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The Calculus of Non-Protest in Russia: Redistributive Expectations from Political Reforms

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The Calculus of Non-Protest in Russia: Redistributive Expectations from Political Reforms

IRINA BUSYGINA & MIKHAIL FILIPPOV

THE PUZZLE THAT WE ADDRESS IN THIS ESSAY IS THE EXTREME unevenness in the way the Russian public protests against authoritarianism and demands political reforms. Between 2000 and 2013 there were numerous local protests demanding specific actions by municipal or regional officials (for example, to prevent local factory bankruptcy, to stop construction, and to expel migrants). There were also protests demanding better public goods and services such as education, healthcare, and transport, to stop welfare reforms, or against the reorganisation of scientific funding. However, when it comes to protests concerning demands for political reforms such as free and fair elections, the protection of human rights, and for institutionalised democracy, most of the activity was limited to Moscow and other very large cities (Robinson 2013). Elsewhere, the scope of pro-democracy action remained much more limited. A 2012 opinion poll by the Levada Centre has shown that only around 20% of Russians (mostly residents of the largest cities) support the idea of in-depth political reforms, leaving the remaining 80% either against democratic reforms or indifferent to the idea. Furthermore, based on demographic covariates, Levada Centre analysts forecast that this 20–80 breakdown on the issue is set to persist for the foreseeable future.¹

In this study we provide a theoretical explanation to account for the fact that pro-democracy protests, support for political and institutional reforms, and electoral support for opposition parties are not spreading in modern-day Russia, and remain limited to specific social groups and large cities. The explanation, we argue, lies in citizens' concerns over the highly uncertain redistributive consequences of political reforms. Our theoretical framework links high levels of economic inequality with difficulties of democratic consolidation and society's inability to reach a consensus on how to address the lingering institutional inefficiency.²

¹See 'Levada—tsentr o nastroeniyakh rossiyan', available at: <http://anpravo.ru/index.php/mnu-news/mnu-obshchestvo/121-levada-tsentr-o-nastroeniyakh-rossiyan>, accessed 11 December 2014.

²While other important considerations lie in informational, organisational, and collective action problems of protests or opposition movements across Russia as well as the specifics of non-democratic politics at the sub-national level, we do not address these, instead referring the reader to the existing work on the subject (Gel'man & Ross 2010). Our focus is on the configuration of economic incentives to support democratic political reforms.

We argue that high levels of inequality have had a negative effect on public support for democratic reforms, and the heterogeneity of economic expectations makes it difficult to form a broad coalition in favour of democratic political reforms. This argument is consistent with the observation by Karl (2000, p. 156): ‘Where income inequality is greatest, people are more willing to accept authoritarian rule, less likely to be satisfied with the way democracy works, less trusting of their political institutions, and more willing to violate human rights’.

Observers agree that in 2011–2013 the pro-democracy movement in Moscow failed to connect with those citizens who had previously taken an active part in social and economic protests (2005–2011). In 2005, protests against welfare reforms which would reduce benefits to pensioners, the disabled, and the poor involved around 300,000 people (Wengle & Rasell 2008). In 2011–2013, the official media used this protest history to unfavourably compare it with events in support of political reform. In many locations, the numbers of pro-democratic supporters were incomparably lower. For example, in the city of Kirov where in 2005 more than 7,000 people protested against the welfare reform, the three meetings in December 2011 protesting against electoral falsifications together attracted fewer than 700 participants.³ In March 2012, *The Financial Times* prophesised that ‘Russia’s regions are the next battleground’ of the pro-democracy movement (Buckley 2012). Yet, for the most part, the regions stayed out of it, as well as failed to vote for pro-reform candidates.

Some blamed opposition leaders for the failure to campaign in the regions. Thus, in his insightful book, Judah (2013, pp. 250–56) concludes:

The protests failed because Moscow is not Russia. ... Cut off from the rest of the country, the opposition failed to break out and become a national movement. ... Behaving like an ‘iPhone only’ social club, interested above all in themselves, they could not overcome the fact that Russia is a country of broken links. These stopped the protest movement in the capital from spreading. ... Worse still, opposition leaders refuse to spend time over the Volga to make up for this—‘People are telling me you’re very Moscow based’, I said to Naval’nyi: ‘I am very Moscow based’, he snapped back. He repeatedly turned down suggestions from his (at times frustrated) team to take a regional tour.

