine the quality of service provision and trigger popular opposition to further decentralization.³

Political parties play a precarious role in decentralization literature. In the long-run, parties adapt to the distribution of power, but in the short run political parties are assumed to shape legislators' preferences for decentralization.⁴ The argument that parties can buttress federal arrangements was first advanced by Riker who emphasized two elements of the party system: party discipline and consolidation of the control over national and subnational governments by a single party.⁵ Party discipline reduces the centrifugal tendency because national leaders can effectively block measures advocating devolution of power, while regional actors' control over selection and nomination of candidates to national office reduces centripetal tendencies by making national legislators more sensitive to regional demands. Yet, empirical tests of this proposition have led to ambiguous results. The hypothesis was confirmed for Latin America but rejected for Spain and Australia where national leaders' tight control over partisan organizations failed to prevent asymmetric decentralization.⁶

The institutionalist camp questions the fundamental premise of the policy-making paradigm that the legislative branch is the foci of authority migration because both states and federal government can subvert decentralization *de facto*. If the policy-making camp seeks to understand why federal statutes are enacted, institutionalists seek to explain how statutes and constitutions are sustained. The challenges to sustaining federal

³ Tulia G. Falleti, "A Sequential Theory of Decentralization: Latin American Cases in Comparative Perspective," *American Political Science Review* 99 (August 2005): 327-246.

⁴ For the effects of decentralization on the structure of party system see Pradeep Chhibber & Ken Kollman, *The Formation of National Party Systems: Federalism and Party Competition in Canada, Great Britain, India, and the United States* (Princeton: Princeton University Press, 2004).

⁵ William H. Riker, *The Development of American Federalism* (Boston: Kluwer Academic Publishers, 1987), p. 74; and more recently Larry D. Kramer, "Putting the Politics Back into the Political Safeguards of Federalism," *Columbia Law Review* 100 (January 2000):215–293.

⁶ Christopher Garman, Stephan Haggard, Eliza Willis, "Fiscal Decentralization: A Political Theory with Latin American Cases," *World Politics* 53 (January 2001): 205-236; Jorge P. Gordin, "Testing Riker's Party Based Theory of Federalism: The Argentine Case," *Publius: The Journal of Federalism* 34 (Winter 2004):21-34; Campbell Sharman, "Discipline and Disharmony: Party and the Operation of the Australian Federalism," in Campbell Sharman, ed., *Parties and Federalism in Australia and Canada* (Canberra: Federalism Research Center, Australian National University, 1994), Alfred P. Montero, "The Politics of Decentralization in a Centralized Party System: The Case of Democratic Spain," *Comparative Politics* 38 (October 2005): 63-82.

arrangements are similar to maintaining all other institutions. Unless the agreements are self-enforcing, rational actors will not abide by them and a third party will be required to punish defections. Reliance on a third party tends to trigger monitoring imperfections. The institutionalists literature, therefore, either focused on conditions that make federal arrangements self-enforcing while or examined factors that mitigate defections in the presence of monitoring imperfections. The former focused on the commitment problem that is especially acute in the area of fiscal federalism. For example, Diaz-Cayeros argues that fiscal centralization requires states to give up taxing powers in exchange for budgetary transfers from the national government. *Ex ante* the federal government always promises to compensate the regions for the loss of own tax revenues through budgetary transfers, Yet, the centre is unlikely to keep its promise *ex post*. Diaz-Cameron shows that subnational actors will transfer fiscal authority upward only if the center agrees to use its power to shield regional politicians from electoral competition. Diaz-Cameron relies on in-depth case studies of centralization in Mexico to illustrate how the formation of the hegemonic party regime facilitated fiscal centralization after the World War II. The Revolutionary Party's hegemonic position coupled with a peculiar structure of term limits for the president and governors facilitated gubernatorial access to public office and made fiscal centralization feasible.⁷

The commitment problem does not always harmful to subnational officials, and Rodden examines a situation when the federal government cannot credibly commit to punish the regions to deter opportunistic behavior. He focuses on federal bailouts to rescue fiscally irresponsible subnational governments. Using data for the United States and Switzerland, Rodden shows that financial markets mitigate the commitment problem by increasing the costs of borrowing for the national government subsequent the bailing out of the regions.⁸

Bednar, instead, begins from the assumption that defections are endemic to all federations and goes on to develop a theory of institutional, political, and judicial safeguards. She argues that these safeguards must simultaneously address three types of

⁷ Alberto Diaz-Cayeros, *Federalism, Fiscal Authority, and Centralization in Latin America* (New York: Cambridge University Press, 2006).

⁸ Jonathan A. Rodden, *Hamilton's The Promise and Peril of Fiscal Federalism* (New York: Cambridge University Press, 2006).

opportunism: 1) federal encroachment; 2) states' shirking from contributing to collective goods; 3) burden shifting on other states the responsibility to take care of high-cost citizens. Safeguards must be "complete" and "redundant." Completeness entails addressing all three types of opportunistic behavior, while redundancy guarantees that malfunctioning of one safeguard will be recompensed by another.⁹

Despite these advances, several theoretical gaps remain. First, the literature on authority migration has focused predominantly on fiscal federalism while ignoring political decentralization that is harder to quantify and analyze. Unlike fiscal decentralization, political decentralization modifies a political regime and, thus, becomes intertwined with the process of democratization. Such a dual transition complicates analysis by muddling boundaries between the winners and losers of reforms and producing new cleavages that do not fall neatly along center-periphery divide. Thus, the set of actors pushing for political decentralization may not necessarily coincide with the set of actors who support fiscal or administrative reforms. Second, the center versus periphery approach assumes what needs to be explained. Following Riker, the distribution of power in the federation has been analyzed through the lenses of states versus center bargaining, an assumption implying that regional identity is more dominant than ethnicity or socio-economic status, which naturally begs the question of why and when geographic cleavages become more salient than others. This question becomes especially relevant in attempts to explain legislators' voting records. It is not uncommon for legislators to wear multiple hats at once: they are party members, regional representatives, members of socio-economic groups, and corporate lobbyists. Thus, legislators frequently find themselves serving multiple principals at once and they do not always place regional interests above the demands imposed by other groups. In particular, Jones and Hwang find no evidence of regional clustering of votes among Argentinean legislators while Desposato shows that regional influence is extremely small in Brazil.¹⁰ These findings suggest that center-periphery cleavages are not always salient and that

⁹ Jenna Bednar, *The Robust Federation: Principles of Design* (Cambridge: Cambridge University Press, 2008).

¹⁰ Mark P. Jones and Wonjae Hwang, "Party Government in Presidential Democracies: Extending Cartel Theory beyond the U.S. Congress," *American Journal of Political Science* 49 (April 2005): 267-282; Scott Desposato, "The Impact of Federalism on National Party Cohesion," *Legislative Studies Quarterly* 29 (May 2004): 259-285.

more time needs to be spent theorizing exactly what propels the saliency of geographic cleavages.

