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**PUBLIC GOODS AND
HISTORICAL STATE-
BUILDING:**

**A Within-Country Analysis
of Post-Soviet Russia**



Minda de Gunzburg

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Abstract

Why are certain states and regions able to deliver a wide range of public goods, while in others funds are either not raised, embezzled, or misallocated? This paper argues that, while societal heterogeneity or collective action by citizens may explain the incentive of political leaders to deliver public goods, their capacity to do so depends critically upon a third factor - the degree of historically accumulated state capacity. This argument is tested in the context of post-soviet Russia, which in the 1990s went through a dramatic transition from centralized rule from Moscow to decentralized fiscal administration and service provision. Using time-series data on public goods provision and a dataset of state history for 83 provinces of the Russian Federation, cumulative state formation is shown to be significantly and robustly associated with public service outcomes.

Why are certain regions able to deliver a wide range of public goods, while in others areas funds are either not raised, embezzled, or are misallocated? In recent decades, political science has offered two conventional answers to this question. One literature argues that the explanation lies in ethnic, religious, or linguistic fractionalization, as where there are a wide range of ethnic groups, consensus over fiscal commitment is difficult to obtain, private goods are allocated to maintain political coalitions, and collective identities in support of group outcomes are weaker (Alesina et al. 2003, Charnysh 2019, Singh and vom Hau 2016). The second literature has argued that the difference may lie in social institutions, and in particular the ability and willingness of citizens to engage in civic life, protest the abuse of public office, and participate in petitions, meetings, and elections (Almond and Verba 1963, Putnam 1993, Ekiert and Kubik 1998), each of which in turn may be a longer-term legacy of non-hierarchical religious or political institutions (La Porta et al. 1997, Putnam 1993, Bernhard and Karakoç 2007).

This article, however, supplements these with a third theory. While the *incentives* to provide public goods can be affected by societal heterogeneity or the lack of collective identities, the *ability* of political leaders to provide such goods depends critically upon an additional factor – the degree of historically accumulated state capacity (Dahlstrom and Lapuente 2017, Charron, Dahlstrom and Lapuente 2012). The long-term cumulative experience of self-government under a monopoly of the legitimate use of force equips local governments with the capacity to provide public goods, and emerges as a key factor explaining variation in such provision (D’Arcy and Nistotskaya 2017, Dahlström, Lindvall and Rothstein 2013). I test this argument in the context of subnational variation in post-Soviet Russia, a country that provides a remarkable experiment in testing local capacity to provide public goods. Whereas the Soviet Union operated upon a highly centralized system of center-periphery relations, its collapse in 1991 brought a centrifugal cascade of power that saw wide-ranging responsibilities devolved to subnational entities, as over the course of five years the subnational share of public spending more than doubled from 26 to 56 percent (Hale 2006, Gabdräfikov and Hale 2006, Ponarin 2008).

This decentralisation has resulted in wide variation between provinces regarding the quality of public services and security provision, that provide a unique opportunity to test local capacity to provide public goods. In the Far Eastern region of Chukotka, for example, the homicide rate today is comparable to that in Brazil or South Africa, whereas in Astrakhan, the historical capital

of Khazaria, it is lower than Denmark or Sweden (Russian Federal State Statistics Service 2017, United Nations Office on Drugs and Crime 2019).¹ In the former Prussian capital of Kaliningrad, researchers from the World Bank (2012) were able to open a business faster than in Switzerland or Japan, while in the eastern city of Yekaterinburg, the same process took as long as in Nigeria or Nepal.² And in Tomsk, one of the earliest-settled regions of Siberia, the proportion of survey respondents who reported having given a bribe in order to access public services (9 percent) was comparable to the United States (7 percent) or Chile (10 percent), while in Tambov, a central Russian region which acquired city status a century later, the figure was almost four times higher, closer to Indonesia (36 percent) or Bangladesh (39 percent) (Public Opinion Foundation 2008, Transparency International 2013).³

Explanations for Local Public Goods Provision

What explains wide variation across Russian regions in public goods provision, with some performing well while in others areas funds are either not raised, embezzled, or are misallocated? Faced with such wide variation in subnational government performance, scholars of comparative politics have offered a range of explanatory viewpoints, though generally within what may be termed a “state in society” paradigm (Kohli, Migdal and Shue 1994). According to this perspective, differences in quality of government within a single polity are the result of underlying differences in the local social structure within which institutions operate such as the heterogeneity or homogeneity of social groups, the strength of encompassing identities, or the existence of bridging ties between individuals. Identical policies and institutions at the national level result in differential application of laws, allocation of resources and provision of public goods, as they are filtered through local informal practises such as clientelism, patronal politics, or civic engagement. A common argument in this vein places emphasis on the degree of fractionalization among ethnic groups, which is argued to make consensus over fiscal commitment difficult to obtain, require selective benefits to maintain political coalitions, and weaken collective identities in support of group outcomes (Alesina et al. 2003, Charnysh 2019, Singh and vom Hau 2016). Another longstanding and influential literature has argued that the difference may lie in civic institutions, such as the ability and willingness of citizens to engage in

voluntary association, social protest, and participate in petitions, meetings, and elections (Almond and Verba 1963, Putnam 1993, Ekiert and Kubik 1998).

In this article, however, I suggest that as well as viewing the state “in society,” political scientists also need to consider the “society of the state.” The long-term cumulative experience of self-government under a monopoly of the legitimate use of force can itself act to shape social norms and informal institutions, in ways that contribute to the quality of public administration and the provision of public goods (Rothstein and Stolle 2008, Uslaner and Rothstein 2016, Levi 1998). These legacies create indigenous state capacity through the formation of local political elites, norms of vertical compliance, and sub-national or regionalist movements, that in the case of post-Soviet Russian regions, I argue, has led to successful bids for greater transfer of resources from the federal center and channeled investment into local welfare and infrastructure (Herrera 2005). If so, then it is not so much horizontal social norms which facilitate cooperation and collective action – but vertical ties of compliance, elite-mass identity, and accountability which are generated from historical institutional structures and incentives (Eek and Rothstein 2005, Hale 2002, Peisakhin 2012, Levi 1996).

Regional studies appear to confirm this association between long-term legacies of central government and its contemporary performance. Examining public goods provision in Africa, Gennaioli and Rainer (2007) find that precolonial centralization in Africa is associated with higher levels of provision, as countries with a greater proportion of centralized ethnic groups have more paved roads, a greater percent of infants immunized for diphtheria (DPT), lower infant mortality, a higher adult literacy rate, and greater schooling attainment. They hypothesize that precolonial centralization improved public goods provision by increasing the accountability of local chiefs. Michalopoulos and Papaioannou (2013) report a similar finding using data on precolonial centralization and ethnic group boundaries, while Cinyabuguma and Putterman (2011) find that after controlling for state antiquity, the effect of ethnic fractionalization on economic growth in Africa turns positive. Likewise, taking the case of Botswana, Robinson, Acemoglu and Johnson (2003) and Robinson and Parsons (2006) argue that the country’s exceptional record of public administration within Africa is a consequence, not of ethnic homogeneity, but rather precolonial processes of political centralization. Examining areas of Senegal that were once home to precolonial states, Martha Wilfahrt (2018) finds that they

distribute public goods more broadly, while in the Russian context, Marina Nistotskaya (2009) found that regions with stronger local bureaucracies experienced faster business growth during the transition era, a consequence of better regulation and broader service capacity. While public goods delivery is often conceptualized by scholars as a problem of coordination or political incentives – a lack of willingness among political elites to dedicate resources to universal service provision – equally important may be a lack of capacity due to poor resource mobilization, compliance norms, and absence of bureaucratic structures.

State History and Capacity in the Former Soviet Union

The Soviet Union operated upon a highly centralized system of center-periphery relations. Yet, by the early 1990s Yeltsin was inaugurating a sweeping and chaotic decentralization program that gave political autonomy first to the two main cities (Leningrad and Moscow) and six republics. A five year moratorium on elections for regional leaders appointed by Yeltsin was proclaimed at the end of 1991, but during this period 31 regional elections took place with his consent, and a further two without (Zhuravskaya 2010). By mid-1992, 4 of the 5 autonomous oblasts became republics, and Chechnya and Ingushetia were separated, bringing the number of republics to 21. A Federation Treaty was signed on 31 March, specifying types of power allocated to four types of unit – the federal government; the 21 republics; the 10 autonomous okrugs and 1 autonomous oblast; and the 49 oblasts, 6 krais and 2 federal cities (Herrera 2005).