Our argument suggests that ‘reaching out’ was simply not a productive option: that the leaders of opposition in Moscow have little to offer the rest of the country. What attracts protesters in Moscow is either irrelevant or even detrimental for the residents of peripheral regions. Any comprehensive economic or political reform would inevitably create multiple divisions within Russian society, thus failing to draw a broad coalition of support. Though many in Russia might dislike the *status quo*,⁴ currently, for any institutional alternative there exists some sizeable coalition which perceives it as a future threat to its wellbeing.⁵ The greater the economic inequality, the larger and more diverse the state, the more likely its various groups and constituencies are to have conflicting interests and so the harder it is to

³See photo-reports of the protests, available at: <http://7x7-journal.ru/post/22745?pic=19>, accessed 11 December 2014.

⁴According to the Levada Centre, in February 2014 37% of Russians supported the opinion that the country is moving in the wrong direction, available at: <http://www.levada.ru/26-02-2014/fevral'skie-reitingi-odobreniya-i-doveriya>, accessed 11 December 2014.

⁵Indeed, the literature posits that the legitimacy of Putin’s regime is not deeply rooted among the masses (Gel’man 2010). Carnaghan attributes the regime survival to the inability of the bulk of the Russian population to conceive of acceptable substitutes (Carnaghan 2007, p. 250).

form a broad and sustained consensus in support of any systemic change of the institutional *status quo*.

Democratic reforms as redistribution

Recent scholarship turns to rational choice theory and formal models to demonstrate that the chances of democratisation and democratic consolidation depend on the relevant actors' evaluation of the costs and benefits of preserving non-democratic rule compared with undergoing a transition to democracy. Influential theoretical models (Boix 2003; Acemoglu & Robinson 2006) put economic inequality—and thus expectations with regard to redistribution—at the centre of their analysis of incentives to support democratisation and democratic consolidation. In Boix's (2003) theoretical model, the decline in inequality increases the likelihood of some type of democratisation and democratic consolidation acceptable to the elites, specifically because it reduces conflict over redistribution under the democratic alternative. Under conditions of high inequality, majoritarian democratic competition might compel the incumbent to implement redistributive policies to reduce inequality (Meltzer & Richard 1981).⁶ Assuming that non-democratic rulers have similar expectations as the rich, the rulers and the rich should try to avoid the risk of income redistribution that could be demanded by the median voter in a highly unequal but democratic society. However, if initial societal inequality was relatively low, the median voter's potential demand for redistribution would remain limited and thus present fewer risks for the rulers and the rich. In other words, the expected burden of income redistribution on the rulers and the rich after transition to a democratic regime is lower in a more equal society. Assuming that keeping a non-democratic regime is costly to the rulers and the rich (because of the cost of repression and losses from corruption), there is a certain threshold where the expected burden of income redistribution following democratic transition becomes lower than the costs of sustaining non-democracy. Overall, Boix (2003) argues that, other things being equal, the rulers and the rich are less inclined to introduce electoral competition when economic inequality increases. Empirical analysis in Boix and Stokes (2003) indicates that economic inequality lowers the probability of democratic transitions and institutional stability.⁷

Acemoglu and Robinson (2006, p. 22) focus on the role of the poor in democratisation. For simplicity they assume that society could be separated into two groups with reference to their preferences for redistribution (by taxation): 'the citizens' who are relatively poor and 'the elites' who are rich. Again, high economic inequality makes electoral democracy more costly for the elites due to higher levels of expected redistribution (Acemoglu & Robinson 2006, p. 37). However, they also suggest that the incentives for the poor to demand electoral competition might be stronger when inequality is greater. Therefore, they expect the relationship between attempts to bring about democratic transition and inequality can be represented by an inverted U-shape curve: 'democracy has the best chance to emerge in societies with middle levels of inequality' (Acemoglu & Robinson 2006, p. 37).

⁶In particular, the Median Voter Theorem predicts that this should occur when the median voter's income is below the mean income and the median voter is in the coalition which could benefit from redistributing from the wealthy minority.

⁷Muller (1995) finds that high levels of inequality are incompatible with the development of a stable democracy.

While expecting more attempts at transition in unequal societies, these authors also emphasise that unequal societies are less likely to consolidate democracy (Acemoglu & Robinson 2006, pp. 221–53) and that one should see a linear and negative correlation between inequality and democratic consolidation (Acemoglu & Robinson 2006, pp. 37–38). They explain this by arguing that elites will work harder to use their political power to push the regime back to non-democratic rule since the benefits to the elites from doing this are high under inequality (Acemoglu & Robinson 2006, pp. 30–31).

Empirical analysis strongly confirms the claim of Acemoglu and Robinson (2006) that inequality reduces the chances of democratic consolidation. On the basis of case studies, Greskovits (1998, p. 76) argues that the successful consolidation of democracy in Eastern Europe can be explained if one compares the relative equality of Europe with the high levels of inequality in Latin America. In Latin America, only Costa Rica and Uruguay—the two most equal countries in the region—have maintained stable democracies, while the rest have moved back and forth between democracy and dictatorship several times (Karl 2000; Houle 2009). Closer to our case, Savoia *et al.* (2010, p. 145) use equality as an explanatory variable to contrast the success of democratic consolidation in Eastern Europe with consolidation failures in the post-Soviet countries.