This paper advances an explanation that addresses some of these gaps. The explanation begins with the assumption that national legislators seek the support of several actors at once-- parties, voters, governors, and the president—and in so doing moves away from the billiard-ball perception of center-periphery relations. Legislators' vote share depends on policy outcomes and organizational resources at their disposal. Their ability to bring policy closer to their median voter's ideal point depends on the distribution of powers between the center and periphery. When the national government enacts policies opposed by the regional median voter, governors in those regions have a strong incentive to undo *de facto* the effect of federal policy by refusing to implement it or to demand *de jure* devolution of authority. Likewise, when regions fail to enact policies beneficial to the national median voter, the national government may reclaim the policy making authority. Electioneering motivations create a strong incentive to stretch, distort, and subvert the federal constitution so as to realize immediate short-term gains, but they can also serve as a deterrent. Legislators' opportunistic behavior may trigger retaliation by governors and party leaders who can withdraw their organizational resources. The probability of punishment depends on the saliency of policy issue for the two other actors, while the effectiveness of punishment is correlated by the extent that organizational resources are shared among legislators and governors. Several institutional features affect the extent to which organizational resources are shared among politicians at different levels of government. Concurrent timing of presidential, legislative, and gubernatorial elections is one such instance because presidents and governors are capable of generating coattails for legislators running on the same ticket. Vertically integrated parties is another example. Vertical integration is characterized by interdependence between national and local organizations which introduces spillover effects between national and regional elections.¹¹

Legislator's payoffs from altering federal arrangements depend on the state of the

¹¹ Mikhail Filippov, Peter Ordeshook, and Olga Shvetsova, *Designing Federalism: A Theory of Self-Sustainable Federal Institutions* (New York: Cambridge University Press, 2004), Chapter 6.

world are given by the following matrix:

State of the world	PG	~PG	P~G	~P~G
Probability	$c_p c_g$	$(1-c_p)c_g$	$c_p(1-c_g)$	$(1-c_p)(1-c_g)$
Actions:				
Abide	0	0	0	0
Transgress	$x-z_p-z_g$	$x-z_g$	$x-z_p$	x

Where,

P indicates that party leaders (or the president) care about the policy and wants to preserve federal authority over this policy area

~P indicates otherwise

G indicates that the governor cares about the policy, ~G is otherwise

$c_p < 1$ is the probability that party leaders (the president) care,

$c_g < 1$ is the probability that governor cares,

x is the expected increment in vote for the legislator as a result of transgressing the constitution and bringing policy outcome closer to the preferences of the median voter in his region

z_p is the expected decrement in votes as the result of president's withdrawal of his organizational resources

z_g is the expected decrement in votes as a result of legislator's withdrawal of his organizational resources

The expected change in the vote share from abiding the constitution is 0, while from transgressing:

$$E(\Delta V) = c_p c_g (x - z_p - z_g) + (1 - c_p) c_g (x - z_g) + c_p (1 - c_g) (x - z_p) + (1 - c_p) (1 - c_g) x = x - c_g z_g - c_p z_p \quad (4-1)$$

Equation (4-1) implies that legislators compare costs and benefits of transgressing the constitution and encroach on regional powers only when electoral benefits exceed costs. The same logic can be applied to the president's and governors' decision making. The following two sections apply this analysis to explain Moscow's encroachment on regional right to hold gubernatorial elections.

Part II: History of Federal Intervention in Russia

Electoral federalism constitutes the most controversial aspect of Putin's reforms. The term "electoral federalism" was coined by Russia's legal experts to describe the division of power to regulate elections at the national and subnational levels.¹² Though Article 77 of the Russian constitution grants regions the autonomy to organize their governments, the federal government has frequently violated this provision. The precedent for this intervention was set a year after ratification of the constitution when in October 1994 President Yeltsin issued the decree that postponed the introduction of popular elections for governors in selected regions, to prevent the communists from winning in those elections. Dominated by the KPRF Duma immediately challenged the constitutionality of the decree by filing a case with the Constitutional Court. The Court, however, upheld the decree as a provisional measure seeking to fill in the legal lacuna created by delays in enacting regional and federal electoral laws. Thus, the Court ruled that the decree would be effective only until the adaptation of federal and regional electoral laws. The Court decision was not unanimous, and in a dissenting opinion, Justice Luchina, argued that the decree violated the constitutional right of regions to form their own governments.¹³ As a result of the court decision, presidential intervention in altering the timing of gubernatorial and legislative elections in selected regions continued till 1996.

The Law on Regional Governments (LRG) of 1999 marked a new stage of center-periphery relations (Table 4-2). The law stipulated that regions had the right to set the dates of elections for regional assemblies but also established term limits for regional governors. Seemed innocuous at first, this provision nevertheless had important constitutional ramifications. Upholding Yeltsin's intervention in gubernatorial elections in 1994, the Constitutional Court ruled that this intervention was provisional. The LRG permanently placed the right to micro-manage regional elections in federal hands.¹⁴

¹² S.D. Knyazev, "Rossiyskiy Elektoral'niy Federalizm: Konstitutsionno-Pravovoye Soderzhaniye I Problemy Razvitiya," *Gosudarstvo i Pravo* (January 2008): 23-29.

¹³ M.A. Sakhle, "Vzaimootnosheniya Prezidenta Rossii s Sub'yektami RF v Sfere Formirovaniya Organov Gosudarstvennoy Vlasti Subyektov Federatsii," *Gosudarstvo i Pravo* (March 2008): 104-109, p. 107.

¹⁴ Federalniy Zakon N184-F3, "Ob Obshchikh Printsipakh Organizatsii Zakonodatel'nikh (Predstavitel'nikh) i Iсполnitel'nikh Organov Gosudarstvennoy Vlasti Subyektov Rossiyskoy Federatsii," (October 6, 1999).

Realizing the long-term implications of the term limit provision, the Federation Council (the upper chamber consisting of governors and heads of regional assemblies) introduced an amendment to return to the regions the power to regulate gubernatorial term limits. On October 18, 2000 the Council's Chairman Nikolay Fedorov gave a speech in the Duma denouncing the provision as unconstitutional and urging deputies to repeal it. Yet, after several hours of heated debates Fedorov's proposal was defeated by 304 to 19 votes.¹⁵

Newly elected President Putin, however, viewed this provision as an opportunity to reward governors who supported him in the 2000 presidential elections by allowing them to seek reelection for the third term. This goal was achieved by introducing a grandfather clause that made term limits imposed by the LRG effective only after the expiration of the term during which it was enacted. The amendment swiftly passed the Duma and the Federation Council and was signed into law on February 8, 2001, just in time to allow Mintimer Shaimiev, the President of the Tatar Republic and Putin's key supporter, to get elected for the third term.¹⁶ Sixty-eight other governors who were about to be forced out of office due to term limits received the right to run for a third term.

This amendment, however, introduced confusion in the administration of regional elections because officials in Moscow and in the regions applied dual standards to count the number of terms. Regional election commissions used regional statutes while the Central Election Commission relied on the federal law. The most politicized controversy arose around elections in the Sakha (Yakutiya) Republic, whose incumbent President Nikolayev was elected in December 1991 and then reelected in December 1996. In September 2001, he decided to seek a third term and was registered by Yakutia's Election Commission as one of the candidates. His opponents then filed a lawsuit with Yuakutiya's Supreme Court (YSC) claiming that he violated the term limits set by Article 67 of Yakutiya's Constitution. In its turn, the YSC asked the Supreme Court of the Russian Federation to consider the constitutionality of article 67. The latter ruled that it contradicted the federal statutes and upheld Nikolayev's right to run for the third term.

¹⁵ Gosudarstvennaya Duma, *Stenogramma Zasedaniy* (October 18, 2000).