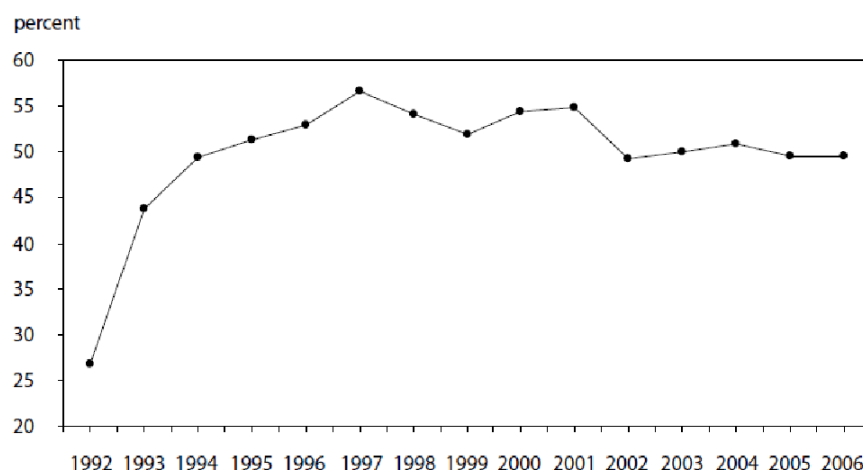


Figure 1

Share of Subnational Expenditure in Total Outlays of National and Subnational Governments without Extrabudgetary Funds, 1992-2006.

Political decentralization was accompanied by an uneven fiscal decentralization (Figure 1). By the late 1990s, 26.5 percent of Russian budgetary expenditures were being disbursed at the regional level, and a further 18.5 percent at the local level: proportions that are similar to federal regimes such as Germany or the United States. In addition to decentralization of public expenditure, Russia also underwent a wide-ranging decentralization of revenue mobilization. By 1999, 24 percent of revenues in the general government budget were raised at the regional level, and 12.3 percent at the local level; for basis of comparison, these are similar to the levels in the United States (25.9 and 15.7 percent, respectively) and Germany (21.3 and 12.6 percent). According to calculations by Andreeva and Golovanova (2006), own-source revenues accounted for as much as 45 percent of the spending of Russian federal subjects by the end of 1990s. Russia therefore underwent a thorough federalization, both of its spending, and its revenue raising functions during this era.

Finally, as well as decentralization of revenue mobilization and spending, Russian regions also gained the authority to issue debt on the open market, as a means of managing revenue uncertainty from one year to the next. After one decade of decentralization, this left widespread regional discrepancies in public debt management. In Ust-Orda Buryat oblast, over 10 percent of budget expenditures were financed by government securities issues, and in Tomsk Oblast over 15 percent (Ibid). By January 2001, six provinces had outstanding liabilities amounting to over 10 percent of their budgetary expenditures.⁴ These levels are similar to other federal regimes where states are able responsible for managing their own debt and interest burdens.

In addition to participating in this wave of fiscal decentralization, Russia's 21 constituent republics, each nominally autonomous and home to a specific ethnic minority, went much further. Following Yeltsin's call for the constituent republics to "take as much sovereignty as you can swallow," fourteen of the then sixteen Russian ASSRs (Autonomous Soviet Socialist Republics) declared themselves sovereign, subsequently establishing their own constitutions, legislatures, and even foreign ministries (Dunlop 1993). This was formalized by the federation treaty of 1992 which

gave republics the right to their own foreign and trade policies (Treisman 2000). Over the course of the 1990s, a number of these constituent republics continually tested the limits of Moscow's willingness to devolve power, by appropriating as much fiscal, administrative, and legislative autonomy as they could for themselves.



Figure 2

Constituent Republics of Russia

1. Adygea. 2. Altai. 3. Bashkortostan. 4. Buryatia. 5. Dagestan. 6. Ingushetia. 7. Kabardino-Balkaria. 8. Kalmykia. 9. Karachay-Cherkessia. 10. Karelia. 11. Komi. 12. Mari El. 13. Mordovia. 14. Sakha (Yakutia). 15. North Ossetia-Alania. 16. Tatarstan. 17. Tuva. 18. Udmurtia. 19. Khakassia. 20. Chechnya. 21. Chuvashia.

Empirical Strategy

How should we go about testing subnational variation in public goods delivery? Fortunately, the Russian Federation benefits from detailed collection of public goods data at the provincial level, with annual reports published by the Russian Federal State Statistics Service for 83 provincial units since federation in 1994 (Russian Federal State Statistics Service 2017). While the range of reported statistics has widened over time, the initial dataset includes a wide range of public goods measures that enable controls for intertemporal endogeneity relative to baseline public service provision. Accordingly, I begin by estimating a set of regressions using as the dependent variable a series of measures of public goods delivery from across Russian provinces, which include the proportion of slum dwelling and failing housing stock among all housing stock in the region; the provision of public buses (per 10,000 inhabitants); the proportion of roads that are paved; the proportion of paved roads that have improved road surfacing; the number of hospital

beds per capita; the number of inhabitants per doctor, the number of museum visits per 1,000, and the number of children per educational place. In addition, as a measure of the rule of law, we include the homicide rate, which reflects upon the efficacy of police services, the prevalence of organized crime, and the efficacy of judicial means of resolving disputes. Each of the items correlates positively across regions with other items in the set (average $R = 0.17$), with the strongest centrality among homicide rates, slum housing, children per educational position, and inhabitants per doctor.

These models are estimated by a series of OLS regressions of the form:

$$Y_{nrt} = \alpha + Y_{\Sigma nrt-1} + \beta_1 S_r + \beta_2 X'_{rt} + \varepsilon_{rt}$$

Where Y_{nrt} refers to one of n metrics of public goods delivery in region r at the present time t , α to the intercept, $Y_{\Sigma nrt-1}$ is an index of public goods delivery in the earlier time period 1994-5, S_r refers to that region's accumulated state history in the centuries preceding the transition era, X'_{rt} refers to a matrix of control vectors for covariant social and economic attributes, such as local social capital or regional income per capita, whose independent association with Y is estimated in the vector of betas β_2 .

As our independent variable of interest, this article measures state history following the method outlined in Bockstette, Chanda and Putterman (2002) for each of the 83 subjects of the Russian Federation. The index is constructed by taking each fifty-year period from 1000 to 1950 AD, and allocating points to regions if there was i) a government above the tribal level; ii) if that government was locally based rather than that of a foreign empire; and iii) a fractional point to represent the extent of the country's modern territory that was under the control of this earlier government.⁵ Data was compiled by Russian research assistants using Russian language historical sources and following the coding rubric, without alteration by the author. To arrive at an index score for each region, the data from the fifty periods is combined. In order to represent the fact that a more recent legacy of state formation is likely to have a greater impact than a relatively more distant one, a discount rate is applied in the aggregation of the scores, as in Bockstette, Chanda and Putterman (2002), thereby assigning relatively greater weight to more recent episodes of state history. Areas with a longer history of government of any kind receive a greater score, and a yet higher score still if this government was domestic, and was in charge of

much of the territory of the contemporary provincial boundaries. For example, the region of Pskov was a self-governing republic from the time between 1000 and 1399, receiving the full score of 50 for each period. After 1399, it was transformed into a viceroyalty of Muscovy, receiving a fractional score of 37.5 to reflect indirect foreign rule: until 1510, when its independence was ended and it became a full vassal of Moscow, receiving 25 points per period after this point, to reflect direct foreign rule. This continues until Muscovy becomes the Russian Empire, after which Pskov is treated as an indigenously ruled region of Russia, and again accumulates state history at 50 per period, resulting in a final score of 0.84 (on a 0-1 scale) in the present day. By contrast, a region such as Chukotka, in the northeast of Siberia, has a more recent history of state formation: traditionally home to the nomadic Chukchi people, no organized state existed in the area until the arrival of Cossacks in the seventeenth century, who fought the Chukchi in a series of battles from 1701-47. These prompted a higher degree of political integration among the Chukchi, who in their peace treaty of 1778 secured a tax exemption in exchange for indirect rule of a portion of the oblast's area under suzerainty of the Russian Tsar, resulting in a partial state history score of 11.25. Though the Chukchi remained the predominant inhabitants of the area, Russians, Americans, and Canadians made competing claims to the area until 1923, when Russia expelled all remaining foreign settlers; though as the paramount administrative rulers of the territory, from the late nineteenth century the area is treated as Russian imperial land, with a state history score of 50 per period, resulting in a final state history score of 0.41 (on a 0-1 scale) in the present.⁶ The development of the state antiquity index over time for all Russian regions is shown in Figure 3.