Savoia *et al.* (2010) make another important contribution: they connect the post-Soviet failures of democratic consolidation with the emergence of ineffective institutions in unequal societies; they hypothesise that inequality is detrimental to the emergence of efficient institutions during democratic transition. One reason why this may be the case is the rent-seeking activities of political and economic elites. Keefer and Knack (2002) show that various measures of polarisation—income inequality, land inequality, and ethnic heterogeneity—inversely affect the security of contractual and property rights. Baryshnikova and Wihardja (2012) find that inequality has a negative effect on investment profile, and that this negative effect is weaker in more democratic countries. Overall, cross-national data show that the major challenge in unequal countries is not to launch a democracy, but to sustain it once it is created.

Theoretical expectations about protest participation in Russia

The rich

For modern Russia, extant theories would predict the reluctance of the rich to promote political competitiveness, including free and fair elections. The super-rich owners of large Russian corporations, whose wealth was accumulated in part in the controversial privatisation deals of the early 1990s, should be particularly reluctant to support democratisation. Opposition leaders even now freely refer to those individuals' initial sources of wealth as 'criminal privatisation'.

Thus, Grigory Yavlinsky, a leader of a centre-left opposition party *Yabloko*, prophesies that democratic reform will lead to a review of the privatisations of the 1990s: 'the fact is, that the vast majority of the people considers the privatisation unfair. I could add: the state doesn't recognize it. And the owners, if you ask them, are also not sure, whether they really own their property'.⁸ Yavlinsky goes so far as to propose concrete measures when that review happens—rather than the outright confiscation of such 'criminally privatised' property, he suggests that businesses should accept a one-time special tax on their assets.

⁸See, 'Zastoi ili postupatel' noe razvitiye? Chto zhdet Rossiyu?', available at: <http://finam.fm/archive-view/5935/>, accessed 11 December 2014.

Indeed, in light of such popular sentiment, the business leaders and the wealthy are sceptical about increasing democracy. The chairman of the executive board of RUSNANO, Anatoly Chubais, represents their views in the following statement:

Imagine, if in our country you organise truly democratic elections based on the will of the citizens with equal access to mass media, to money—so, who will win? The answer is clear, absolutely clear. The result of such elections would be much worse and probably just as catastrophic for the country [as Putin's regime].⁹

The middle class

On theoretical grounds, one expects the middle class to be more likely to support democratisation. Families with modest wealth would suffer less from any large-scale redistributive policies, but would stand to benefit from an improved investment environment and protection of individual rights. Even if we were to consider the Russian middle class as a unified block, they would not see eye-to-eye with the poorer voters (who arguably encompass the electoral median) and their demands for redistribution. There are also divisions within the middle class itself, as average and median incomes vary widely across the Russian regions.¹⁰

That Moscow is a giant vortex drawing in the financial resources of the rest of the country is commonly noted in Russian regional development studies. This geographic imbalance has been a key feature of Russia's history; democratisation, federalisation, and market reforms have failed to diminish the dominance of Moscow (O'Loughlin & Kolossov 2002). Instead, after the Soviet collapse, Moscow expanded even further by becoming the mediator between the country and the world economy, and the most important centre of financial flows. It continues to play an exceptional economic, social, cultural, and political role in Russia (Busygina 1999; Bater 2004; Zubarevich 2013). Individuals are considered rich in the regions with less than half of the wealth that corresponds to the same status in Moscow (Levinson 2012, p. 51). According to the Public Opinion Foundation (FOM), 43% of Russians outside Moscow express a negative attitude towards *moskvichi* (Moscovites), believing them to be arrogant and insolent.¹¹

The more active and outspoken middle class politicians from Moscow and other large cities show reluctance to share their prosperity with the regions. Judah's (2013, p. 252) interview with a popular opposition activist, Max Katz, is a case in point:

'The regions? What do I know about the regions? I have no answer for them', sneered a young man with long greasy hair, as we talked one evening in a space where one paid by the minute as pretty people strummed guitars. 'I'm from Moscow. When the people from the regions do something for

⁹In 2012, the nationwide average income was R22,954 per month, but in Moscow it was R48,343. Less dramatic, but also significant, was the discrepancy in median incomes—R16,935 nationally in contrast to R31,365 in Moscow. See, 'Chubais snova pokazyvaet realizm', available at: <http://www.svoboda.org/content/article/434779.html>, accessed 11 December 2014.