¹⁶ Federalniy Zakon N3-F3, "O Vnesenii Dopolnenniya v Federalniy Zakon 'Ob Obshchikh Printsipakh Organizatsii Zakonodatel'nikov (Predstavitel'nikov) i Iсполnitel'nikov Organov Gosudarstvennoy Vlasti Sub'yektov Rossiyskoy Federatsii,'" (February 8, 2001).

However, the YSC failed to find this judgment convincing and appealed to the Constitutional Court which dismissed the case, and in so doing failed to clarify the letter of the law.¹⁷

Seeking to correct this “mistake,” the Duma moved to restore the regions’ right to regulate limits, but in vain. Although the majority of deputies voted for it, the measure was vetoed by the Federation Council. The Duma’s attempt to override the Council veto next failed. Three hundred votes were required for the override, whereas only 285 deputies voted “yea.” Attempting to rescue the bill, its supporters asked deputies to cast ballots one more time, but this time using roll call rather than the secret ballot. The number of deputies who openly voted for the restoration of term limits then dropped to 246, and the federal right to regulate regional term limits was sustained.¹⁸ For many deputies, taking a stand against the governor, even to uphold the constitutional right of a region to form its own government, was a move too politically costly to make.

This failure to restore the balance of power between the center and periphery had long- term implications. In June 2002 the President pushed through the Duma a Law on Elections and Participation in Referenda, which monopolized in federal hands the right to regulate elections at all levels. The abolition of gubernatorial elections in December 2004 became the final blow for Russian federalism.

Both Yeltsin and Putin altered the timing of gubernatorial elections to further their political ambitions. Both considered backing by governors crucial to their own reelection and thus sought to reduce uncertainty in regional elections on the eve of presidential elections. Governors welcomed such an interference because it served to prolong their stay in office. Enactment of the grandfather clause allowed 68 governors to seek third terms, while the abolition of gubernatorial elections allowed 12 governors to stay in office for a fifth term.¹⁹ As Goode points out, the abolition of gubernatorial elections was

¹⁷ Ilya Sokov, Verkhovniy Sud Obespechil Preemstvennost’ Vlasti v Yakutii,” *Novye Izvestiya* (September 27, 2001); Veniamin Rogachev, “Dvazhdy po Russki,” *Novye Izvestiya* (November 3, 2001); “Verkhovniy Sud Yakutii Imel Pravo I Byl Obyazan Obratit’sya v Konstitutsionnyi Sud Rossii,” *Yakutiya* (November 27, 2001); Konstitutsionnyi Sud, “Ob Otkaze v Prinyatii k Rassmotreniyu Zaprosa Verkhovnogo Suda Respubliki Sakha (Yakutiya) o Proverke Konstitutsionnosti Chasti Vtoroy Stat’I 67 Konstitutsii Respubliki Sakha (Yakutiya),” (OKS-No. 216, December 7, 2001) .

¹⁸ Gosudarstvennaya Duma, *Stenogramma Zasedaniy* (November 18, 2001).

¹⁹ “Rossiyskie Gubernatory Idut na Patiye Srok,” *Regnum News* (July 5, 2007) at <http://www.regnum.ru/news/838955.html> (accessed on June 24, 2009).

Putin's response to his earlier efforts to unseat disloyal governors in natural-resource-rich regions. In most regions, however, Kremlin candidates lost to local oligarchs.²⁰

Although Yeltsin and Putin shared similar electoral goals, they chose different legal instruments for achieving them. Yeltsin relied on presidential decrees; Putin, on federal statutes. Putin's success in pushing all his measures through the Duma prompts the following question: Why did legislators support measures that infringed upon their constituents' powers to form regional governments? The peoples of the Russian regions imposed term limits precisely to prevent the rise of authoritarian regimes ruled for decades by the same individual, Nevertheless, popularly elected legislators sided with the President and subverted term limits by allowing federal regulation of regional affairs. The following section examines the factors that led to such an outcome.

Part III: Empirical Analysis of Roll Calls

The simple model presented in Part I explains encroachment by electoral incentives and availability of organizational resources. Partisan organizations usually provide such resources, but in Russia, parties were still weakly institutionalized in the early 2000s. Most were based in Moscow, lacked regional partisan organizations, and relied primarily on national TV networks to mobilize the electorate.²¹ Even when national parties formed regional branches they continued to ignore regional elections.²² Weakly institutionalized parties facilitated the entrance of other actors who could provide vote mobilization services more effectively than fragmented partisan organizations. Regional governors emerged as one of such actors, whose direct involvement in Duma elections rendered legislators dependent on gubernatorial political resources.²³ This leads to the following hypothesis:

H1: Legislators elected with gubernatorial help would be more likely to support federal intervention aimed at extending gubernatorial term limits.

²⁰ J. Paul Goode, "The Puzzle of Putin's Gubernatorial Appointments," *Europe-Asia Studies* 59 (May 2007):365-99.

²¹ Sarah Oates, *Television, Democracy and Elections in Russia* (London: Routledge, 2006).

²² Grigorii V. Golosov, *Political Parties in the Regions of Russia: Democracy Unclaimed* (Boulder, Co.: Lynne Rienner Publishers, 2004); Derek S Hutchesson, *Political Parties in the Russian Regions* (London: RoutledgeCurzon, 2003).

²³ Henry E. Hale, *Why not Parties in Russia? Democracy, Federalism, and the State* (New York: Cambridge University Press, 2006); Chapters 2 and 3 of this dissertation.

The extension of term limits stood at odds with the promotion of democratization in the regions. Thus, if the assumption about policy-considerations is correct, then legislators should also consider the effects of their vote on regional political situation and vote against the expansion of term limits when it threatens regional democratization. This leads to the following hypothesis:

H2: Legislators representing regions with low levels of democratization will be less likely to vote for the extension of term limits.

Saliency of term limits for the incumbent governor could have also affected the legislators' votes. Not all governors benefited equally from term-limit expansion, only those who were served their second terms in the regions that had two term-limit provisions, received tangible benefits after the passage of the federal amendment. Therefore, the following hypothesis might hold:

H3: Legislators would more likely to support the expansion of term limits when the incumbent governor would otherwise be ineligible for reelection.

Model Specification and Data

To test the above hypotheses the following probit model was estimated:

$$\Pr(Y_{ij}=1|x)=\Phi(\beta'x_{ij})$$

$$\beta'x_{ij}=\beta_0+\beta_1 GovSup_{ij}+\beta_2 Democ_{ij} + \beta_3 LastTerm_{ij} +z'\theta+\varepsilon_{ij}$$

where, i indexes legislator and j, region,

Dependent Variable

Due to the limited availability of roll call records, the empirical analysis herein is restricted to the legislative vote on the amendment that sought to restore regional right to regulate gubernatorial term limits. If this amendment had been enacted, regional term limits would again have become binding. The dependent variable equals 1 if a legislator voted for the amendment and 0 if a legislator voted against or did not vote at all. About 100 legislators refused to vote on this measure, and these missing votes were treated as votes against the bill because two-thirds of all 450 deputies was required to override the veto.

Independent Variables

The variable *GovSup* equals 1 if the governor supported either the legislator or the party during the 1999 Duma election. It was constructed using Hale's and Orttung's

data.²⁴ Legislators were elected from a mixed-member system, and it was not uncommon for governors to support legislators affiliated with one party in the SMDs and while endorsing a different party in the at-large district. Out of 225 elected from the SMDs, 117 were supported by the governor; only 55 legislators elected on the party lists were supported by the governor.

