

# **Appendix from Quintin H. Beazer, “Political Centralization and Economic Performance: Evidence from Russia” (JOP, vol. 77, no. 1, p. 000)**

This appendix contains the additional analyses that space considerations prevent from reporting in full in the main document.

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Table 1. Poor Growth and Reelection Less Likely in Russia's Competitive Regions

| High Political Competition                                 |                |                |                |
|--|----------------|----------------|----------------|
| Was Economic Growth in Election Year Positive or Negative? |                |                |                |
| New Governor Elected?                                      | Positive       | Negative       | Total          |
| No   | 43<br>(63.24%) | 20<br>(39.22%) | 63<br>(52.94%) |
| Yes  | 25<br>(36.76%) | 31<br>(60.78%) | 56<br>(47.06%) |
| Total  | 68<br>(100%)   | 51<br>(100%)   | 119<br>(100%)  |
| Low Political Competition                                  |                |                |                |
| Was Economic Growth in Election Year Positive or Negative? |                |                |                |
| New Governor Elected?                                      | Positive       | Negative       | Total          |
| No   | 29<br>(76.32%) | 17<br>(62.96%) | 46<br>(70.77%) |
| Yes  | 9<br>(23.68%)  | 10<br>(37.04%) | 19<br>(29.23%) |
| Total  | 38<br>(100%)   | 27<br>(100%)   | 65<br>(100%)   |

Note—Economic data from *Rosstat*, election results from Labyrinth.ru database. Column percentages in parentheses. High versus low political competition relative to sample mean. For upper table, the Pearson chi-squared statistic for the paired observation is  $\chi^2 = 6.749$ ,  $p = 0.009$ . For lower table:  $\chi^2 = 1.361$ ,  $p = 0.243$ .

Table 2. Checking External Validity of Political Competition Index

| Variable  | Political Competitiveness |                   | $n_L, n_H$ | $p$ -value |
|---|---------------------------|-------------------|------------|------------|
|   | Low                       | High              |            |            |
| Governor's Terms<br><i>elected governor's # of terms, at reforms</i>                        | 2.563<br>(0.179)          | 1.942<br>(0.146)  | (32, 52)   | 0.010      |
| Governor's Years in Office<br><i>elected governor's years in office, at reforms</i>         | 8.719<br>(0.601)          | 6.904<br>(0.476)  | (32, 52)   | 0.021      |
| Region's Average Electoral Margin<br><i>mean winning margin for gubernatorial elections</i> | 51.076<br>(4.561)         | 30.515<br>(2.544) | (31, 50)   | 0.000      |
| Total Regional Governors<br><i>region's # of governors, pre-reforms</i>                     | 2.344<br>(0.248)          | 2.731<br>(0.163)  | (32, 52)   | 0.177      |
| Organized Society<br><i>number of registered civil organization (logged)</i>                | 6.943<br>(0.233)          | 7.742<br>(0.128)  | (36, 53)   | 0.002      |

Note—Political data collected by author from Labyrinth.ru, except civil organizations data from *Rosstat*. High versus low political competition relative to sample mean of POLITICAL COMPETITION; results similar if just lower and upper quartiles compared. Standard errors in parentheses below group means;  $p$ -values are two-tailed.

Table 3. Summary Statistics of Variables Used in Regression Analyses (2003–2010)

| Variable                      | N   | Mean      | Std. Err  | Min / Max            |
|-------------------------------|-----|-----------|-----------|----------------------|
| GDP Growth                    | 676 | 5.213     | 9.0       | −28.899 / 67.829     |
| Private Investment            | 686 | 8.586     | 1.502     | 2.672 / 12.18        |
| Political Centralization      | 757 | 0.587     | 0.493     | 0 / 1                |
| Political Competition (index) | 789 | −0.095    | 2.160     | −5 / 5               |
| GDP per capita                | 677 | −3.102    | 0.718     | −5.023 / −0.114      |
| Population (logged)           | 705 | 13.814    | 1.199     | 9.703 / 16.259       |
| Infrastructure                | 648 | 124.296   | 105.596   | 0.800 / 670          |
| Replacement                   | 757 | 0.188     | 0.391     | 0 / 1                |
| Birth Year                    | 756 | 1952.560  | 8.903     | 1930 / 1976          |
| Profitable Firms              | 768 | 65.293    | 9.802     | 21.620 / 89.920      |
| R&D Spending per firm         | 653 | 52107.890 | 55316.660 | 61.4700 / 339177.400 |
| Firm Birth Rate               | 415 | 106.275   | 26.179    | 33.100 / 208.500     |
| Small Business Volume         | 512 | 2666.572  | 1578.872  | 126.793 / 8713.418   |

Note—Data on political competition from the Moscow Carnegie Center; appointment dates coded by author from Labyrinth.ru. All other data from *Rosstat* for years 2003–2010.

