



UNIVERSITY OF
GOTHENBURG

**INTERNATIONAL CENTER FOR THE STUDY OF INSTITUTIONS AND
DEVELOPMENT (ICSID)
&
QUALITY OF GOVERNMENT INSTITUTE (QoG)**

Online workshop

**“Institutions and development:
a sub-national perspective”**

October 7-9, 2020

Schedule: 4-8 pm (Moscow time)

Keynote speakers:

Susanne Wengle (University of Notre Dame) and

Nicholas Charron (University of Gothenburg)

Workshop programme

October 7, 2020 (Wednesday)

16:00 – 17:00

Chair: Andrei Yakovlev (HSE)

Nicholas Charron (*University of Gothenburg*)

Regional Governance in Europe: causes and consequences

17:00 – 17:15 Break

17:15 – 18:45 Politics

Chair: Rasmus Broms (University of Gothenburg)

Ruth Carlitz (*Tulane University*) and **Marina Povitkina** (*University of Gothenburg*)

Environmental protection in authoritarian settings: Investigating the role of pluralism

Kyle Marquardt (*HSE*)

When and why is language salient for sovereignty? Evidence from Russia

Sharon Pailler (*Clark University*) and **Aksel Sundström** (*University of Gothenburg*)

Conservation and positive spillovers on corruption: Establishment of protected areas across Africa reduced local bribery

Discussants: John Reuter (University of Wisconsin-Milwaukee, HSE), Eliska Drapalova (University of Gothenburg), David Szakonyi (George Washington University, HSE)

18:45 – 19:00 Break

19:00 – 20:00 Bureaucracy

Chair: Marina Nistotskaya (University of Gothenburg)

Dmitriy Vorobyev (*Ural Federal University*) and **Anna Kozlovskaia** (*Technical University of Munich*)

Background and spending preferences of Russian regional governors

Pavel Pronin (*HSE*), **Andrey Tkachenko** (*HSE*), **Andrei Yakovlev** (*HSE*)

Political power and entry barriers at public procurement markets: evidences from Russian regions

Discussants: Victor Lapuente (University of Gothenburg), Carl Dahlström (University of Gothenburg)

October 8, 2020 (Thursday)

16:00 – 17:30 Norms and Historical Legacies

Chair: Marcia Grimes (University of Gothenburg)

Vladimir Zabolotskiy (HSE)

Unexpectedly mortal: The long-run effects of political repression on social capital

Maria Kravtsova (HSE), Alexander Libman (FU Berlin)

Family Size and Liberal Voting: Evidence from a Century of Russian History

Vladislav Kutyanov (HSE)

Religion and preferences for government intervention in Russia

Discussants: Agnes Cornell (University of Gothenburg), Marina Nistotskaya (University of Gothenburg), Alexander Kalgin (HSE)

17:30 – 17:45 Break

17:45 – 18:45: Governors and spending

Chair: Timothy Frye (Columbia University, HSE)

Thomas Remington (Emory University, HSE), Andrei Yakovlev (HSE), Elena Ovchinnikova (HSE), Alexander Chasovskii (HSE)

Career trajectories of top regional officials: China and Russia before and after 2012

Agnes Cornell (University of Gothenburg) and Marcia Grimes (University of Gothenburg)

Brokering bureaucrats: How civil servants and civil society associations facilitate clientelism where parties are weak

Discussants: Michael Rochlitz (University of Bremen), Milos Resimic (HSE)

18:45 – 19:00 Break

19:00 – 20:00

Chair: Noah Buckley-Farlee (Trinity College, HSE)

Susanne A. Wengle (University of Notre Dame)

Technology and the political economy of Russian Agriculture

October 9, 2020 (Friday)

16:00 – 17:00 Public goods

Chair: Thomas Remington (Emory University, HSE)

Israel Marques (HSE), Ekaterina Borisova (HSE), Regina Smyth (Indiana University), Alexey Zakharov (HSE)

The Popular Logic of Authoritarian Policymaking: Blame and Attribution in Russia

Aleksey Oshchepkov (HSE)