The variable *Democ* captures democratization in the region for 1991-2001. It is an expert rating of regional democratization constructed using ten indicators: 1) the openness of political life; 2) gubernatorial reliance on administrative resources to suppress the opposition; 3) the extent of political pluralism; 4) the degree of media freedom; 5) the extent of privatization; 6) the strength of civil society; 7) judicial independence; 8) turnover in local elites; 9) corruption level; and 10) the extent of local autonomy. Each region was assigned a value from 1 to 5 on each indicator with 5 indicating the highest level of democratization and 1 the lowest.²⁵ This measure captures regional political conditions up to the year when the question of term limits was decided.

The variable *LastTerm* equals 1 for regions in which incumbent governors were serving their second term in November 2001 and under the regional statutes were ineligible for reelection. This measure was constructed using regional charters and data on the outcomes of gubernatorial elections.²⁶ In November 2001, 61 of the incumbent governors were finishing their second term and only 23 of them were eligible for reelection because regional statutes did not contain term limits.

A vector \mathbf{z} comprises several control variables. The first control variable is legislator's regional affiliation. Mordones examines legislative voting record on decentralization measures in Chile and finds that legislators born and educated in Santiago were less likely to support decentralization than those elected from other

²⁴ Hale, *Why Not Parties in Russia?*, available at <http://hehale5.googlepages.com/whynotpartiesinrussia?> (May 2009); Robert W. Orttung, Danielle N. Lussier, and Anna Paretskaya, eds. *The Republics and Regions of the Russian Federation: A Guide to Politics, Policies, and Leaders* (Armonk, N.Y.: M.E. Sharpe, c2000), Introduction.

²⁵ Nikolay Petrov, "Regional Models of Democratic Development," in Michael McFaul, Nikolai Petrov, and Andrey Ryabov, eds., *Between Dictatorship and Democracy: Russian Post-Communist Political Reform* (Washington DC: Carnegie Endowment for International Peace, 2004).

²⁶ Nikolay Petrov and Aleksey Titkov, "Vybory Glav Iсполnitel'noy Vlasty Regionov," in G. Lukhterkhandt-Mikhaleva and S. Rizhenkov, eds., *Vybory i Partii v Regionakh Rossii* (St. Petersburg: Letniy Sad, 2000), pp.75-79.

regions.²⁷ Therefore, a dummy variable, *Moscow*, was included for legislator from the country's capital. Another dummy variable, *Republic*, controls for differences in regional administrative status. Throughout the 1990s, republic leaders pushed for greater independence from Moscow more aggressively than their counterparts in *oblasts*, and this difference may be also observed in the voting records of legislators. A dummy for the Unity party accounts for inter-party differences in support of term limits. Because the proposal to expand term limits came from the President, legislators affiliated with Unity may have been less supportive of the measure that sought to repeal it. The dummy variable for legislators elected from SMDs is another control. These legislators might have been more independent from the party leaders but more sensitive to gubernatorial preferences. The variable *Unempl* captures cross-regional differences in economic conditions that may also affect legislators' willingness to grant the incumbent governor in their region a third term. It equals the difference between the regional and national unemployment rate in 2001.

Results

Table 4-3 reports the estimated marginal effects of one unit change in the dependent variable on the probability that a legislator votes to restore regional term limits. It is easy to compare the relative effects of each variable because most of them are dummies. Partisan affiliation turns out to be the most important factor affecting legislative vote. Unity members were 53 percent less likely than other parties to support the restoration of regional term limits. This finding is not surprising given that Unity was dominated by Putin's backers and this amendment did not square well with Putin's attempt to restore "vertical power." Possession of their own electioneering resources is the second greatest determinant of legislators' votes. Those who were elected with gubernatorial help were 19 percent less likely to vote for restoring regional term limits. This result is consistent with H1 predicting that legislators will adopt positions closer to governor preferences when they depend on gubernatorial organization resources.

The two remaining hypotheses are not supported by the data. The estimated coefficients on the *Democ* and *LastTerm* variables have wrong signs. The positive and

²⁷ Rodrigo Mordones Z., "The Congressional Politics of Decentralization: The Case of Chile," *Comparative Political Studies* 40 (March 2007): 333-358.

significant coefficient on the *LastTerm* variable suggests that legislators were not completely indifferent to the political situation in their region and were willing to restore regional term limits to force out of the office incumbents at the end of their second term. This finding indicates that legislators did not completely abandon constituent interests.

The coefficients on the *Republic* and *Moscow* dummies point to cross-regional differences. Legislators representing republics were less likely to support restoring regional term limits, while Moscow representatives were more likely to vote for this measure. This finding reveals the existence of systematic center-periphery cleavages on the issue of federal regulation of regional elections. Thus the camp that supported greater federal oversight of regional elections consisted of legislators elected from republics, Unity members, and those elected with gubernatorial help. The camp who opposed federal intervention in regional elections consisted of legislators representing regions in which incumbent governors were ineligible for reelection, the SPS and Yabloko parties, and independents. Although this camp was able to mobilize the majority of votes behind the proposal, they failed to meet the two-thirds requirement without the support of the Unity party, which at that time controlled 33 percent of the seats. So, the campaign to restore regional right to regulate gubernatorial elections failed.

Conclusion

Electoral federalism will remain a controversial issue in Russian center-periphery relations for many years to come. The administrative resources at gubernatorial disposal make them attractive political allies and create a strong incentive for the president to alter the outcome of regional elections to further his political ambitions. This paper attempted to explain why national legislators supported federal intervention. The analysis of roll call votes revealed that membership in the presidential party coupled with the lack of organizational resources were the key factors affecting legislators' support of federal intervention in regional elections which also benefited governors. But legislators were also sensitive to regional political situations and were less supportive of federal intervention when incumbent governors were ineligible for reelection under regional statutes.

This finding advances the literature on center-periphery in two respects. First, it shows that the set of actors involved in bargaining over the distribution of power is more

complex than it has been suggested by previous studies. Initially center-periphery negotiations on term limits resembled the billiard-ball approach, but later the set of relevant actors expanded rapidly to include the Federation Council, the Duma, the party leaders. These four actors could have formed variegated coalitions to promote or block Putin's reforms. Therefore, the paper showed that focusing solely on presidential and gubernatorial preferences does not always provide accurate characterization of center-periphery bargaining. Second, the paper also suggested that a zero-sum assumption about the nature of center-periphery relations is not always appropriate. Federal encroachment does not necessarily disadvantage subnational office holders and more attention should be devoted in formal models on identifying potential losers and winners of federal reforms.

Because these conclusions are drawn from the analysis of a single measure, further research is required to establish generalizability. This search should develop a better explanation of how pre-electoral arrangements between national and subnational actors become binding and how they subsequently shape post-electoral negotiations on the distribution of power between the center and the periphery.