¹⁰See, 'Srednii, mediannyi i modal'nyi uroven denezhnykh dokhodov naseleniya v tselom po Rossii i po sub'ektam Rossiiskoi Federatsii za 2013 god', available at: http://www.gks.ru/free_doc/new_site/population/bednost/tab/1-2-6.htm, accessed 11 December 2014.

¹¹See 'Otnoshenie rossiyan k Moskve i moskvicham', available at: <http://bd.fom.ru/report/cat/mos/dd063923>, accessed 11 December 2014.

themselves, I'll support them'. He then went back to talking about his ideas for cycle paths through the big city.

Thus it is the middle class in large cities that supplies most of the demographics for pro-reform protests. Even there, the magnitude of participation suggests that only certain segments of this group are involved in any given context. We return to this in greater detail later.

The poor

It is less straightforward to evaluate the incentives for the poor to support democracy in Russia. Presumably, a high level of inequality should provoke stronger demands for democratic elections by the poor since they stand to benefit from democratic taxation. However, one needs to take into account several important country-specific factors (all related to inequality) which modify the incentives of the poor and lead them to generally oppose reforms.

The horrific historical legacy of the 1990s' economic and political reforms subsequent to the Soviet collapse is firmly ingrained in the political attitudes of the active electoral cohorts. Most current voters experienced very significant economic deprivation during the first post-communist decade (Filippov 2002). Judah, again, supplies the context:

GDP officially fell by 44 per cent, deeper than the 1930s depression America, even Weimar Germany. Nationally the number of murders peaked at over 30,500 a year, as the poverty rate reached 49.7 per cent. But the grimmest statistics concern people's stomachs. Meat consumption fell by 40 per cent through the decade. 'The wild nineties' is what these years are still called. Today, 'the nineties' is a synonym in Russian for a decade that left practically every family with stories of deprivation, unpaid wages, economic humiliation and diminished status. (Judah 2013, p. 13)

With insufficient state capacity to collect taxes, control corruption, and enforce the law the government sought to buy its political support by privately dispensing rent-seeking opportunities through a process of non-transparent privatisation, preferential currency exchange rates, loose banking regulations, tax exemptions, tariff exemptions and protectionist tariffs, preferred licensing, and subsidies—all the stuff of which the oligarchs' fortunes were made (Dabrowski *et al.* 2006). Because the attempt in the 1990s to build democracy is associated for many Russians with outrageous government corruption, extreme inequality of opportunities, and the rise of the oligarchs, those who were the most adversely affected (the poor) have naturally been reluctant to demand democratisation. Kramer (2013, p. 4) says that generally, 'one of the reasons that a majority of Russians were uneasy about the protests in late 2011 and early 2012 is that they feared the "destabilization" of the country and the prospect of a return to the economic dislocation of the 1990s'.

Another important retrospective consideration is that the hardship of the 1990s ended not with a triumph of well-functioning democracy but with a retreat toward a semi-authoritarian regime, or, in other words, with a failure to achieve the proclaimed agenda. Though not surprising considering the multiple unfavourable factors, that outcome generates expectations for the likelihood of future failure. The public, then, must weigh not the choice between the current regime and a well-functioning democracy but between the *status quo* and another

painful transition leading quite likely to nowhere. The theory promises benefits to the poor once we reach that stable and consolidated democracy. But with the success of democratic consolidation in question, the poorest citizens weighing in the likelihood of its failure would in effect confront a lottery which would most likely produce an outcome detrimental to their interests. Even in successful transitions, GDP growth drops significantly during democratisation, and only after democracy consolidates does the economic growth return (Papaioannou & Siourounis 2008). The poor, with their higher discount rates, are not in a position to afford such risks, since for them the difference is between doing marginally well and deprivation. According to Carnaghan, 'Although there is considerable dissatisfaction with the existing system among some respondents, there is very little enthusiasm for change. . . . Given recent political and economic upheavals and continuing material insecurity, change seems to many of my Russian respondents to be too risky' (Carnaghan 2007, p. 11).

Next, there are nearly 120 million eligible voters in Russia and more than half of them work for the state (20 million), receive their pensions from the state (40 million), or claim unemployment benefits (four million).¹² Pensioners, the unemployed, and the many state employees are also among the poorest groups of Russian society, and for them stability in the delivery of various direct and indirect state subsidies is crucially important.¹³ Where broad segments of the poor are primarily reliant on explicit and implicit transfers and hand-outs from the state budget in the form of pensions for some, government salaries for others, policies which keep fledgling industries afloat for the third, and implied promises of some fantastical future entitlements for the fourth—all these are threatened by the uncertain nature of democratic reforms.