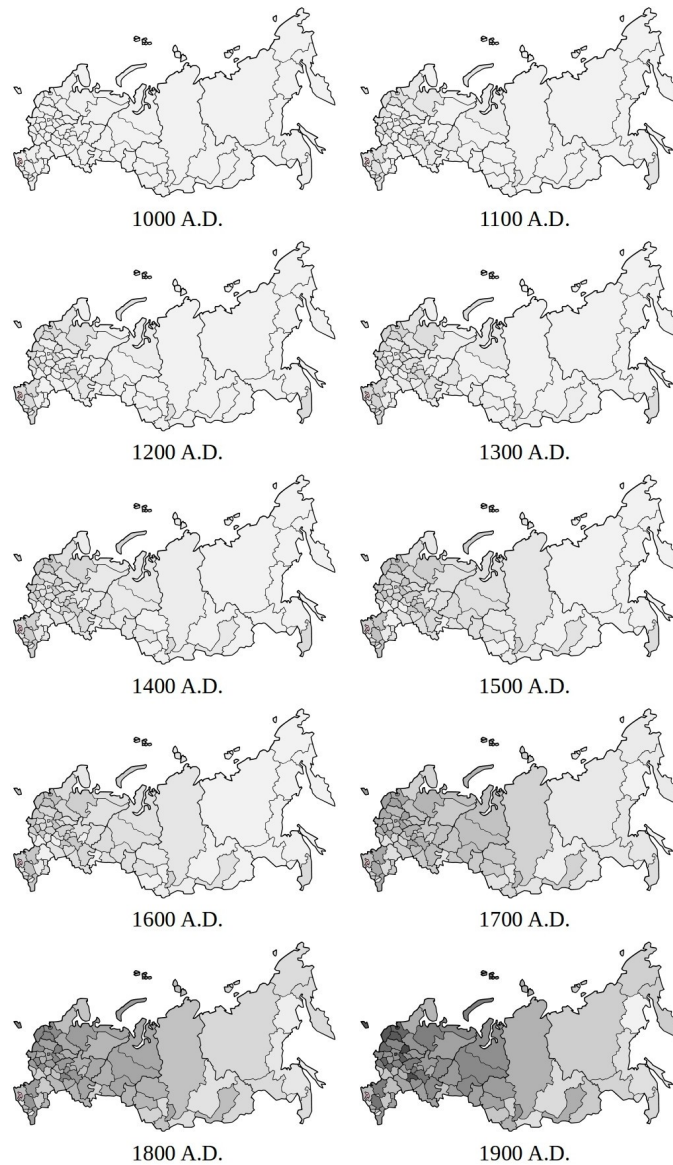


Figure 3

Development of State Anquity Index in Russia, 1000-1900 A.D.

In order to limit intertemporal endogeneity, a control variable is included for the quality of public goods delivery in 1994-5: the point of onset for fiscal and administrative federalism in Russia. Only a reduced subset of public goods variables are available for this earlier time period, but include the number of doctors per 10,000 inhabitants, the volume of surfaced roads, the proportion of hospital beds per 1,000 inhabitants, and the number of annual bus passengers

(Russian Federal State Statistics Service 2012). The volume of surfaced road and public bus passengers were normalized to population in 1994, and standardized values for each of these four indicators aggregated into an index of public goods provision by province in 1994-5.

Observation of the descriptive statistics show that in the mid-1990s, the pattern of public goods provision across Russia continued to reflect the strategic priorities of the Soviet state, with the best performing regions being the capital, Moscow, plus the Far Eastern provinces to which official Soviet policy was to encourage the flow of migration (Zaslavskaya, Kalmyk and Khakhulina 1989). By contrast, the worst performing regions at this time were the North Caucasus, as they remained two decades later, as well as the Central and Volga regions.

As well as including a measure for state history as an independent variable and a control for public goods provision at the start of the federal reform era, several other indicators are also included. First, where funding for public goods provision is calculated based on locally raised revenues, the provision of public goods is likely to be positive affected by a higher level of regional GDP. Accordingly, the models comprise a variable for regional income per capita in 1994. Second, a significant body of recent literature has alleged that ethnic fractionalization is negative for the provision of public goods (Alesina et al. 2003; Miguel and Gugerty 2005). As the Russian Federation contains a wide diversity of ethnic groups, it should provide a good test case for the ethnic heterogeneity and public goods hypothesis. Accordingly, a variable for ethnic fractionalization, by subregion, is calculated based on Russian census data, and utilized. Third, a longstanding literature has argued that social institutions matter for local governance, in particular participation of citizens in local governance through civic activities such as protest, petition, attending neighborhood associations, writing to local newspapers and officials, can deliver better quality of governance (Putnam 1993; Tsai 2007). A variable is therefore included which registers the proportion of citizens, by subregion, who have been involved in one or more of the following activities: actions of political protest; peaceful demonstrations; organizing a group of people to solve their own or someone else's problem; cleaning up public space; participating in meetings of people living in the same house; communicating in writing with state institutions about personal issues; communicating in writing with state institutions about collective issues; participating in public hearings; organizing to help to people who are in the difficult situation; publicly expressing their opinions on the internet; expressing their opinion at meetings and state institutions; and participating in the activities of NGOs (Public Opinion

Foundation 2008). Finally, one argument for underprovision of public goods in Russian regions, in particular in remote frontier regions, is that the dispersion of settlements across large territories makes it more difficult to provide high quality roads, housing, and the construction of schools and hospitals. For this reason, a variable is also included for population density per squared kilometer.

A first set of results is shown in Table 1. As a check against multicollinearity, a pairwise correlation matrix shows that in all cases the correlation is extremely low ($-0.16 < r < 0.28$). The estimated coefficients show that state history is very strongly associated with the rule of law and with quality of urban infrastructure: areas with a longer legacy of state formation have significantly lower homicide rates, a higher proportion of improved surface roads, lower proportions of slum housing, and greater use of museums. State history is more weakly associated with welfare provision, such as greater access to health, education or public transportation, which vary instead with income per capita. This is consistent with the observation that spending in these areas is disproportionately financed by local-raised revenues, rather than federally provided grants: thus richer regions have more resources available to spend in these domains (Andreeva and Golovanova 2006).

By contrast, ethnic fractionalization is not associated with any of the measure of public goods provision or usage, except for the number of museum visits, with which it is significantly negatively related. The number of museum visits also varies significantly with both state history and income per capita. Though the sign for ethnic fractionalization is in the expected direction for paved roads, surfaced roads, slum housing, hospital beds per 10,000, children per educational place, and public buses per 10,000, none of these effects are significant or robust to the inclusion of controls for state history and income per capita.