Table 4-1

Empirical Studies of Authority Migration

Author	Outcome	Causal Mechanism	Evidence
	<i>Decentralization</i>		
Garman, Haggard, and Willis (2001)	Fiscal decentralization in Argentina, Brazil, Columbia, Venezuela, Mexico, 1980-mid-1990s	Decentralization is an outcome of bargaining between governors and presidents filtered through the national legislative institutions controlled by political parties. The structure of political parties becomes an intervening factor. Subnational actors' control over nomination of candidates and candidate-centered electoral system make legislators accountable to the regional interests and, hence encourage greater fiscal decentralization.	Case studies
O'Neill (2003)	Fiscal and political decentralization at municipal and regional level in Bolivia, Columbia, Ecuador, Peru, and Venezuela 1980-mid 1990s	The president initiates decentralization when his party expects to lose the presidency in upcoming elections but hopes to win in regional elections. Decentralization reduces the cost of losing the national office.	The probability that a decentralization law will be enacted in a country in a specific year is positively correlated with the number of local contests won by the presidential party and negatively correlated with the loss in the national vote share in the mid-term elections.
Falleti (2005)	Political, fiscal, and administrative decentralization in Argentina, Brazil, Columbia, and Mexico, 1980-late 1990s	Decentralization sequence reflects the distribution of power between the president and governors. The former prefers administrative, fiscal, and only then political, the latter political, fiscal, administrative. The choice of starting point affects the ultimate level of decentralization.	Case studies of Columbia and Argentina
Mardones (2007)	46 laws enacted in Chile 1990-2006 that expanded fiscal, administrative, political autonomy of municipal governments	Tests multiple hypotheses of legislators' support of decentralization bills.	Finds that legislators from outside the capital were more likely to support decentralization. Left-wing parties were less likely to support decentralization.
	<i>Recentralization</i>		
Good (2007)	Political centralization in Russia	Putin abolished gubernatorial elections to reduce electoral uncertainty= and to extend terms for his key allies who were to step done due to regional term limits.	Compares reappointment rates for governors who were due to step down as the result of term limits.

Table 4-1 Continued

Gel'man (2009)	Political, fiscal, and administrative centralization in Russia 2000-2005	The national government was able to expand its powers because it was united while the regions were divided and could not overcome collective action problem.	
	<i>Opportunistic Behavior</i>		
Stoner-Weiss (2006)	Regional noncompliance with the federal law in Russia, late 1990s-early 2000s	The degree of regional compliance was affected by the business capture of regional governments.	The probability that the region violated federal statutes was higher in the regions where businessmen had free access to the regional executive offices.

Table 4-2 Federal Intervention in Regional Elections

Date	Law
October 3, 1994	Presidential decree established that all heads of regions who were not popularly elected will be appointed by the president till the enactment of the federal law regulating elections to regional executive branches
May 25, 1995	Constitutional Court's decision upholding the constitutionality of the decree
September 17, 1995	Presidential decree postponed elections to regional assemblies till June 1997
March 2, 1996	Presidential decree granted all regions the right to determine the date of regional elections in accordance with the regional constitutions and charters
March –December 1996	Presidential decrees mandated elections in selected regions
October 6, 1999	Federal Law on Forming Regional Governments imposed term limits for governors
July 29, 2000	Amendment to the Law on Forming Regional Governments granted the President the right to dissolve regional assemblies and dismiss governors if regional laws violated federal statutes
February 8, 2001	Amendment to Article 5 of the General Law indirectly extended term limits for incumbent governors
April 4, 2002	Constitution Court upheld presidential right to dissolve regional assemblies, but made court ruling a prerequisite for the dissolution
June 12, 2002	The Law on Fundamental Rights on Elections and Participation in Referenda in enabled the federal government to regulate elections at all levels
December 11, 2004	Federal Law No. 50, Article 4950 abolished popular election for governors and granted the President the right to appoint governors subject to approval by regional assemblies
December 27, 2004	Presidential decree granted the presidential envoys the right to nominate gubernatorial candidates for presidential consideration

Table 4-3**Estimated Marginal Effects**

	dy/dx	st.err.	p-value
GovSup=1 if supported by gov (H1: $\beta < 0$)	-0.193	0.065	0.003
Democracy index (H2: $\beta > 0$)	-0.002	0.004	0.555
TermLimit=1 if gov is not eligible for reelection (H3: $\beta < 0$)	0.107	0.064	0.095
Dummy=1 for Republic	-0.239	0.086	0.005
Dummy=1 for Moscow	0.048	0.125	0.702
Dummy=1 for SMD	-0.044	0.074	0.549
Dummy=1 for Unity	-0.533	0.058	0.000
Unemployment rate	0.010	0.026	0.691
Log-Likelihood, constant only = -307.955			
Log-Likelihood, full model = -253.620			
Pseudo R2	= 0.176		
Observations	= 445		

Standard errors are clustered by party and region; dependent var. =1 if a legislator voted to restore regional term limits

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CHAPTER 5 CONCLUSION

Chapter 1 of this dissertation posed the question: How does federalism affect democratic consolidation? This dissertation showed that uneven democratization across Russian regions undermined democratic processes at the national level. Selecting candidates for party lists, undemocratic regional leaders formed rent-seeking coalitions with party bosses and then relied on democratic vote mobilization strategies. Pre-electoral coalitions impacted legislators' support of bills that promoted centralization of power. In doing so the dissertation advanced the existing literature on party building by bringing to the foreground a set of actors--regional governors-- who have been previously ignored by the existing party-building literature. These actors have institutional resources, name recognition, and social capital that serve as the foundation for top-down construction of political parties because they become substitutes for mass-partisanship and salient socioeconomic cleavages that usually anchor political parties to the electorate. The dissertation also underscored the importance of political communication in party building process which escaped the existing literature on voting in transition democracies. Furthermore, the dissertation advanced the scant literature on the quality of representation and governance in emerging democracies.

Federalism and Democracy

Although volumes have been written on economic and politics of federalism, the relationship between federalism and democracy is poorly understood because for many decades scholars were focusing their attention on its other aspects. Following Musgrave's, Oates', and Tiebout's seminal works, the economic literature emphasized efficiency gains from decentralization by distinguishing between production and provision of public goods.¹ The former entails conversion of inputs into outputs, while the latter consists of

¹Richard A. Musgrave, *The Theory of Public Finance* (New York: McGraw-Hill, 1959); Wallace E. Oates, *Fiscal Federalism* (New York: Harcourt Brace Jovanovich, 1972); Charles M. Tiebout, "A Pure Theory of Local Expenditures," *Journal of Political Economy* 64 (October 1956): 416-424.

choosing the desired level of output through political processes.² Centralization produces economies of scale but triggers welfare losses when output levels differ from local preferences. Decentralization brings output closer to local preferences but triggers efficiency losses. Therefore, the economic literature sought to assign taxing and spending powers among different levels of government to reduce losses along both dimensions.³ Political scientists, in their turn, analyzed whether federal institutions promote consensus in ethnically diverse societies; how they impact incumbents' accountability, and when they constrain or empower the electorate.⁴ More recently, scholars have undertaken analyzing the factors that sustain federal institutions.⁵

Only in the past decade, has the question of the relationship between democracy and federalism appeared on the scholarly agenda, giving rise to two competing views. The first camp arose from Latin American democratization and postulates that federalism impedes "democratic deepening." Democratization of Argentina, Brazil, and more recently Mexico has been characterized by uneven transition at the national and subnational levels, with the latter lagging behind the former. This prompted scholars to coin the term "regional authoritarianism" to describe failed democratic consolidation in selected provinces and subsequently to develop theories explaining cross-regional variation in the speed of democratization. A consensus then emerged that extra-regional factors affected regional political development. Subnational leaders could successfully derail democratization in their regions as long as they could prevent the entrance on the scene actors bearing resources from outside the region, in this manner changing the balance of power between the oppressive incumbent and the liberal opposition.⁶ The

² Robert M. Stein, *Urban Alternatives: Public and Private Markets in the Provision of Local Services* (Pittsburg: Pittsburg University Press, 1990), pp. 41-75.