What Drives Returns to Higher Education: Evidence from Panel Data on Russian Regions

Discussants: Rasmus Broms (University of Gothenburg), Alexander Libman (FU Berlin)

17:00 – 17:15 Break

17:15 – 18:15 Social policy

Chair: Ekaterina Borisova (HSE)

Broms Rasmus (University of Gothenburg), Carl Dahlström (University of Gothenburg) and Marina Nistotskaya (University of Gothenburg)

Do all private providers cut corners on service quality? Evidence from Swedish Residential Care Homes

Chmel Kirill (HSE), Klimova Aigul (HSE)

Regional differences in subjective well-being: does social policy offset the effects of inequality in Russia?

Discussants: Sarah Sokhey (University of Colorado), Marina Povitkina (University of Gothenburg)

18:15 – 18:30 Break

18:30 – 20:00 Discussion

Abstracts

- **Environmental protection in authoritarian settings: Investigating the role of pluralism**

Ruth Carlitz (Tulane University) and Marina Povitkina (University of Gothenburg)

When and how do authoritarian states secure environmental protection? Answering this question is critical given that over half of the world's population currently live in such regimes. Furthermore, the majority of non-democracies are concentrated in the Global South, which is also home to some of world's greatest environmental challenges. Much of what we know is informed by the case of China and understands environmental protection as a strategy for constructing and maintaining regime legitimacy. Much less is known about why the degree of environmental protection varies within authoritarian settings. This is a critical oversight since environmental issues are by their nature local. As such, understanding when and how governments engage in environmental protection requires studying the incentives facing local officials. We help fill this knowledge gap with an empirical study of subnational variation in environmental protection in the authoritarian regime of Vietnam. Studying a single country allows us to isolate key features of political institutions while holding a number of other factors constant, strengthening our ability to draw credible inferences. Specifically, we study the role of pluralism at the local (district) level, and consider how the degree of pluralism relates to two key environmental outcomes: air and water quality. While pluralism has the potential to promote environmental protection by enhancing scrutiny of government actors, pluralism can also undermine commitments to pro-environment policies, given their contentious nature. We analyze data from Vietnam's 208 districts and find that greater pluralism, measured by the extent of civil society activity, electoral competition, and the degree of (corrupt) business influence is associated with worse environmental outcomes. These findings call into question received wisdom about the benefits of participation for sustainable development and highlight the importance of developing contextually appropriate strategies.

- **When and why is language salient for sovereignty? Evidence from Russia**

Kyle Marquardt (HSE)

While identity-based cleavages have played a role in many important regional sovereignty movements, the conditions under which a particular form of identity becomes salient are poorly understood. In this article I develop and empirically examine a theoretical framework for understanding when a particular form of identity is likely to become salient for support for sovereignty, focusing on three conditions: 1) a territorial

context conducive to regional sovereignty, 2) the presence of an identity difference, and 3) a plausible link between greater regional sovereignty and higher status for individuals who possess the relevant identity-based attributes. I examine these conditions by analyzing the relationship between linguistic differences and support for regional sovereignty in Russia in the 1990s, using two sets of survey data. The first data set includes data from 30 regions, which vary across all three conditions, and find tentative evidence that indicates the importance of all of them: respondents in autonomous regions were more supportive of sovereignty, as were respondents in these regions who spoke a peripheral language, though the relationship between language and support for sovereignty varies across these regions. I use finer-grained survey data from 16 Russian autonomous republics to empirically analyze the third condition in greater detail. These regions fulfill the first two conditions and are thus likely cases in which language will be salient. However, their linguistic demographics vary widely, and thus the likelihood that regional sovereignty will increase the status of peripheral languages. I find that proficiency in a peripheral language tends to be more salient for separatism in regions with a relatively high proportion of peripheral language speakers, lending credence to the importance of the third condition"

- **Conservation and positive spillovers on corruption: Establishment of protected areas across Africa reduced local bribery**

Sharon Pailler (Clark University) and Aksel Sundström (University of Gothenburg)