Finally, of great importance is the fact that Russia is a populist semi-democracy. The poor in Russia receive significant benefits from the government, and non-reformist protests, as well as the electoral considerations of the incumbent, serve to preserve and improve the multitude of these transfers. In other words, when we say that the poor are compared with the *status quo*, it is important that their reversion point, the value of the *status quo*, is already raised as compared to the abstract theoretical version of an authoritarian regime. Less risky and moderately beneficial options are already in place or might be immediately available for most of the poor, insofar as the partial democracy in Russia requires that the regime commands a periodic show of public support. Through regular elections and participation in protest activities, the poor can bargain with the regime for some tangible concessions.

In the light of such a strategic dilemma, the two approaches to protesting with which we started are mutually exclusive and strategically incompatible. Political protests demanding a more democratic system aim to undermine the incumbent regime, while social and economic protests pushing for distributive concessions to specific groups aim to exchange support for the regime for benefits to their members.

Many scholars point out that an explicit deal is being offered by the Putin regime: the state provides a degree of political stability and economic prosperity while the Russian population abstains from demanding certain political rights (Gandhi & Przeworski 2006; Teague 2011; Greene 2012). The argument implies that the regime would face challenges

¹²See, 'Rossiiskii statisticheskii ezhegodnik—2013', available at: http://www.gks.ru/bgd/regl/b13_13/Main.htm, accessed 11 December 2014.

¹³The average wages of those working for the state are 35% lower than those working for private companies. See, 'Trud i zanyatost' v Rossii', available at: http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/ru/statistics/publications/catalog/doc_1139916801766, accessed 11 December 2014.

when and where it fails to provide a measure of economic prosperity. Indeed, until the political protests in 2011–2013, economic grievances have been the most significant determinant of the protest movement (Robertson 2011, p. 93); forecasts show that this tendency is set to continue and that future protests will most likely be based on economic demands (Dmitriev 2014). Evans (2012) shows that Russians are more likely to participate in protests in organised groups, if the groups seek remedies for concrete problems that directly affect them and their families. In sum, despite intense protest activity at certain times and localities, there have been no major national protest movements—no aggregation of economic demands. Their material and local focus gave such protests a zero-sum character, where satisfying one group's demands would mean prioritising it over the needs of some other group and *vice versa*, making coordination and cooperation among groups difficult (Robertson 2011, p. 67).

The significance of economic calculations

The struggle for democracy and political freedom cannot and should not be reduced to economic considerations only. Still, economic expectations can play an important role in forming pro-democracy demands (Brancati 2014). Mishler and Rose suggest that these concerns are heightened in places like Russia: 'economic considerations are likely to be especially relevant in post-Communist societies because economic problems are profound. Moreover, one legacy of a state-run economy is that citizens are accustomed to holding government responsible for both macroeconomic conditions and individual welfare' (Mishler & Rose 1997, p. 436). Indeed, extreme economic dislocations (Filippov 2002) and the impoverishment of the majority of the population in the 1990s explain why economic expectations are at the centre of public concerns and demands. Carnaghan (2007, p. 11) notes: 'Russians' political and economic values are formed in the context of a society that is out of order, where government officials are thought to line their pockets at the public's expense [and], where new economic opportunities appear to be reserved for the few'. Russians vary, then, in how much they are troubled by the fundamental unpredictability of their lives. Thus the more they worry about that unpredictability, the less they tend to support democracy (Carnaghan 2007, p. 7). No wonder that apparently 71% of Russians believed as of 2014 that 'restoring order' was the most important priority even at the cost of democratic principles or personal freedoms.¹⁴

In Russia, economic evaluations have been the most significant predictors of presidential popularity (Treisman 2011) and regime support (Rose *et al.* 2011). The Russian respondents linked their support of the regime with the economic results that it produced rather than with its ideology or the legality of the means it used to achieve such results (Carnaghan 2007, pp. 237–39). Consequently, a majority of citizens favour effective leadership ('the strong hand') that does not have to bother with the rules or get entangled in the checks and balances in order to solve problems (Hale 2012).

When it comes to political demands, in a highly unequal country, a political reform generates expectations of serious economic redistribution as well. Political reforms would *de facto* imply redistribution not only simply between the poor and the rich, but also among

¹⁴'Grazhdane sokhranili lyubov' k poryadku', *VTsIOM*, March 2014, available at: <http://kommersant.ru/doc/2444016>, accessed 11 December 2014.

the variety of social and economic groups. Many functions are desired of the modern state, such as state efficiency, state capacity, and state accountability. An overhaul to those ends of the institutions of the state and the political incentives of its agents would produce a multitude of complex trade-offs: reforms aimed at increasing state capacity could reduce state accountability; a more accountable state could be less efficient. Different reforms could lead to different institutions (rules) and different policy outcomes. As a result, societal conflict over the most desirable policy outcomes may extend into the disagreements over the reform choices, as any attempt to change existing political institutions, including the democratisation of a political system, would be rightfully perceived as having redistributive implications. As the next section shows, the Russian regime strategically emphasises this redistributive conflict, stressing that it is inherent in any potential democratic reform.