³ Alberto Alesina, Reza Baqir, and Caroline Hoxby, "Political Jurisdictions in Heterogeneous Communities," *Journal of Political Economy* 112 (February 2004): 348-396.

⁴ Arendt Lijphart, *Patterns of Democracy in Government Forms and Performance in Thirty-Six Countries* (New Haven: Yale University Press, 1999), Chapter 3; Jonathan Rodden and Erik Wibbels, "Retrospective Voting, Coattails, and Accountability in Regional Elections," Paper Presented at the American Political Science Association (2005); R. Kent Weaver, "The Politics of Blame Avoidance," *Journal of Public Policy* 6 (Oct. - Dec., 1986): 371-398; Alfred C. Stephan, "Federalism and Democracy: Beyond the U.S. Model," *Journal of Democracy* 10 (October 1999): 19-34.

⁵ Jenna Bednar, *The Robust Federation: the Principles of Design* (Cambridge, Cambridge University Press 2009).

⁶ Edward Gibson, "Boundary Control: Subnational Authoritarianism in Democratic Countries," *World Politics* 58, (October 2005): 101-32; Rebecca Bill Chavez, "The Construction of the Rule of Law in Argentina: A Tale of Two Provinces," *Comparative Politics* 35 (July 2003); Richard Snyder, "After the

second camp examined the link between national and subnational political processes and argued that federal institutions could promote democratic consolidation by enabling opposition leaders to develop a reputation for sound governance. Opposition leaders in new democracies usually lack office-holding experience useful for buttressing their campaign promises. Fiscal, political, and administrative decentralization enables the opposition leaders to build such experience on a smaller scale and subsequently convince voters that they can outperform incumbents.⁷

This dissertation examined the effects of federalism on democratic consolidation through the lenses of partisan politics. Parties to a democracy are what arteries are to a human body. They link citizens to decision-makers by facilitating the flow of information between civil and political societies. Each dissertation chapter, therefore, examines how federal institutions impacted three most important functions performed by parties: candidate selection, campaigning, and governing. To date, the literature on political parties in federal systems has treated these functions in isolation from each other: scholars interested in the recruitment of candidates examined how federal arrangements affect the relationship between local and national party branches; scholars interested in campaigning studied how federalism influenced politicians' decision to form regional vs. national parties; and scholars interested in governing focused on the effect federal institutions on party discipline in a legislature.⁸

State Withdraws: Neoliberalism and Subnational Authoritarian Regimes in Mexico," in W. Cornelius, T. Eisenstadt, and J. Hindley, eds., *Subnational Politics and Democratization in Mexico* (La Jolla, CA: Center for U.S.-Mexican Studies, University of California, San Diego, 1999); Vladimir Gel'man, "Dinamika Subnatsional'nogo Avtoritarizma: Rossiya v Sravnitel'noy Perspektive," Working Paper, St. Petersburg Center for Study of Democratization, 2008; Lullit Getachew and Tomila Lankina, "A Geographic Incremental Theory of Democratization: Territory, Aid, and Democracy in Post-Communist Regions" *World Politics* 58 (July 2006): 536-82.

⁷ Roger B. Myerson, "Federalism and Incentive to Democratize," *Quarterly Journal of Political Science* 1 (January 2006): 3-21; Ethan. Scheiner, *Democracy without Competition in Japan: Opposition Failure in a One-Party Dominant State* (Cambridge: Cambridge University Press, 2005).

⁸ Pradeep Chhibber and Ken Kollman, *The Formation of National Party System* (Princeton: Princeton University Press, 2004); Chandler, William M. and Chandler, Marsha A., "Federalism and Political Parties," *European Journal of Political Economy* 1 (January 1987): 87-109; Rudolf Hrbek, *Political Parties And Federalism: An International Comparison* (Baden-Baden: Nomos-Verl.-Ges, 2004); Mark Jones, Sebastian Saiegh, Pablo T. Spiller, Mariano Tommasi, "Amateur Legislators-Professional Politicians, The Consequences of Party-Centered Electoral Rules in a Federal System," *American Political Science Review* 6 (July 2002): 656-699; David Samuels, *Ambition, Federalism, and Legislative Politics in Brazil* (New York: Cambridge University Press, 2003); Scott Desposato and Ethan Scheiner. 2009. "Governmental Centralization and Party Affiliation: Legislator Strategies in Brazil and Japan," *American Political Science Review* 102 (Winter 2008): 509-524.

Rather than studying each of these functions in isolation from each other, this dissertation examined how the choice of undemocratic practices at one stage could contaminate the process at subsequent stages. The dissertation explicitly focused on the interaction between the presidential party and regional governors, who had not always shared democratic ideals. The discussion began with the puzzle of gubernatorial refusals to be seated as national legislators after winning seats in the Duma elections. Contrary to the fundamental assumption of the rational choice paradigm which postulates that elected officials want to be reelected to higher office, Russian governors headed the party ballot in the Duma elections and after winning their seats turned around and abdicated them in favor of candidates ranking lower on the ballot. The empirical analysis in Chapter 2 revealed that governors ran as poster candidates to compensate the party for shortfalls in campaign resources. By enlisting governors as candidates, regional party bosses' gained access to gubernatorial political machines but in exchange granted governors the right to select other candidates for the ballot. Governors placed their allies on the party ballot and then ran as poster candidates to get them elected.

Chapter 3 then went on to examine the vote mobilization strategies of poster candidates and showed that governors mobilized voters behind the presidential party by creating an information vacuum around the opposition candidates. Controlled media disproportionately focused on governors and their running mates, turning the Internet into the only uncensored source of information about the opposition. Chapter 3 used macro- and micro-level data to estimate the impact of Internet availability on voter political behavior and found that Internet access was strongly correlated with votes won by the opposition. Thus, the undemocratic and clandestine nature of candidate selections facilitated the use of campaign practices incompatible with democratic processes.

Chapter 4 shifted attention to legislators' behavior in the Duma, especially focusing on legislators' voting record. The chapter showed that legislators elected with gubernatorial help were more likely to vote for policies beneficial to governors even when these measures undermined the democratic processes in the regions. In this manner a vicious cycle was activated. Governors, who dominated the candidate nomination process, selected candidates based on personal loyalty and used undemocratic means to get them elected. Once in office, these new legislators enacted policies that further

consolidated gubernatorial control over regional politics and buttressed their political machines. Thus, national party dependence on regional political machines contaminated democratic processes at the national level and effectively derailed Russia's democratization.

Why Russia?