Local level corruption is described as an obstacle for effective protection of nature and its presence in Africa is suggested to discourage much-needed investments in conservation. This article advances a contrasting perspective to understand the linkages between conservation and corruption and investigates to what extent communities where protected area (PA) institutions are established experience changes in local corruption. It models the impact from PA establishments – matched through GPS-points with over 150 000 Afrobarometer survey respondents – on perceived and experienced local corruption among individuals across 36 countries, the years 2002-2015. Our difference-in-differences estimations suggest that people living near where PAs were established largely experience lower levels of bribery, compared with individuals in areas that were not yet (but soon to be) protected. PA fixed effects models confirm this finding by comparing people in areas before and after a certain PA establishment: having conservation regulations designated to the community give rise to moderate but consistent differences in local corruption. Analyzing the mechanisms driving these effects, we explore the role of local participation, conservation effectiveness and the presence of soldiers.

- **Background and spending preferences of Russian regional governors**

Dmitriy Vorobyev (Ural Federal University) and Anna Kozlovskaja (Ural Federal University)

We analyze a unique dataset on personal characteristics of Russian regional governors serving their terms between 2006 and 2018, combined with a panel of detailed regional budgets over the same period, to identify relationships between governors' individual characteristics and their spending preferences. We find that governors with military educational or professional backgrounds distribute regional budgets very differently from the governors with non-military education and business or political backgrounds, exhibiting much stronger preferences towards social, healthcare and governance expenditures, and much weaker preferences towards spending on economy and infrastructure. We discuss a number of potential explanations for our findings.

- **Political power and entry barriers at public procurement markets**

Pavel Pronin (HSE), Andrey Tkachenko (HSE), Andrei Yakovlev (HSE)

The activity of regional (sub-national) actors is an essential source of initiative and dynamism. Different resources are available for regional governments with public procurement (PP) contracts becoming a policy tool with growing importance. However, the allocation of PP can be the source not only for economic development but also for rent-seeking (Szakonyi 2018). In this paper, using unique data for Russia, we analyse the impact of previous experience of regional governors on the allocation of PP contracts between local and external suppliers. Contrary to the previous studies on regional protectionism, we make the main focus on the public procurement and especially on the allocation of contracts to the firms located in two cities – Moscow (country's capital) and Saint Petersburg (second largest city and city of origin for both Russian presidents since 2000 – Vladimir Putin and Dmitry Medvedev – as well as for many pivotal members of federal political elite). We focus on Moscow and St. Petersburg firms as the concentration of political power in the federal center during the early 2000s has made the enterprises, that are connected to the federal government, “the most effective lobbyists”. These firms gained higher bargaining positions and received much more preferential treatments comparing to the firms without federal connections. As some regional governors allocate substantially more contracts to Moscow and St Petersburg (MSP) firms than others, our research question is – “How personal characteristics of regional governors can explain the variation of public procurement allocation in Russian regions?”.

- **Unexpectedly mortal: The long-run effects of political repression on social capital**
Vladimir Zabolotskiy (HSE)

This study investigates the effects of political violence in the past on social capital several generations later. I hypothesize that people who were exposed to political violence were likely to become less trusting and less willing to help others since it could have put them at risk. I use a unique dataset of arrests that happened in Moscow and St. Petersburg during the Great terror campaign, with the exact address known for each of the arrests. I link these to the online donations that are a proxy for social capital at a building level. Preliminary results show that people who live in buildings where an arrest happened are less likely to donate but this relationship remains only if the building was not rebuilt since the date of the arrest. Thus, I argue that it is likely to be the case that political violence has adverse effects on social capital even several generations later.

- **Family Size and Liberal Voting: Evidence from a Century of Russian History**
Maria Kravtsova (HSE), Alexander Libman (FU Berlin)

Family structure is considered a particularly important predictor of social and political development; historical differences in family size and other family characteristics cast a long shadow over societal development. This paper explores how differences in historical household size affect political behavior based on within-country variations of this characteristic in Russia. Unlike most papers on historical legacies, we trace the effect of household size across a century of Russian history with a focus on the first competitive and free elections held in Russia in 1917 – to the Constituent Assembly – and on the presidential elections of post-Soviet Russia of 1996 and 2000. Household size is measured from census data for 1897. We find a robust and significant association between smaller household size and pro-liberal voting that holds in spite of differences in the political, economic and social environments of the 1910s and 1990s.