Shaping citizens' perceptions of political reforms

The Kremlin strategy to counter the possibility of a coalition forming in support of institutional reform and democratisation has been two-fold: it combined claims that the existing regime provides the 'true version of democracy' with accounts of the unfairness and chaos that accompanied the previous attempts to instigate democracy in the 1990s. Thus Krastev (2006, p. 53) argues that the Putin regime presents itself 'not as an alternative to democracy but as the embodiment of real democracy'. His explanation is that the state has to rely 'on elite manipulation to keep in check the dangerous and self-destructive people ... the Kremlin's strategy is to encourage maximum confusion and political demobilization' (Krastev 2006, p. 53).

Meanwhile, Putin's 2012 electoral manifesto proclaimed that the *status quo* remained the most desirable choice for Russia for the foreseeable future (Busygina 2013). The argument was that democracy required some conditions not yet present in Russia. A premature attempt to rely on democracy was thus fraught with serious risks of populism and inefficient economic policies. In the past it resulted, as the citizens were invited to recall, in enormous redistribution of economic wealth and allowed the few to accumulate vast fortunes at the expense of the rest of the society:

Genuine democracy cannot be produced overnight. ... Society has to be ready for democratic mechanisms. ... In the early 1990s ... people were inspired by the transition to democracy, which seemed so near, especially since examples of civilised, mature democracy were so near—in the US and Western Europe. ... Yet the introduction of democratic forms of governance almost immediately resulted in stopping the necessary economic reforms. ... Instead of a fundamentally new level of living, we faced tremendous social losses. ... What we got in the 1990s with the supposed coming of democracy ... was turf wars between various clans and lots of semi-feudal fiefdoms ... local and Moscow-based oligarchic elites shamelessly used the state for their private interests and pocketed the wealth that belonged to the people. ... Instead of a fair and free society, we had the lawlessness of self-appointed 'elites', who openly disregarded the interests of common people. (Putin 2012)

Presenting the rise of the semi-democratic regime in the 2000s as 'achieved through democratic, constitutional means' and as an emergency measure, necessary 'to pull our country out of the mire, revive the state and restore the peoples' sovereignty' (Putin 2012),

the manifesto quite skilfully pushes the fear buttons of the many risk-averse sub-constituencies, both economic and territorial. They are told that ‘Russia needs a strong, capable and authoritative federal Centre to play a key stabilising role in the framework of inter-regional, inter-ethnic and inter-religious relations among the various communities that make up our country’ (Putin 2012). Citizens, inured to ethnic rivalry in the central regions, wars of secession in the outer regions, and terrorist threats by separatists throughout the country, are immediately made aware of all kinds of risks and dangers of weakening the state in their large and diverse country (Busygina *et al.* 2011).

For those with newly found economic affluence, the manifesto seeks to remind them that their prosperity came about under the current regime and they should think twice about engaging in demands for political reforms: ‘The fact that people expect more from authorities today, and that middle-class people have gone beyond the small universe of building their own prosperity, is a result of our efforts’ (Putin 2012). This was also the constituency which was incidentally (at the time of writing) being targeted by Kremlin propaganda with its ‘Ukraine in ruins’ theme. Ten years after the Orange Revolution, Ukraine was still living through a political crisis, accumulating an enormous debt along the way. Whereas before it was one of the fastest growing post-Soviet economies, it has now fallen behind. Democratic political reform has failed, claims Kremlin propaganda, even after the immense price of the loss of political and economic stability was paid and continues to be paid. Not many arguments to the contrary were heard in Russia on the subject of the events in Ukraine. Even Evgenii Yasin, the head of the pro-democracy think tank The Liberal Mission, admitted that in 2013–2014 Ukrainian politics was developing in a ‘non-productive’ and dangerous direction.¹⁵