	Homicide Rate	Paved Roads (%)	Surfaced Roads (%)	% Slum Housing	Persons Per Doctor	Hospital Beds per 1,000	Children Place	Buses per 10,000	Museum Visits (Log)
Public Goods Provision, 1994-5	-1.598 (1.597)	-2.342 (4.23)	0.008 (5.4)	-1.974† (1.034)	-44.612*** (10.764)	13.349*** (3.743)	-3.644† (2.079)	10.802* (5.408)	-68.943 (69.671)
State Antiquity Index, 1950	-11.739** (3.687)	4.088 (9.765)	46.824*** (12.468)	-6.778** (2.387)	34.971 (24.852)	-31.47*** (8.641)	-7.153 (4.799)	9.422 (12.779)	467.301** (160.85)
Log GDP per Capita, 1995	-1.522 (1.596)	-10.339 (9.292)	-17.949 (11.864)	2.324 (2.272)	-21.771 (23.648)	-5.901 (8.222)	4.247 (4.566)	7.221 (11.86)	-429.824** (153.059)
Ethnic Fractionalization	0.003 (3.509)	-1.575 (4.228)	-1.726 (5.398)	-1.528 (1.034)	-28.55** (10.76)	2.177 (3.741)	0.665 (2.078)	21.523*** (5.408)	28.073 (69.643)
Civic Activism	-1.105 (6.031)	0.083 (15.974)	-30.701 (20.395)	3.876 (3.905)	51.765 (40.652)	-5.318 (14.134)	6.918 (7.85)	14.483 (20.429)	3.267 (263.117)
Population Density	-0.097** (0.029)	0.029 (0.077)	0.244* (0.098)	-0.038* (0.019)	0.038 (0.196)	-0.253*** (0.068)	0.075† (0.038)	0.192† (0.098)	-0.813 (1.269)
Moscow dummy	438.062** (133.481)			172.945* (86.417)	-201.948 (899.658)	1134.163*** (312.799)	-337.072† (173.718)	-881.628† (451.074)	4153.215 (5822.956)
St Petersburg dummy	324.462** (98.122)			125.908† (63.526)	-222.068 (661.342)	843.593*** (229.939)	-247.183† (127.7)	-587.469† (331.592)	5837.351 (4280.473)
Constant	37.761* (15.321)	95.349* (40.576)	63.63 (51.808)	21.178* (9.919)	426.285*** (103.265)	115.426** (35.904)	98.281*** (19.94)	-176.674** (51.786)	-17.966 (668.374)
N	77	75	75	77	77	77	77	76	77
Adj. R ²	0.216	-0.043	0.297	0.173	0.377	0.458	0.064	0.28	0.701

NOTES: *** significant at the 0.001 level; ** significant at the 0.01 level; * significant at the 0.05 level; † significant at the 0.1 level. Standard errors in parentheses.

Table 1

Determinants of Public Goods Provision Across Russian Federal Subjects

What do these differences mean in practice? The mean score on the state history index of 0.71 with a standard deviation of 0.19 entails that a one-standard deviation increase in state history is associated with a 2.71 per 100,000 reduction in the homicide rate; a difference that is similar to the gap between continental Europe and the United States. Meanwhile a one standard deviation increase in state history is also associated with a 1.49 percent reduction in the proportion of slum housing (the Russian provincial average is 4.49 percent) and a 10.1 percent increase in the proportion of paved roads with improved road surfacing, where the Russian provincial average is 66 per cent. These differences, therefore, are not only of statistical significance, but would be visible to the naive observer. All of the provinces in the top quartile of state history have less than 10 per cent slum housing, over half of roads with quality surfacing, and a homicide rate below 15 per 100,000: relative to other provinces, in these areas the streets are noticeably safer, surfaced, and lined by apartment buildings, rather than makeshift wooden structures. By contrast, in many of the areas with low state history – including a number, which due to resource rents, are

now comparatively wealthy – criminality, absence of urban infrastructure, and the presence of shanty housing are apparent.

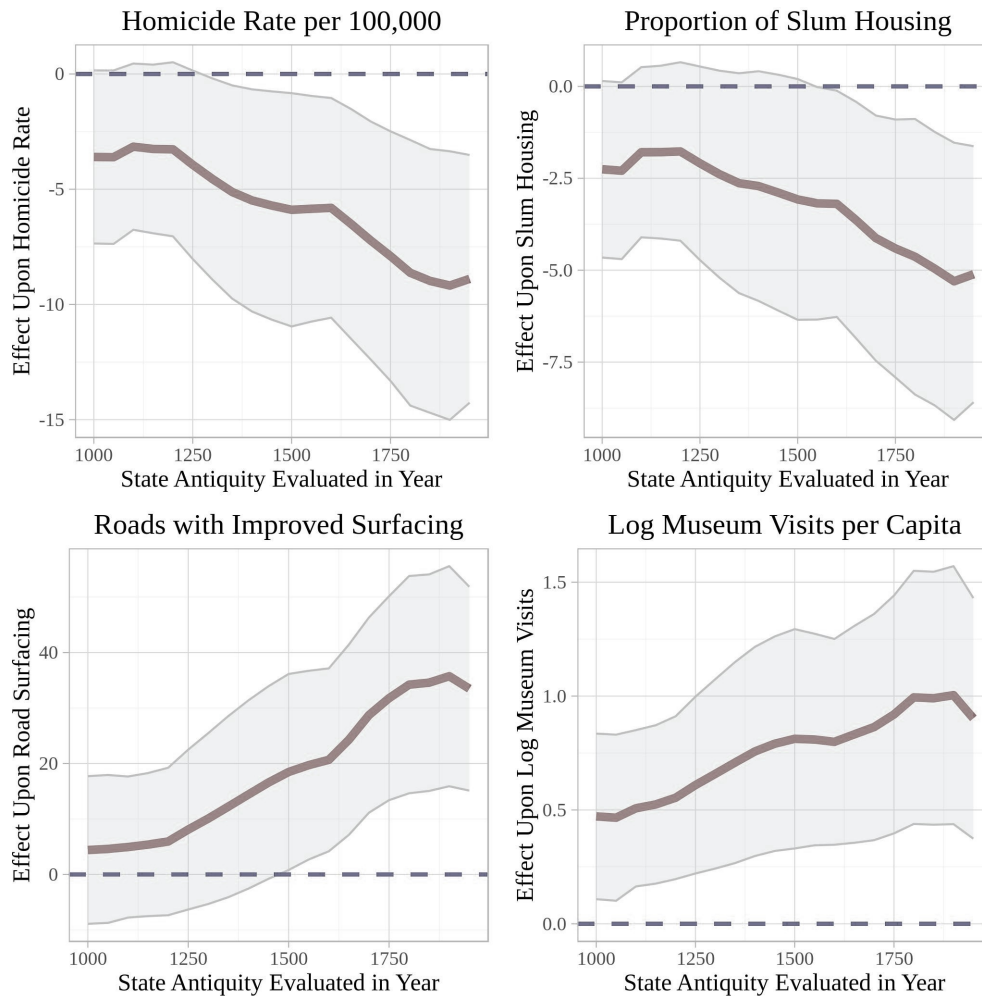
Further Analysis

Evaluating Effects at Differing Levels of State History

Which legacies of historical state formation matter: the period of independent principalities, khanates, and kingdoms of the medieval period, for example, or rather the period of Russian imperial state-building of the seventeenth and eighteenth centuries? Rather than use the final estimate for cumulative state antiquity (the score for 1950), it is possible to re-estimate the regressions in Table 1 using the variable for state antiquity evaluated at different points in history, taking each 50-year period from 1000-1050 (the first period in the sample) to 1950-2000 (the last period), and seeing how the “effect” of historical state formation differs across each. The results of these rolling regressions are reported in Figure 4, which shows the changing effect of state antiquity over time upon four of the variables that were shown to be particularly associated with cumulative state history in Table 1 - the homicide rate, the proportion of roads with improved road surfacing, the proportion of slum housing, and the availability of museums (measured by the number of museum visits).

Figure 4

Effect of Public Goods of State History, Evaluated in Different Years.



Notes: 95% confidence interval of estimates shown in gray.

The estimated effects at different historical “cuts” of the state antiquity index suggest that the effects of state formation in building local political capacity are cumulative over time, and incorporate both the medieval and early modern state-building experiences, including legacies that predate the consolidation of the Russian Empire itself in the seventeenth and eighteenth centuries. Notably, the estimated effect tapers in all cases in the last (1950-2000) estimate for state antiquity: though this may reflect not so much the failure of Soviet state in developing state capacity, as the fact that this state collapsed in 1991. As it is precisely the ability of regions to

handle this collapse that is being tested here, this observation is consistent with the theory that longer-term historical experiences of state building were important in generating local state capacity.

Ethnic Fractionalization vs. Polarization

A number of arguments in the literature on ethnic fractionalization have argued that it is not so much ethnic fractionalization, or the diversity of ethnic groups, but rather ethnic polarization - or the existence of large and opposing ethnic “blocs” - that explains the failure of governments to provide public goods (Montalvo and Reynal-Querol 2005). In order to test this alternative hypothesis, I also re-estimate the results of Table 1 using ethnic polarization in place of ethnic fractionalization, on the grounds that the main alternative hypothesis for the underperformance of certain regions of Russia in handling the transition to federal autonomy in the 1990s was not the diversity or heterogeneity of ethnic groups, but rather, whether constituent units were divided between opposing ethnic blocs in a manner conducive to generate clientelism or simple ethnic conflict.