- **Religion and preferences for the government intervention in Russia**
Vladislav Kutyanov (HSE)

In this paper we present an evidence for the influence of religion on demand for the government intervention in Russia. We use a 2011 representative survey of Russian regions which includes about 33,200 respondents. We show that declared religiosity is positively related to the fact that respondent will not choose the “Western way” of economic development. Additionally, active participation in life of religious community is negatively connected to support of redundant product safety audits. We validate our findings by using density of different religious denominations in Russian regions in 1897 as an instrument. Overall, our results confirm that in Russia declared religiosity affects

political preferences. Moreover, the religious community acts as a club good, where adherence to attitudes and rituals leads to a substitution of government intervention.

- **Career Trajectories of Regional Officials: Russia and China before and after 2012**
Thomas Remington (Emory University, HSE), *Andrei Yakovlev* (HSE), *Elena Ovchinnikova* (HSE), *Alexander Chasovskii* (HSE)

Authoritarian leaders rely on regional officials for both political support and the fulfillment of their policy objectives. Central leaders face trade-offs between using institutionalized rules for choosing regional officials such as regular rotation and performance incentives, and building a stable base of personal support from loyalists. This paper analyzes appointments of regional officials in Russia and China before and after 2012. We hypothesize that, as a consequence of the centralization and personalization of state power in both regimes over the past decade, Russia's system for appointing regional officials has become somewhat more regularized while in China under Xi it has become somewhat less regularized. Our analysis uses a comprehensive original set of biographical data on all top regional officials from 2002 through 2018 in China and from 2000 through 2018 in Russia. We discern clear differences between the pre- and post-2012 period for China and less marked differences for pre- and post-2012 Russia.

- **Brokering bureaucrats: How civil servants and civil society associations facilitate clientelism where parties are weak**
Agnes Cornell (University of Gothenburg) and *Marcia Grimes* (University of Gothenburg)

Large scale decentralization in Peru was in part carried out to dismantle the comprehensive political machine developed under authoritarian rule. Despite these intentions, patronage and clientelism have proven to be surprisingly resilient in the Peruvian context, as in many other younger democracies. That clientelism survives in this context is particularly puzzling given the fact that the party system is extremely fragmented and fluid at the subnational level. Clientelism, the exchange of targeted goods for votes, is fraught with commitment problems. Despite extensive research efforts to map parties' strategies for monitoring voters' behavior at the ballot box, many questions remain regarding how such exchanges transpire, and especially absent stable party organizations to nurture long-term partisan loyalties. This paper proposes that where politicians have influence over bureaucrats' careers, which is often the case in the developing world, bureaucrats may play a larger, and more autonomous, role in clientelistic exchanges than has previously been described. Bureaucrats can through their local networks structure these exchanges in an otherwise challenging setting. Bureaucrats who can mobilize electoral support may be able to leverage this political capital in

negotiations with politicians, including to better their own careers. We hypothesize that this type of brokering behavior should be more efficient, and therefore more prevalent, in localities with stronger civil society associations. Bureaucrats' ties to citizens, structured through civil society associations, provide the relational networks that facilitate clientelistic exchanges. Using sub-national original survey data of bureaucrats (N=1300) in all Peru's 25 regional governments plus the city of Lima, we find evidence that bureaucrats exhibit behavior suggest of brokering are moreover more pronounced in regions where more citizens are involved in associational life. The paper thus adds to our understanding of how institutional arrangements at the subnational level, and specifically politicians' influence over bureaucrats' careers, can induce bureaucrats to broker clientelistic exchanges at the subnational level, possibly inhibiting the emergence of programmatic parties and linkage strategies.