Thus it appears that many groups are given solid reasons to be weary of the uncertain changes which may result from democratic reforms. Putin’s manifesto is, actually, in earnest when it concludes that ‘The policies which we pursued in the 2000s consistently reflected the will of the people. Elections confirmed this time and again. In fact, this was also confirmed by the opinion polls between elections’ (Putin 2012). Whether it is due to the official propaganda, historical experiences, or rational cost–benefit calculations at the individual level, the fear of change shapes the perception of the majority of Russian citizens who believe that political reform is too costly and risky for Russia. Thus for example, Matovski’s survey of public opinion shows that approval of political protests is limited:

for fear they might further destabilize an already weak state—an argument that Russian post-Communist regimes strategically (ab)used to defuse popular protests. In other words, the Russian regimes’ own instability may have prevented it from facing further popular challenges due to concerns that such protests might produce even greater chaos and deprivation. (Matovski 2011, p. 6)

The segment of the middle class which demands democracy

Generally, the most significant predictors of participation in protest are the indicators of the respondent’s middle class status: education, income or wealth, and type of employment (Smyth *et al.* 2013). In light of that, one could interpret the 2011–2013 protests as the

¹⁵See, ‘Pochemu puti Rossii i Evropy razminulis’, available at: <http://www.echo.msk.ru/programs/te tonic/1213835-echo/>, accessed 11 December 2014. This essay was written before the Crimean events.

manifestation of the emergence of the politically relevant middle class in Russia, now taking a stand against low accountability, pervasive corruption, and the over-centralised political system (Sharafutdinova 2012). However, in describing the role of the Russian middle class in pro-democracy protests, scholars face several analytical issues.

Consensus is weak on how to define the middle class in Russia, and the estimations of its share in the population as well as accounts of its distribution across regions differ immensely. Still, a large portion of those who would be likely to be considered middle class depend on government jobs and benefits—both for their income and their wealth. The Centre for Strategic Research estimates that in 2008, 50% of the middle class worked for the state (Judah 2013) and the Institute of Sociology of the Russian Academy of Sciences puts this number at 61%.¹⁶ As such, these people may be extremely reluctant to endorse any reform that might weaken the state—their employer—even in the short run. Among those in the middle class who are not employed by the state, people nearing retirement age anticipate not only an imminent significant worsening of their economic situation and so an increase in their sensitivity to economic and social risk, but also an almost complete dependence on state-provided pensions and benefits.

Besides that, the central characteristic of ‘middle class’ relates to its *modus vivendi* or special standard of living. However, as Ovcharova *et al.* (2013) argue, it is too early to claim that this special standard of living has already solidified in Russia (even in its largest cities); at the moment, it is more a matter of the larger solvency of Russia’s middle class in comparison with other social groups than about their distinctive customary practices (2013, p. 32).

That people make choices based not only on their current economic status but also on expectations about their future economic situation is a general point not limited to the Russian middle class. Haggard *et al.* (2013) demonstrate with evidence from World Values Surveys in 41 countries that when it comes to questions of the distribution of wealth, the preferences of low-income respondents vary significantly depending on their occupation and place of residence. For Russia, Ravallion and Lokshin (2000) estimate that respondents with below-average incomes but with high expectations for future wealth are less likely to support demands for the redistribution of wealth from the rich.

Consistent with the above, pro-democracy Russians seem to be well-off or very competitive in the labour market and poised for upward economic mobility. Observers of the 2011–2013 democratic protests agree that participants were clearly atypical of Russians in general and even of Moscow residents: about 80% had at least three years of post-secondary education, whereas only 30% of all Russians can claim that much schooling. Around 70% reported themselves as relatively well-off, while only half of all Muscovites and a quarter of all Russians do so (Volkov 2012, p. 57).¹⁷

The term ‘creative class’ that became popular during the Moscow protests seems more useful than that of middle class if we want to identify those citizens who are willing to support democratic political reforms. Analytically, we can rely on the work of Richard Florida who argues that creativity is becoming the most important input in the economy and as a result the market value of creative people is increasing. Florida (2012, pp. 35–38)

¹⁶See, ‘Srednii klass vros v gosudarstvo, bogachei volnuet ikh bezopasnost’, available at: <http://ttolk.ru/?p=9147>, accessed 11 December 2014.

¹⁷For more details see, ‘Opros na mitinge 4 fevralya 2012’, available at: <http://www.levada.ru/13-02-2012/opros-na-mitinge-4-fevralya>, accessed 11 December 2014.

defines the occupational, demographic, psychological, and economic profile of the creative class as highly educated urban residents engaged in entrepreneurship, knowledge technologies, and creative professions. This cluster is characterised by a high level of education, skills, employment flexibility, and geographic mobility. The combination of education, skills, and employment flexibility allows for an effective adaptation to a rapidly changing social and economic context. The combination of high market value and geographic mobility stimulates the members of the creative class to concentrate geographically in regions and cities offering the highest density of jobs, social connections, and the best life-style amenities. In Russia, where the new creative class is heavily concentrated in Moscow and, to a much lesser extent, in the few largest cities (St Petersburg, Ekaterinburg, Perm, and Novosibirsk), the role of that social group was particularly important in the political protests of 2011–2013.