Russia was chosen for this analysis because its abysmal failure to democratize has not yet been fully understood. Russian politics of the 1990s exhibited, encouragingly, many democratic features. Elections were held regularly, were contested by multiple parties, and the outcomes were surrounded by uncertainty. Independent media were beginning to emerge, and autonomous economic society was in the making. Although pluralistic, Russia of the 1990s was far from being a consolidated democracy because many institutions necessary for effective democratic governance were missing. Russia's "democratization backwards" undermined the nascent state. As Rose and Shin noted, unlike Western Europe in which the modern state was established before the advent of mass enfranchisement, in Russia political reforms preceded reforms of state institutions. Too politically costly to implement, state reforms were delayed, rendering the post-Soviet state paralyzed by corruption and captive to special interests.⁹ The weak state hindered the rule of law, especially at the subnational level where regional statutes frequently contradicted the democratic principles laid out in federal constitutions. Political society was weak too with political parties being neither anchored to constituents through ossified social cleavages nor integrated into regional politics.¹⁰ Weak citizen commitment to democratic values further complicated the situation. As survey data revealed, although the masses and elites shared the same definition of democracy, their views diverged on the extent of the state's involvement in the economy. The majority of the elites supported a free-market, whereas the masses wanted greater state regulation of the economy.¹¹ As Gibson showed, mass democratic values were "a mile wide, but an

⁹ Richard Ross and Don Shull Shin, "Democratization Backwards: The Problem of Third Wave Democracies," *British Journal of Political Science* 3 (March 2001): 331-354.

¹⁰ Michael McFaul and Kathryn Stoner-Weiss, *After the Collapse of Communism: Comparative Lessons of Transition* (New York: Cambridge University Press, 2004); Michael McFaul, *Russia's Unfinished Revolution: Political Change from Gorbachev to Putin* (Ithaca: Cornell University Press, 2001), Chapter 9

¹¹ William Zimmerman, *The Russian People and Foreign Policy: Russian Elite and Mass Perspectives, 1999-2000* (Princeton: Princeton University Press, 2002), Chapter 2.

inch deep” because participate in elections was not backed by the commitment to preserve personal liberty at all costs.¹²

These anomalies were not peculiar to Russia only: the rest of Eastern Europe was in the midst of similar transformation, and the world hoped that Russia would gradually evolve into a consolidated democracy. The 2004 Presidential election in Russia proved otherwise. This election saw the incumbent President Vladimir Putin reelected for a second term at a time when his party was controlling two-thirds of the Duma seats, marking the beginning of a new political order which has been characterized as “managed pluralism,” “electoral authoritarianism,” and “dominant party regime.”¹³ All these terms imply that instead of converging to a liberal democracy, Russia became a regime in which the dominant party sustained itself in office by tight state control of the mass media, politicized enforcement of the rule of law, electoral fraud, and targeted intimidation of the opposition. Opposition leaders have described the current political situation thus: “Journalists and politicians critical of the government are murdered, no arrests are made, and nobody is brought to justice. Businessmen who take an interest in politics are arrested, exiled or sentenced to hard labor, and have their assets seized by the state. The Kremlin controls the media, which operates under conditions of direct and indirect censorship. Political officials are appointed, or, where elections are held, the outcomes are predetermined. The parliament is a mechanical rubber stamp filled with secret security agents.”¹⁴

Two institutions were blamed for the above outcome: superpresidentialism and federalism. The super-powerful presidency was a legacy of Yeltsin’s struggle with the Communists in the Supreme Soviet. As McFaul pointed out, unlike in Southern Europe where democratic institutions emerged from an elite compromise, Russian liberal

¹² James Gibson, “A Mile Wide But an Inch Deep(?)’ The Structure of Democratic Commitments in the Former USSR,” *American Journal of Political Science* 40 (May 1996): 396-430.

¹³ Harley Balzer, “Managed Pluralism: Vladimir Putin’s Emerging Regime,” *Post-Soviet Affairs* 19 (July-September 2003):189-227; Henry Hale, “What Makes Dominant Parties Dominant in Hybrid Regimes? The Unlikely Importance of Ideas in the Case of United Russia” Paper presented at the Annual Meeting of the APSA, (2008); Cameron Ross, “Federalism and Electoral Authoritarianism under Putin,” *Demokratizatsiya* 13 (Summer 2005): 347-371; Vladimir Gel’man, “From ‘Fleckless Pluralism’ to ‘Dominant Power Politics’? The Transformation of Russia’s Party System,” Paper presented at the Annual Meeting of the American Political Science Association, (2006).

¹⁴ Joel M. Ostrow, Georgiy A. Satarov, and Irina M. Khakamada, *The Consolidation of Dictatorship in Russia* (London: Praeger Security International Press, 2007) , p.1.

reformers needed to overcome the armed opposition of the supporters of the *ancien régime*. The strong presidency became a legacy of that victory. Fish went on to show that superpresidentialism became detrimental to Russian democratization because it discouraged party government in the Duma, rendering it incapable of checking the presidential abuses of power. The elites viewed parties not as institutions of governance but simply as vehicles for attaining the presidency. Therefore, instead of parties presidential hopefuls built disposable personality-centered umbrella organizations devoid of policy programs. These negative effects of the strong presidency were further aggravated by Russia's natural resource endowment, which undermined elites' commitment to economic reforms. Abundant oil and natural gas resources bred corruption among high-level officials, who could sustain themselves in office only by reducing the political openness of the system in order to preserve their economic dominance. In this manner, the winners of partial reforms delayed further democratization.¹⁵

Unlike Fish who claims that democracy was destroyed from above, Ross claims that it was subverted from below by undermining nascent democratic values within the electorate. He writes, "One of the most destructive legacies which Russia inherited from the Soviet Union was its ethno-territorial form of federalism," which gave rise to asymmetric system of center-periphery relations and weakened the post-Soviet state.¹⁶ State weakness manifested itself in Moscow's inability to put to stop civil rights abuses that were especially prevalent in regions with republic status. To get reelected, incumbent governors manipulated electoral rules and candidate registration procedures, padded election results, and intimidated the opposition. Such undemocratic practice undercut the fragile Russian political culture and led to the rise of "federation without federalism," i.e., the situation in which federal structures went unbuttressed by the democratic and legalistic values without which the federation could not be viable.

Reuter and Remington explaining the United Russia's rise to power also point to the importance of federal institutions. They claim that subnational leaders orchestrated

¹⁵ M. Steven Fish, *Democracy Derailed in Russia: The Failure of Open Politics* (New York: Cambridge University Press, 2005).

¹⁶ Cameron Ross, *Federalism and Democracy in Post-Communist Russia* (Manchester, UK: Manchester University Press, 2003), p. 172.

the rise of a one-party state by agreeing to transfer their electioneering resources to Moscow in exchange for Putin's promise to sustain their decision-making power later. Thus, the one-party state emerged because national and subnational actors successfully resolved the commitment problem.¹⁷

Not only did this dissertation provide empirical evidence that governors played a crucial role in bringing United Russia to power, it also showed that voters and legislators were the key players behind regime transformation. Fish, Ross, Reuter and Remington all overlooked that both Putin and United Russia have had a strong popular base and that many Putin reforms were enacted at the time when the Duma was still pluralistic. Therefore, rather than looking at peculiar features of the Russian presidency or federalism, the dissertation brought to the foreground the actors neglected by the previous studies—voters and legislators-- and revealed why and how governors succeeded in manipulating them. By examining the interaction among governors, party bosses, legislators, and voters the dissertation uncovered micro-level factors that propelled Russia's transition to a one party-state.