These coefficients are reported in the first section of Table 2. The State Antiquity variable remains robust as a predictor of lower homicide rates, greater provision of surfaced roads, lower levels of slum housing, and greater access to museums, with similar coefficient magnitudes as in Table 1, while ethnic polarization is only significantly associated with lower museum visits.

Estimating Separately for Autonomous and Non-Autonomous Regions

A second concern may be that the results reported for the all-Russia sample of Table 1 reflect the differing degrees of autonomy among Russian federal units, and in particular that units with stronger indigenous political traditions may have been successful in securing political

Table 2

Additional Tests

	Homicide Rate	Paved Roads (%)	Surfaced Roads (%)	% Slum Housing	Persons Per Doctor	Hospital Beds per 1,000	Children Place	Buses per 10,000	Museum Visits (Log)
Ethnic Polarization Test									
State Antiquity	-11.34** (3.679)	3.797 (9.755)	48.526*** (12.661)	-6.991** (2.405)	36.202 (24.979)	-31.346*** (8.662)	-7.335 (4.82)	8.319 (12.823)	1.152** (0.377)
Ethnic Polarization	1.853 (2.738)	-9.042 (7.258)	-5.461 (9.42)	0.745 (1.79)	-10.495 (18.585)	-3.814 (6.444)	2.314 (3.586)	0.558 (9.305)	-0.904** (0.28)
<i>Notes:</i> Includes controls for Log GDP per capita in 1995, Public Goods Index in 1994, Civic Activism, Population Density, and dummy variables for Moscow and St Petersburg. Only coefficients for State Antiquity and Ethnic Polarization shown.									
Separating Autonomous Entities Only (n = 26)									
State Antiquity	-18.331† (9.726)	35.544† (17.234)	70.903** (19.38)	-8.938 (5.882)	11.32 (40.67)	-58.551** (17.301)	-2.825 (7.568)	-15.022 (20.056)	0.836 (0.664)
Non-Autonomous Entities Only (n = 57)									
State Antiquity	-7.287*** (1.961)	-2.577 (7.366)	25.618* (11.352)	-3.64** (1.27)	27.267 (19.547)	-25.93*** (6.813)	0.888 (3.704)	31.638** (11.239)	0.967** (0.3)
<i>Notes:</i> Includes controls for Public Goods Index in 1994, Civic Activism, and dummy variables for Moscow and St Petersburg; non-significant variables removed to preserve degrees of freedom.									
Separating the 3 Components of the State Antiquity Index									
Stateness	-6.798† (3.874)	5.637 (9.775)	46.602*** (12.512)	-4.334† (2.475)	38.998 (24.818)	-21.89** (9.086)	-8.214† (4.784)	1.137 (13.017)	1.24*** (0.361)
Indigeneity	-11.212** (3.919)	8.943 (10.204)	49.734*** (13.052)	-5.768* (2.556)	36.062 (26.094)	-27.923** (9.317)	-9.687† (4.981)	5.613 (13.609)	1.19** (0.383)
Contiguity	-9.013** (3.652)	2.673 (9.425)	45.529*** (12.006)	-5.829* (2.33)	35.967 (23.923)	-28.19*** (8.445)	-5.859 (4.65)	3.947 (12.382)	1.133** (0.35)

NOTES: *** significant at the 0.001 level; ** significant at the 0.01 level; * significant at the 0.05 level; † significant at the 0.1 level. Standard errors in parentheses.

autonomy: both during the Soviet period as Autonomous Soviet Socialist Republics (ASSRs), and more recently, following Yeltsin's call for republics to "take as much sovereignty as you can swallow" leading to the birth of the Russian Federation in 1994. In order to test whether the state antiquity thesis holds between Russian administrative categories, this section re-estimates the regressions reported in Table 1, this time within subsamples of autonomous vs. non-autonomous regions. This is especially important given the change over time to administrative-territorial regions, both before and during the Soviet period. The Russian Federation is divided into several subclasses of administrative unit, including the Oblast, Krug, Krai, and Republic. All of Russia's 22 constituent republics are designated as autonomous entities, with additional rights as regards fiscal and legislative autonomy; in addition, for historical reasons, several of the Krug and Oblast entities are also accorded an autonomous status, notably the Chukotka, Khanty-Mansi, Nenets, and Yamalo-Nenets okrugs, as well as the Jewish autonomous oblast.

The second section of Table 2 therefore reports separate subsample regressions, firstly for the 26 Russian regions with autonomous status, and secondly for the remaining 57 *Oblasts*, *Krais* and *Krugs*. Due to the low sample size for autonomous regions, in order to preserve degrees of freedom non-significant variables are excluded from the model, leaving controls for public goods provision in 1994-5, civic activism, and the Moscow and St Petersburg dummy variables. For Russia's autonomous regions and republics, while the reduced sample size ($n = 26$) greatly inflates the standard errors of the estimates, nonetheless weakly significant ($p < 0.1$) associations are retained between state antiquity and both homicide rates and road provision, with a more significant ($p < 0.01$) association retained with the proportion of surfaced roads. Moreover, the reduction in p-values is entirely a consequence of reduced sample size; in terms of effect magnitude, all of the effects are substantively larger - including that for reduced slum housing, albeit short of significance. Meanwhile, among Russia's Oblasts and Krai, all of the associations reported in Table 1 are replicated: demonstrating that the effect of state antiquity upon public goods provision is not simply restricted to those units which attained maximal autonomy in the 1990s.

Decomposing the Effects of the State Antiquity Index

A further question of interest concerns the relevant aspects of State Antiquity that may explain relative success in public goods provision since Russia's birth as a Federation in 1994. The state antiquity index is composed of three elements, namely the presence of a state, the degree to which that state was indigenous rather than foreign, and the amount of the contemporary territory governed by that state. A natural question arises as to which of these three aspects of state formation is most significant for explaining variation in the current distribution of public goods. The final section of Table 2 therefore shows the results of a series of regressions in which, in place of the combined state history index used in Table 1, each of three separate subindices has been used. These subindices are aggregated for each respective measure (stateness, locality, and contiguity) and rescaled 0-1, whereby 0 represents the minimum possible score and 1, the maximum. As in the regressions reported in Table 1, controls are included for the public goods index in 1994-5, the level of ethnic fractionalization, GDP per capita in 1995, a Moscow and St

Petersburg dummy variable and the social capital index, though, these coefficients are not reported.

The estimated coefficients show that each of the state history subindices, independently used, explains a similar variation in the public goods distribution; and that no single subindex is responsible for the results. The estimated coefficients are in general somewhat larger for the locality index, i.e. the accumulated time over which a region has been governed within a polity indigenous to that area or its titular majority, yet these estimated effects only surpass a higher significance threshold in a few cases. As both locality and contiguity imply the existence of a state the degree of collinearity between the three subindices is high ($0.86 < r < 0.93$), though the implication is that it is the extent of historical government, and not the form of this government, which explains the accumulation of local governing capacity.

Causal Pathways

This strong and robust link between early state formation and modern public goods provision raises the question of causality: what links historical polities to the functioning of contemporary regions, if social institutions and ethnic homogenization have already been ruled out? In this section I address four explanations: regional bargaining strategies; norms of vertical accountability; the legitimacy of local elites; and regional subnationalism.

Regional Bargaining Strategies

The theory that regional activism in Russia has been primarily motivated by regional bargaining was first advanced by Solnick (1995), who argued that stronger regions would be able to extract greater fiscal concessions from the federal center in exchange for remaining within the Federation. This suggestion has been advanced by several subsequent scholars of Russian federalism. Treisman (2000) for example has suggested that following the breakup of the Soviet state, stronger regions of Russia were able to engage in “regional fiscal protection”: whereby regional governments collude with local businesses in order to assist in the evasion of federal

taxes and regulation. Katherine Stoner-Weiss (2006) confirms similar results through fieldwork interviews, documenting the extensive use of local state capacity in order to undermine the efforts of the central government. A potential mechanism by which state history may affect fiscal resources available for investment in public goods, therefore, would be the role that more entrenched regional governments play in yielding zero-sum gains from the federal center on behalf of local elites.