Conclusion

Many countries exist in the grey area between authoritarianism and democracy and are likely to persist as semi-democratic or semi-authoritarian for decades (Sørensen 2010, p. 446). This essay offers an account of the causal mechanism behind the persistence of such a regime in the Russian case. Distinct from much of the previous literature on democratisation, the mechanism that we describe is mass-level. We build on the assumption that in Russia it will take many years to consolidate democracy, to build efficient institutions and even more time to change social norms and cultural values. Thus, in the short run, citizens can at best expect that their demands for democratic reform will produce yet another semi-democratic hybrid regime. Such a regime could be more promising for future democratic consolidation than the Putin regime. However, it would be unlikely in the short term to provide the tangible political and economic benefits of a consolidated democracy, while it would be more certain to bring about at least short-term instability, the imposition of additional costs, and an increase of economic risks. Thus, we argue that another round of democratic political reforms is rationally perceived as too costly by a majority of Russian citizens. And while the true costs and risks of reforms are uncertain, the current regime has been able to use its control over much of the media to reinforce its message that the price of such reforms would be unacceptably high. Supporters of Putin argued that there was no democratic alternative to the current regime which would be capable of preserving economic stability, territorial integrity, and Russian cultural values.

Some scholars see the Russians who are sceptical about democracy as democrats at heart who merely think democracy cannot succeed in Russia at present. Others think of them as preferring democracy but willing to sacrifice some freedom for the sake of economic stability and promoting growth. Hale (2012) suggests that Russians are ‘delegative democrats’ favouring strong leadership and order yet also wishing to be able to collectively decide who this strong leader would be. Consistent with existing accounts, we argue here that due to unfavourable structural conditions in their country, for many Russians democracy promotion is a high-risk ‘institutional investment’ with uncertain prospects of success but prohibitively high immediate costs. We conclude that under current conditions of high economic inequality only select social groups can afford to face the costs and risks of political reforms, while the rest cannot.

Scholarly literature posits that economic inequality is not good for democracy. Most recently, Krieckhaus *et al.* (2013) found that high economic inequality reduces support for democracy amongst all social classes across 40 democracies. Our essay suggests that in semi-democratic (hybrid) regimes the effect of inequality could be even more retrograde than in established democracies (or in pure autocracies, for that matter). In other words, already democratic countries could afford more inequality without putting into danger their democracy compared to countries yet without consolidated democratic institutions. Indeed, the aggregate indicators of inequality in Russia might not be very different from other democratic countries. However, the negative consequences of such inequality for Russia could be much more important than for established democracies.

In this essay we focused only on one structural factor unfavourable for democratic development in Russia—the high level of economic inequality. The literature suggests that a number of other structural factors could also have a strong negative influence on the chances of democratic consolidation: the dominance of resource extraction in the national economy, low reliance on taxes, many unsolved issues of federalism (Filippov & Shvetsova 2013), and low population mobility. It is also customary to blame many cultural and historical factors for making a success of democratic consolidation even less likely in the short run.

The argument that we offer suggests that under current economic conditions we should not expect either large pro-democracy protests or significant voting for democratic opposition in Russia. Wherever the current political regime is unable to deliver public goods and services as agreed, the same social groups that are reluctant to support political demands would be more likely to join local non-political protests. We expect that such economic protests would be more frequent outside Moscow in the regions.

Finally, the usefulness of the current pro-democracy activities and social-economic protests for democratic prospects in Russia lies in their cumulative contribution to fostering a strong set of identified segmental cleavages with articulated policy agendas within society. In this, we concur with the suggestion of Sørensen (2010) that a move from hybrid regime to democracy might require ‘the preparatory phase’ of forming diverse social, economic, and political demands.¹⁸ In application to Russia, this implies that diverse economic, social, and political demands would need to rise to the degree at which appeasing all of them at a sufficient level is no longer feasible. Then political leaders and citizens would have to accept the necessity of a political resolution of the diverse economic, social, and political demands in their country. They would have to learn to negotiate politically with one another, hopefully in the parliament, and to accept democratic procedures as the legitimate mechanisms of compromise (Rustow 1970, p. 355). In Sørensen’s words, during the preparatory stage ‘individuals, groups, and classes challenge the nondemocratic rulers. [Consolidated] democracy may not be their main aim; it can be a means to another end or a by-product of struggle for other ends, such as a more equal society with a better distribution of wealth’ (Sørensen 2010, pp. 444–45).

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¹⁸The necessity of the preparatory phase has been postulated in the classical study of democratic transformations by Rustow (1970).

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