Voters and Legislators in Electoral Authoritarianisms

This dissertation also demonstrated that gubernatorial involvement in national elections brought about a drastic change in voter decision-making processes. This conclusion emerges from comparing of models of voting in electoral authoritarianisms with those of transition democracies. Elections in one-party states never displace the ruling party, making electoral outcomes certain. In transitional regimes, on the other hand, elections are characterized by high uncertainty not only about winners but also about post-election state-society relations. These drastic differences prompted scholars to develop separate models of voter behavior for each regime type. Transitologists assumed that most parties entered elections *tabula rasa* and, hence, that voters had the same amount of information about contestants. Therefore, similarly to the Western countries, voters' choices at the polls were affected by socio-economic identities, partisan attachments, macro-economic conditions, policy-preferences, and attitudes toward leaders. These models assumed that there existed no systemic differences in the amount

¹⁷ Ora Reuter and Thomas F. Remington, "Dominant Party Regimes and the Commitment Problem: The Case of United Russia," *Comparative Political Studies* 42 (April 2009): 501-526.

of information available to voters about parties competing for office in transition democracies.¹⁸ The literature on voting in hegemonic party states, on the contrary, emphasized informational asymmetries between the incumbent party and challengers. It claimed that to unseat the dominant party, the opposition must credibly demonstrate that its victory would improve economic conditions. This is a daunting task for party that never before held office because voters form expectations about the economy based on politicians' past performance and tend not to believe actors who have never held the office in the past. Thus, dominant party regimes are characterized by systemic asymmetries in the amount of available information between incumbents and challengers.¹⁹

This dissertation underscored the importance of informational asymmetries for United Russia's rise to power. Building on the literature on strategic communication in the United States, Chapter 3 showed that governors were able to create informational asymmetries which strengthened popular support for the presidential party. The effect of gubernatorial backing of emerging presidential parties was similar to reputation for macro policy that the incumbent party enjoys in non-democratic regimes. Governors were in office longer than the nascent presidential party, and by affiliating with the presidential party they transformed voters' expectations about its performance. These expectations then entered the voter decision-making calculus along with partisan and social identities.

Given that subnational elites constructed, shaped, and framed voters' prospective evaluation of parties, future studies of voting in Russia will have to account for the effect of the elite strategic communication on voter behavior. This can be accomplished by bridging the literature on the Internet and politics with the literature on democratization. Unlike the 1990s when less than one percent of Russia's population had access to the Internet, in 2007 already twenty percent of adults, about 18 millions, used the Internet either at home at work.²⁰ The Internet will become even more important for Russian

¹⁸ Timothy J. Colton, *Transitional Citizens: Voters and What Influences them in the New Russia* (Cambridge: Harvard University Press, 2000); Josh Tucker, *Regional Economic Voting: Russia, Poland, Hungary, Slovakia, and the Czech Republic, 1990-1999* (New York: Cambridge University Press, 2008)

¹⁹ Beatriz Magaloni, *Voting for Autocracy: Hegemonic Party Survival and Its Demise in Mexico* (New York: Cambridge University Press, 2006); Kenneth F. Green, *Why Dominant Parties Lose: Mexico's Democratization in Comparative Perspective* (New York: Cambridge University Press, 2007).

²⁰ VTsIOM, Monitoring of Socio-Economic Changes at Yedinniy Arkhiv <<http://sofist.socpol.ru>> (May 11, 2009).

elections when the “digital generation” reaches voting age. Given that Russian citizens become eligible to vote at 18, in less than two decades, 20 more millions of new voters, who are currently under 15, will be as used to computers as their parents are used to TV. The study of voting behavior of this new generation of Internet-literate voters, unscarred by economic hardships of the Yeltsin years, may prove to become a fruitful angle for understanding Russia’s democratization.

Voters are not the only actors who could have prevented the rise of Putin’s regime in the 2000s. Legislators could have blocked his reforms by casting their ballots vigilantly, especially during Putin’s first term when the United Russia party had not yet subsumed most of the opposition parties. Unfortunately, they did not. As Chapter 4 of this dissertation demonstrated, instead of safeguarding regional democratic institutions and protecting the federal constitution, legislators chose to advance their self-interests. Elected with gubernatorial help, legislators sought to protect their patrons by expanding their terms in office even though this measure pushed regions farther along an authoritarian path. This finding suggests that the governor-legislator relations deserve further investigation. The scarcity of roll call data impeded systematic analysis of Russian legislators’ behavior; so, only a handful of studies has thus far been conducted. These studies, ponder over institutional determinants of party discipline while ignoring to examine regional influence on national policymakers. This dissertation is thus the first to focus on such a link as well as the first to provide empirical evidence of this connection.

The question of regional influence can be investigated further by looking at other manifestations of regional pressures, particularly by examining the success rate of bills introduced directly to the Duma by regions. By introducing bills themselves, governors and regional assembly members circumvented national legislators elected from the region. Further analysis of why this practice became widespread during the Putin administration may point to the weakness of ties between national and regional office holders and systematic differences in bill success rate depending on its region of origin.

Governors and the Future of Russia’s Political Development

Although the dissertation demonstrated that governors orchestrated United Russia’s rise to power, their future role in Russian politics will be limited. The abolition of popular gubernatorial elections undermined gubernatorial voter mobilization power.

Appointed governors have limited vote mobilizing experience and are perceived by voters as accountable to Moscow, rather than to their region. As the literature on strategic communication shows, voters' knowledge of a speaker's policy position facilitates intelligent choices at the polls. When voters know the policy position of the interest group that endorses a candidate, they make utility-maximizing decisions without even knowing candidates' platforms. Prior to the abolition of popular elections, many voters perceived popularly elected governors as guardians of the region's interests, while appointed governors became perceived as Moscow's stewards. Such a switch in popular perception should have undermined the persuasiveness of governors' political endorsements while increasing their temptation to pad electoral results to deliver victory to United Russia. It is not, therefore, surprising that President Medvedev recently attempted to restore the seeming harmony between gubernatorial and voter interests by granting regional assemblies the power to nominate gubernatorial candidates, but the governors are still considered as presidential appointees.

The expansion of the presidential term from four to seven years became the second blow to gubernatorial autonomy from the President. All governors serve for five years, with variegated dates of reappointment.²¹ When the presidential term was limited to four years, substantial carryovers from the previous administration's appointees existed. Given that the president's term was for less than five years, he could not, in theory at least, dismiss all the governors and complete the cycle of gubernatorial appointments before the end of his term. The governors whose terms spilled over from the previous administration could then be recruited by the opposition. The seven-year term, which will come into effect in 2013, will allow the president to complete the cycle of gubernatorial appointments prior to the expiration of his first term, in this way further consolidating his power.

Governors' increasing dependence on the President reduces the probability of their defection to the opposition. Therefore, the opposition should turn to younger voters as potential agents of democratization. Currently, the opposition parties lag behind United Russia's youth mobilization effort. United Russia is the sole party that reserves 25

²¹ Even though the president can always dismiss governors before their terms expire, this option had been invoked infrequently.

percent of its seats for candidates under 30; it is the only party possessing an extensive network of sports organizations that reach out to school kids, and it is the only party associated with an unprecedentedly young and energetic ex-president. The opposition can counterbalance United Russia's youth mobilization efforts via Internet resources. Web-based forums do not require as many resources as party conventions; e-newsletters are less costly than bulky party leaflets and newspapers; and web-advertising is more affordable than state-controlled media. Thus, the opposition's electoral success will depend not on its effectiveness wooing governors but the speed with which it masters web-based voter mobilization technologies.

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