Norms of Vertical Accountability

A long sociological tradition has argued that state formation has tangible effects on social norms which may make meritocratic and bureaucratic institutions more functional (Weber 2015). Norbert Elias (1969) for example has argued that state formation creates tangible changes in social norms, notably in the form of hierarchy, etiquette, and adherence to formal rules, while the works of Michel Foucault (1975) are largely studies in how state institutions, such as schools, hospitals, prisons, and workhouses, socialize individuals into “policing themselves,” thereby removing the need for explicit acts of discipline. More recently the theme has been reprised by James Scott, who examines the ways in which states “make legible” their subjects and internalize norms of governance (Scott 1998). Consistent with these arguments, studies have found tentative correlations between empirical measures of behavior and the rise of the state: historical studies of homicide rates, for example, have shown a remarkable diachronic relationship between state formation and declines in murder rates, frontier regions with a shorter history of state institutions have been shown to suffer a shortfall in security and public order (Foa and Nemirovskaya 2016) and contemporary anthropological studies also suggest that areas populated by non-states peoples have high, sometimes exceptional rates of homicide (Gurr 1981; Eisner 2003; Keeley 1996). These suggest support for the basic contention that the existence of formal institutions for dispute resolution lead to measurable patterns of cultural change (Greif 1994). As a result of a tradition of state formation, it may be that social norms in long-governed areas are more conducive to state capacity in a range of areas including fiscal compliance, adhere to the rule of law, or the propensity to corruption or graft.

Legitimacy of Local Elites

An additional mechanism linking state history to contemporary state capacity is the relationship between elites and the governed, specifically the likelihood that elites themselves are recruited locally rather than placed by the federal center. Where areas had a longer state history, local elites were more prominent within the Soviet hierarchy, including local administration.

Republics such as Tatarstan and Bashkortostan, for example, were leaders in the Soviet policy of *korenizatsiia*, under which members of the titular minority were promoted through the Soviet army, bureaucracy, and the communist party (Martin 2001; Hirsch 2005). It is noticeable that in both cases members of the titular minority governed the region already during the communist era, and later went on to win popular election as president of the republic in the post-perestroika era, whereas in other republics, such as Chechnya or Buryatia, this role fell to an ethnic Russian (Souleimanov 2007). This meant that areas with a greater domestic state history were endowed with political elites better placed to bargain with the federal center, and also arguably more committed to the advancement of the economic and social interests of their local constituents.

Subnationalist Mobilization

Building on the indigenous elite model above, regions of the Russian Federation with longer state histories were also more susceptible to regionalist and nationalist mobilization in the post-Soviet period. This, in turn, may have generated popular pressures for elites to invest in public goods. Examining patterns of public goods delivery in post-colonial India, for example, Perna Singh (2015b,a) shows that states with subnationalist mobilization achieved higher levels of education and healthcare vis-à-vis others. In the Russian context, Yoshiko Herrera (2005) has argued that regionalist mobilization may have generated comparable pressures. Examining Herrera's index of regional autonomy demands, it is notable that a number of the regions within the Russian Federation which led demands for greater autonomy in the 1990s were those which could trace a medieval state history, such as Vologda, Moscow, or Saratov. A greater stock of collective memories, identities, and historical reference-points, therefore, may have given elites in such regions a richer stock of material from which to forge what Herrera, echoing what Anderson (1983) has termed "imagined economies".

Each of these factors – norms of vertical accountability, the legitimacy of local elites, subnationalist and regionalist mobilization, and regional bargaining strategies – is likely to explain the outperformance of regions with greater endowments of state history. Moreover, these explanations are not mutually exclusive, but if anything, part of a complementary process. An early state history led to the formation of a local intelligentsia from which to recruit party officials during the Soviet era, and the empowerment of stronger indigenous elites may have enhanced the capacity of post-Soviet regional autonomy movements, which led to more successful bargaining vis-à-vis the federal center, and subsequently, more resources to distribute to the regional subnationalist support base through provision of public goods. This confluence of vertical accountability, elite legitimacy, subnationalist mobilization and regional bargaining can be seen from comparing the contrasting cases of Tatarstan and Buryatia, which represent respectively a high and a low state history republic from within the Russian federation.

Process Tracing in Tatarstan and Buryatia

In order to explore these causal mechanisms in greater detail, the rest of this article considers a “paired comparison” of two regions in Russia that have contrasting performance in public administration since the early 1990s, and also widely differential legacies of historical state formation: Tatarstan and Buryatia (Tarrow 2010). As such, it constitutes a “most similar systems” design, in which two cases are comparable on common systemic characteristics, yet differ on the explanatory and outcome variables of interest (Przeworski and Teune 1970). While both Tatarstan and Buryatia are wealthy, resource-rich regions populated by a titular minority that shares its territory with a large minority of ethnic Russians, Tatarstan draws upon a long history of independent statehood, while Buryatia has no such legacy.



Figure 5

Location of Tatarstan within the Russian Federation

The Republic of Tatarstan is one of constituent republics of the Russian Federation, located on the eastern edge of the European continent, and often considered a relative “success story” in the context of Russia’s autonomous regions. The World Bank (2009) subnational Doing Business Indicators report for Russia, for example, awarded the Tatar capital, Kazan, top place among cities in which to do business in Russia. Also, in the follow-up World Bank (2012) report, it was ranked fifth among an expanded sample of 30 cities, citing in particular the ease of “starting a business” and “registering property”. The city has also been ranked as that within Russia with the “highest quality of living”. (Mercer 2012). Ratings by private banks have consistently awarded the Tatar government the highest investment grade among Russian regions (Deutsche Bank 2009). Opinion polls similarly demonstrate that the Tatar government enjoys a high degree of legitimacy among its constituents. In one survey 76 percent of citizens surveyed said they trusted Tatarstan’s leadership, compared to less than 35 percent for the Russian federal government (Radio Free Europe 2003). Finally, in interviews conducted by the author with policymakers and civil society activists in the region, the high quality of public goods provision was frequently cited as one of the factors explaining the region’s political stability. Unlike other regions,

Tatarstan experienced few delays to wages or pension payments, proactive intervention by the authorities to prevent food price spikes, and extensive provision of social housing during the 1990s. This is not to say that corruption and clientelism do not exist in the Tatar Republic, yet these appear less prevalent than in other subjects of the Russian Federation. Some evidence of these differences is reported in Table 3, which shows the difference between Tatarstan and Russia on survey items such as the acceptability of tax avoidance and fare evasion, as well as perceptions of crime and institutional performance.

Table 3

Public Order and Institutional Perception, Tatarstan, Russia, and Siberia Compared

	Tatarstan	Russia	Siberia
Feel “very secure” in Neighborhood	24%	7%	8%
Robberies “very frequent” in Area	2%	4%	4%
Alcohol in the streets “very frequent”	26%	31%	43%
Police harassment “very frequent”	1%	2%	3%
Drug sales in street “very frequent”	2%	5%	7%
Confidence in Courts, % Respondents	56%	32%	39%
Confidence in the Police, % Respondents	51%	32%	42%
<i>Never justifiable: Avoiding Fare on Public Transport</i>	40%	29%	37%
<i>Never justifiable: Cheating on Benefits</i>	47%	39%	55%
<i>Never justifiable: Cheating on Taxes</i>	52%	42%	50%

Notes: All items from the World Values Surveys, Wave 6. Tatarstan items from a special subsample survey conducted within Tatarstan of 1,000 respondents; Siberia items from a special subsample conducted in Siberia.

However beyond its relatively high purchasing-power parity per capita income (of \$12,793, against a regional average of \$8,198), Tatarstan does not have the social conditions typically associated with strong and successful political institutions. First, it is highly ethnically polarized: according to the October 2002 census of the Russian Federation, of Tatarstan's 3,780,000 residents 51.3 percent were titular Tatars, while ethnic Russians account for most (41 percent) of the remainder. As well as being ethnically divided, the region is also religiously split, both between Muslims and Orthodox, and among Islamic denominations. Finally, the region also exhibits low levels of civic engagement. In fact Tatarstan ranks last of all Russia's 83 regions on the proportion of respondents who had recently engaged in some form of civic activism – with just 16 percent reporting having done so. The region is also fourth last on engagement in voluntary associations, suggesting somewhat weak networks of local civil society (Public Opinion Foundation 2008).