- **Consultation and Policy Attribution in Hybrid Regimes: Evidence from the Moscow Renovation Program and Russian Pension Reform**

Israel Marques (HSE), Ekaterina Borisova (HSE), Regina Smyth (Indiana University), Alexey Zakharov (HSE)

Can citizens assign responsibility for controversial policies imposed by their authoritarian governments? Earlier work (Powell 2000) suggests that citizens in authoritarian regimes cannot assign responsibility for individual politics beyond the leader. More recent work demonstrates that these citizens can and do assign responsibility to individual leaders, even in complex decision environments that span a range of political institutions and different levels of government. Yet, the capacity to assign blame is shaped by regime strategies that rely on consultation and framing to deflect blame toward lower level officials or institutional actors. We test these theories using individual-level survey data to explore citizens' responses to top-down policy initiatives of Russia's authoritarian state, focusing on housing and pension reform. By exploiting a quasi-natural experiment in assignment to the housing reform, we are able to highlight the ways in which consultation shapes assignment of responsibility for policies that deploy this strategy but not others. The results show that citizens' capacities vary across individuals and across specific policies in response to state strategies to consult with those most affected by specific policy initiatives.

- **What Drives Returns to Higher Education: Evidence from Panel Data on Russian Regions**

Aleksey Oshchepkov (HSE)

In this study, we examine cross-regional variation in the rates of private return to higher education (RoRHE) in Russia. We obtain estimates of RoRHE for 79 regions-subjects of

the Russian Federation by estimating region-specific mincerian wage equations using micro-data from the Occupational Wages Survey conducted by Rosstat in 2005, 2007, 2009, 2011, 2013, and 2015. We find substantial differences in RoRHEs across Russian regions: for instance, in 2015 RoRHEs ranged from about 40% to 125% (to the average wage of workers with secondary education) against about 65% at the country level. Next, we regress estimated RoRHEs on regional economic and labor market indicators, controlling for regional and time fixed effects. We find positive correlation of RoRHEs with both regional per capita GDPs and relative stocks of workers with higher education. RoRHEs also tend to be higher in regions with less favorable living conditions. Our findings call into question the standard country-level approach to estimate returns to education and may have useful implications for cross-national comparative research.

- **Do all private providers cut corners on service quality? Evidence from Swedish Residential Care Homes**

Broms Rasmus (University of Gothenburg), Carl Dahlström (University of Gothenburg) and Marina Nistotskaya (University of Gothenburg)

Although the provision of welfare services by private providers is widespread in OECD countries, the jury on whether marketization has improved service quality is still out. This paper seeks to nuance this debate by explaining variance in the service quality between different types of private providers. Using residential elder care homes in Sweden as our universe of cases, we leverage novel panel data capturing both the individual attributes of facilities and the service providers that operate them, such as company size and for-profit/non-profit status, against a set of indicators pertaining to the quality of service provided by residential care homes, as measured in terms of human capital and density of staff and client satisfaction. Preliminary results suggest that large for-profit companies deliver lower-quality care, compared with the reference category of publicly-run facilities, while non-profit companies deliver higher quality care.

- **Regional differences in subjective well-being: does social policy offset the effects of inequality in Russia?**

Chmel Kirill (HSE), Klimova Aigul (HSE)

Among the goals of social policy there is a specific one that welfare states are particularly interested in. This goal refers to a decrease in inequality levels, and consequently, an increase in subjective wellbeing. But does a successful social policy in fact offset the effects of inequality on subjective wellbeing? This question has long been an important feature of the research agenda but few give a straight answer to it. This work tests a hypothesis assuming that in regions with relatively low levels of average household

income and high levels of inequality social policy can reduce negative effects of inequality by redistributing large budget shares between health care, education and social programs. Two sources of empirical data were used in the study: (1) results of a survey conducted in Russian regions representing the population of these regions, (2) objective indicators measuring the extent of social policy tools used in the regions under consideration. To evaluate whether regional social policy is capable of compensating for inequality effects the authors test Bayesian hierarchical models with uninformative and informative prior distributions.