If we are to understand Tatarstan's record of political stability and efficiency, explanations other than ethnic structure or "social capital" are required, and the region's unusual legacy of historical state formation, tracing to the period from 1445 to 1552 when the Khanate of Kazan rivalled Muscovy for domination of the Volga river delta, must be considered a strong candidate. Indeed each of the four aspects of the link from state history, namely the legitimacy of local elites, norms of vertical accountability, subnationalist mobilization, and regional bargaining strategies, can be derived from Tatarstan's early state formation. To begin, the existence of an indigenous political elite has its origin in the Khanate of Kazan, whose army and bureaucracy created the first sedentary, urban bourgeoisie. After the Russian victory, members of this Tatar aristocracy were allowed to assimilate into the Russian imperial administration and commercial trades, becoming known as "service Tatars" (Graney 2009). Throughout the Russian imperial period Tatars became a market-dominant minority, and in 1812 owning 90 percent of Kazan industrial enterprises (Zenkovsky 1960). Among the merchants and artisans of the city civic and educational institutions continued to flourish. The Kazan State University, founded in 1804, formed only the second university of the Russian Empire – later to enrol a young Vladimir Lenin – and Kazan's mosques and tea-houses remained the center for the intellectual life of the Russian Empire's Muslim population. Due to the existence of an indigenous intellectual and civic realm, by the early twentieth century Tatars were leaders of the intellectual life of Islamic Russia, and

were the basis for a movement known as Jadidism, which sought to reform and modernize Islam (Uyama 2002). Later, Tatars were the central actors in the ethnic nationalist movement among Volga Muslims within the Russian Empire. Though the Tatar intelligentsia was particularly hard hit by the purges of the 1920s and 30s, Tatars were thus among the key constituencies mobilizing to support Soviet indigenization policies of the 1920s (Zenkovsky 1960).

Due to this legacy of strong, educated and mobilized local elites, under the Soviet era Tatarstan was a leader in the policy of *korenizatsiia*, dedicated to the advancement of “underprivileged” (non-Russian) ethnic groups, and by consequence Tatars entered into senior positions in the Communist Party, including First Secretary of the Tatar ASSR. This had profound consequences for Tatarstan’s transition in the post-perestroika period. The Tatar elites who dominated the transition years were a essentially continuation of the Tatar political leadership from the Soviet era, already accustomed to acting as mediators between their local base and the capital, as well as representing their domestic Tatar constituents. Thus the first elected President of Tatarstan, Mintimer Shaimiev, was formerly a Soviet apparatchik as well as a Tatar nationalist, who was able to switch allegiance from the Soviet Union to his native Tatar cause. Though the Tatar nationalist movement had a grassroots basis, Shaimiev and the existing generation of Soviet Tatar elites were successfully able to co-opt this movement by appropriating many of its core demands, drawing support away from the more radical *Ittifak* party, while at the same time attempting not to alienate either the Russian population or Moscow (Ponarin and Kouznetsova-Moreno 2006). Upon election, Shaimiev implemented a comprehensive plan for reappropriating the symbolism of Tatar sovereignty, including its own flag, national anthem, airline, foreign ministry, as well as extensive renaming of city streets and institutions and construction of statues to Tatar heroes and poets (Graney 2009). Shaimiev cemented his nationalist credentials by calling for citizens of the republic to boycott Yeltsin’s 1993 constitutional referendum and the subsequent parliamentary elections, enhancing his image as defender of Tatar interests against the federal government. By the time Tatarstan and the Russian Federation reconciled their differences by signing a bilateral treaty in 1994, Shaimiev had won generous concessions from the federal center, which ensured substantial control over Tatarstan’s resource revenues and a steady flow of funds for the purpose of investment in welfare and public infrastructure. Having won concessions from Moscow, investment in local infrastructure became a central means of solidifying his support base among local nationalists and business interests.

In fieldwork interviews in Tatarstan, the quality of public goods delivery was frequently cited by interviewees as a factor behind the legitimacy of both political elites and institutions. This investment cuts across a wide range of domains, from housing, to welfare, to transport infrastructure and museums and cultural institutes. The Shaimiev administration spent over \$685m on a comprehensive slum clearance policy designed to give 30,000 former inhabitants modern-built apartments on the city suburbs, and other key investments in public goods since the collapse of the Soviet Union include the construction of a metro system for Kazan, reconstruction of the city center, and construction of a panoply of sports facilities and concert halls that have earned Kazan the moniker as the “sports capital of Russia” (Graney 2009). In addition to public goods, policymakers and scholars interviewed in Tatarstan also highlighted the role of universal social programs in maintaining the government’s stability and legitimacy, including a raised minimum wage and subsidies for housing and transport.

Why did Tatar elites use these resources to invest in public goods, rather than exclusively expropriate them through corruption or distribute them to supporters in the form of consumption goods? When asked this question, a local newspaper editor simply remarked that it is because “the degree of social irresponsibility of our elite is much lower than the degree of social irresponsibility of the Moscow elite” (Akhmetov 2012). Yet if this is to be more than a circular understanding, it is necessary to also understand the role of Tatar nationalism, political stability, and the historical existence of a Tatar “service class.” Tatarstan is not free of corruption, graft, or the use of public office for private gain. Yet the mentality of the Tatar elites with respect to their region is less that of a rapacious kleptocrat, suddenly given a window to loot and steal - as many post-Soviet leaders arguably have been - and more akin to Mancur Olson’s “stationary bandit”: rooted in their cultural and historical homeland, and proud of their shared history, its leaders see little trade-off between their private interests, and the public need to invest in the region’s economy, schools, and urban infrastructure.



Figure 6

Location of the Buryat Republic in the Russian Federation

Whereas in Tatarstan we find the confluence of a long state history, indigenously formed political elites, regional subnationalism and a high capacity to deliver public goods, a very contrasting picture is to be found in the Buryat Republic, located in the southeast of Siberia. Like Tatarstan, Buryatia possesses natural wealth: the region contains with extensive deposits of gold, coal, various non-ferrous metals, and other materials. By consequence, Buryatia's GDP per capita, of \$7,071, is only marginally below the Russian regional median of \$8,198. Yet despite this economic potential, the republic has an abysmal record on most measures of administrative state capacity. The homicide rate of 26.1 per 100,000 is the third highest in the entire Russian Federation, and slum housing accounts for 7.5 percent of the total stock, against an average of 4.5 percent across Russian regions. Incredibly, for a region in which many lack car ownership, there are only 8 public buses per 10,000 inhabitants. For comparison, in Tatarstan there are 53, in Moscow 64, and in St Petersburg, 106. The region is also affected by a wide range of social problems, which the authorities have done little to address. The rate of drug-related crimes committed in Buryatia is reported to be twice as high as Russia's average. In the late 1990s, more than 1,200 people were registered as drug addicts, with two-thirds of them being young people under 30. Buryatia in the 1990s was also the site of a major public health epidemic, as the number of tuberculosis cases more than trebled from 1991- 1996 (BBC 2006, December 20,

1996). This figure reached 2.9 times by the end of the decade (TASS 1999). Buryat public officials have consistently been behind in responding to the scale of the mounting crisis.

In addition, in contrast to Tatarstan's post-Soviet record of public goods provision and relatively good governance, Buryatia's recent history has also been marked by extensive reports of corruption, graft, and bureaucratic complacency. During the period of late wage and social security payments in the 1990s, Buryatia was listed among the regions with the most severe delays in government payments, with waits between three and seven months (BBC 2006, May 26, 1999). This despite the fact that the Russian Finance Ministry stated in 1998 that Buryatia had already received 539.1 million rubles, of which only 338.2 million it could account for – a 37 per cent shortfall (BBC 2006, December 12, 1998). In 1995, the mayor of Ulan-Ude, Valery Shapovalov, was suspended on grounds of corruption, and subsequently found guilty of tax evasion and document forgeries; a financial inspection of the privately-owned Shapovalov and Company had revealed the concealment of more than 29m rubles in tax payments, as well as a forged payment order (BBC 2006, December 6, 1996). In 1997, the vice-mayor, Andrei Firsov, was also declared a suspect in at least two major embezzlement schemes, including one in which he allegedly misappropriated 9 billion rubles for “the city's needs.” Subsequently, he was believed to have fled Russia (BBC 1997).

Not only media reports, but also comparative ratings of institutional quality by investment advisory bodies also rate the region poorly. The official website of the Republic of Buryatia, for example, trumpets the fact that the republic has risen “from 56th to 48th place” on a ranking of investment potential by the Expert RA group (Republic of Buryatia 2012). Yet this omits the fact that most of the performance is due to high ratings for natural resources and “tourism potential,” while on “infrastructure” and “institutions” – the two measures which track the quality of public services and governance - the region receives 71st and 62nd place, respectively, from among Russia's 83 regions (Expert RA 2017).

Why has Buryatia's post-perestroika trajectory been so different from that of Tatarstan? Overall, at the collapse of Soviet rule Buryatia was poorly prepared to assume administrative responsibilities, with absent indigenous bureaucracy, weak regional or subnational identity, and little protection against unscrupulous elites willing to take their share of the region's great natural resources. Whereas the Tatars trace their state history to the Khanate of Kazan, the Buryats are

historically cattle-breeding nomads, and did not develop an indigenous urban elite or intelligentsia until the Soviet era. Indeed, the region's capital, Ulan-Ude, was originally founded by Russian Cossacks, and until 1934 known by its Russian name, Verkhneudinsk.

Whereas Tatarstan was a leader in the movement for autonomy within the Soviet Union, Buryatia was a by-product of Stalin's nationalities policy. Following the creation of autonomous republics for Tatarstan and Bashkortostan, the Buryat-Mongolian Autonomous Region (BMAR) was created in 1921, but without a clearly identifiable ethnic group. In 1937 the BMAR was arbitrarily detached and merged as the Aginsk Buryat National Area as a part of the Chita Region; it was later reconstituted in July 1958, at the stroke of a bureaucrat's pen, as the Buryat ASSR. The Buryats themselves can lay only a weak claim to possession of a distinct ethnic identity before the Soviet era, having previously been considered a branch of Mongols, who until 1931 had used the Old Mongolian written language. On the state history index Buryatia has a score of 0.72, half a standard deviation below the median score of 0.78, and more than one standard deviation lower than the score of Tatarstan.

During the Soviet era, Buryatia did not benefit greatly from the program of *korenizitsiya*, and, facing a lack of qualified candidates of the titular group, and was instead governed by ethnic Russians, as during the Russian imperial era. In the post-Soviet phase, this has continued. Unlike Tatarstan, where an educated and empowered indigenous elite was able to form a platform for defending Tatar interests, Buryatia never saw an effective political mobilization for defending Buryat concerns. In the early 1990s Buryat nationalist parties (the Buryat-Mongol People's Party and the Negedel National Unity Movement) were founded to promote the regionalist cause, but disunited and disorganized, failed to gather many votes even among ethnic Buryats. The 1994 presidential elections were won overwhelmingly by Leonid Potapov, an ethnic Russian who in Soviet times was chairman of the Buryat Supreme Council. Though born in Buryatia, Potapov assumed his role after being nominal vice-president of Turkmenistan. Potapov was further re-elected to office in 1998 and 2002, and in 2007, replaced by Vyacheslav Nagovitsyn, another ethnic Russian. Nagovitsyn's main qualification was that he was former Deputy Governor of Tomsk Oblast, situated 2,000 kilometers to the west (Heaney 2012).

From the start, Buryatia has lacked domestic elites capable of advancing its sovereign interests, and the inadequate provision of public services, wage payments, and the absence of public

accountability have, accordingly, been defining features of the contemporary region. Perhaps particularly characteristic of this maladministration is one episode from the 1990s, during which civic protests and strikes against non-payment of wages were widespread. Rebuffed by the Federal government for having already paid out funds earmarked for the payments, and unable to account for the shortfall, “local officials were prepared to try to cover some of the payments due with high-quality and fodder grain” (Radio Free Europe 1999).

Conclusion

This article shows how patterns of local public goods provision depend upon historical legacies of state formation. Historical polities contribute to the functioning of states by creating a set of norms around political loyalty and identity, the legitimacy of public institutions, and the capacity of local elites (Elias 1969). In the case of post-Soviet Russia, these allowed elites in some regions to engage in bargaining strategies with the federal center during decentralization to mobilize resources for the purpose of investment in public goods, while in other areas resources were squandered or diverted.

The data and analyses presented in this article overcome a number of the causal identification problems commonplace in historical legacies research, taking advantage of an experimental context surrounding decentralization reforms, representative local-level survey data measuring civil society norms, corruption, across 83 subnational units, plus specially-fielded subnational surveys and elite interviews in Tatarstan and Siberia. Such highly disaggregated data allows for an empirical design that properly controls for ethnic heterogeneity and civic norms at a local level, while maintaining a large number of comparative sample units.

The article makes several important theoretical contributions. First, the demonstrated link between historical state centralization and the capacity to deliver local public goods runs contrary to an established “social capital” literature according to which a historical experience of centralized, hierarchical institutions is assumed to erode the stock of horizontal social norms in society. By suggesting that vertical ties of compliance, elite-mass identity, and accountability form a species of “political” capital, this article offers a framework that is not only useful in explaining the performance of Russian regions, but also the performance of developmental states

in societies with similarly limited histories of local democratic self-governance (Hariri 2012, Levi 1996).

Second, the findings have important implications for decentralization reform, which often has disappointed expectations for regional convergence and the more effective delivery of local public goods. Countries without legacies of strong local state capacity may be unlikely to gain from passing governance responsibilities downwards – an observation that appears true in Russia, in which more regions mirrored the experience of Buryatia, with the formation of a few patronal oligarchs, than that of Tatarstan, with its broader distribution of resource gains. Third, that decentralization reforms have now been reversed may illustrate a more general point argued by Ziblatt (2006), which is that countries with differential legacies of historical state formation may be more likely to converge on a centralized political structure – in which weaker regions are dependent upon the center – than a federal arrangement in which responsibilities are shared equally.

As with all subnational research, however, caution is necessary before generalizing the Russian experience to other cases. The decentralization of the 1990s occurred in an unplanned fashion, with local power centers competing to “bid” for greater autonomy and control over resources, and this may have disproportionately rewarded regions capable of collective mobilization. This decentralization of power also occurred in a highly clientelistic regime with extensive and widely distributed natural resources, allowing regions to develop via better control and distribution of rents, rather than through policies to promote investment and supply-side growth.

Additional research is required to see whether this pattern holds in other cases of federal and devolved governance. But the fundamental challenge of handling devolved political responsibility is not unique. Within the post-communist space, several comparable cases of post-decentralization regional divergence can be observed (Grosfeld and Zhuravskaya 2015; Becker et al. 2016) and the adoption of democratic decentralization by countries dependent upon international development aid is creating many more examples, revealing longstanding patterns of localized state capacity.

Notes

¹ The 2017 murder rate in Chukotka was 30 per 100,000, comparable to Brazil (30.5) or South Africa (35.9), while the rate in Chukotka was 59 per 100,000. The latest homicide figures for Astrakhan are 1 per 100,000, comparable to Sweden or Denmark (1.2 per 100,000).

² This took 16 days in Kalingrad, compared to 18 and 23 days in Switzerland and Japan, respectively. In Ekaterinburg it took 33 days, similar to Nigeria (34) or Nepal (29).

³ A Public Opinion Foundation (2008) survey showed that 37 percent of respondents in Tambov had paid a bribe for services, whereas in Tomsk the figure was just 9 percent (Transparency International 2013).

⁴ 0.7 percent in Kursk Oblast, 11.2 percent in Omsk Oblast, 15.0 percent in Ulianovsk Oblast, 16.7 percent in Tambov Oblast, 18.6 percent in Altai Krai and 18.8 percent in the Republic of Mari El.

⁵ In the original work by Bockstette, Chanda and Putterman (2002), state history indices are calculated back to 1 AD, but the discount rate is such that legacies of state formation before 1000 AD have minimal effect upon the index scores. Therefore, the subnational state history indices take only the period from 1000 AD onwards.

⁶ However ethnic Russians remain a minority in the province until the 1950s; as late as the 1939 census, Chukchis and Chuvans continued to account for 56.2 percent of the region's population.

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