Table 4. Changes in Regional Growth Before and After Reforms' Announcement

| Comparison of<br>ΔGDP Growth                               | Political Competitiveness |                   | $n_L, n_H$ | $p$ -value |
|--|---------------------------|-------------------|------------|------------|
|  | Low                       | High              |            |            |
| Immediate Change<br><i>2004 vs. 2005</i>                   | −3.863<br>(2.705)         | −1.781<br>(2.237) | (23, 20)   | 0.718      |
| Lagged Change<br><i>2005 vs. 2006</i>                      | 11.952<br>(3.146)         | 4.421<br>(2.487)  | (21, 20)   | 0.035      |
| Excluding Ambiguous Year<br><i>2004 vs. 2006</i>           | 7.734<br>(3.604)          | 2.640<br>(1.135)  | (21, 20)   | 0.108      |
| Smoothed (Two-Year Averages)<br><i>2003–04 vs. 2006–07</i> | 6.526<br>(2.255)          | 2.747<br>(1.416)  | (21, 20)   | 0.084      |
| Smoothed (Expanded Averages)<br><i>2003–04 vs. 2006–09</i> | 2.889<br>(2.511)          | −3.097<br>(1.225) | (21, 20)   | 0.021      |

Note—Economic data for Russia's regions from *Rosstat*, comparing average changes in GDP GROWTH by group; “Low” and “high” categories correspond with the first and fourth quartiles of POLITICAL COMPETITION, an index created using data from Moscow Carnegie Center. Standard errors in parentheses below group means;  $p$ -values are one-tailed, testing directional hypothesis that low-competition regions have higher mean changes in growth than high-competition regions.

Table 5. Political Centralization and Private Investment, Conditional on Political Competition

| DV: Private Investment<br><i>mil. of rubles (logged)</i>                                   | Simultaneous Centralization |                   |                   |                   | Staggered Centralization   |                   |                   |                   |
|--|-----------------------------|-------------------|-------------------|-------------------|----------------------------|-------------------|-------------------|-------------------|
|  | <i>reforms announced</i>    |                   |                   |                   | <i>actual appointments</i> |                   |                   |                   |
| POLITICAL CENTRALIZATION <sub><i>t</i>-1</sub><br><i>dummy; 1 = post-reform</i>            | 0.607<br>(0.063)            | 0.787<br>(0.124)  | -0.077<br>(0.053) | 0.182<br>(0.070)  | 0.031<br>(0.054)           | 0.034<br>(0.053)  | 0.054<br>(0.039)  | 0.038<br>(0.036)  |
| POLITICAL CENTRALIZATION <sub><i>t</i>-1</sub><br><i>mean-centered; -5 = low, 5 = high</i> |                             |                   | 0.027<br>(0.011)  | 0.017<br>(0.011)  |                            |                   | 0.023<br>(0.010)  | 0.015<br>(0.010)  |
| CENTRALIZATION <sub><i>t</i>-1</sub><br>× COMPETITION <sub><i>t</i>-1</sub>                | -0.024<br>(0.021)           | -0.029<br>(0.022) | -0.028<br>(0.013) | -0.027<br>(0.013) | -0.044<br>(0.020)          | -0.044<br>(0.021) | -0.030<br>(0.013) | -0.033<br>(0.013) |
| GDP PER CAPITA <sub><i>t</i>-1</sub><br><i>constant 2000 rubles (logged)</i>               |                             | 0.291<br>(0.251)  | 0.033<br>(0.059)  | 0.034<br>(0.059)  | 0.030                      | 0.035<br>(0.252)  | 0.019             | 0.014<br>(0.060)  |
| POPULATION <sub><i>t</i>-1</sub><br><i>in thousands of persons (logged)</i>                |                             | 0.251             | 0.002             | 0.002             |                            | 0.279             |                   | 0.003             |
| INFRASTRUCTURE <sub><i>t</i>-1</sub><br><i>km paved roads / km<sup>2</sup> land area</i>   |                             | -0.093<br>(1.180) | 0.222<br>(0.047)  | 0.222<br>(0.047)  |                            | -0.154<br>(1.133) |                   | 0.222<br>(0.047)  |
| GDP GROWTH <sub><i>t</i>-1</sub><br><i>lagged dependent variable</i>                       |                             | 0.938<br>(0.001)  | 0.000<br>(0.000)  | 0.000<br>(0.000)  |                            | 0.893<br>(0.001)  |                   | 0.000<br>(0.000)  |
|  |                             | 0.270             | 0.867             | 0.867             |                            | 0.160             |                   | 0.897             |
|  |                             |                   | 0.958<br>(0.012)  | 0.793<br>(0.043)  |                            |                   | 0.950<br>(0.009)  | 0.794<br>(0.044)  |
| Region Fixed Effects   | Yes                         | Yes               | No                | No                | Yes                        | Yes               | No                | No                |
| Year Fixed Effects   | Yes                         | Yes               | Yes               | Yes               | Yes                        | Yes               | Yes               | Yes               |
| Number of Observations   | 681                         | 640               | 681               | 640               | 666                        | 640               | 666               | 640               |

Note—Data on Russian gubernatorial appointments collected by author from Labyrinth.ru, and measures of political competition come from the Moscow Carnegie Center; all economic data from *Rosstat*. Parameter estimates for fixed effects and model constants not presented in table to save space. Region-clustered standard errors in parentheses; *p*-values appear below standard errors.

Table 6. Political Centralization and Economic Performance: Alternate Performance Indicators

|  | Profitable Firms   |                   | R&D Spending               |                         | Firm Birth Rate        |                    | Small Biz Volume           |                       |
|--|--------------------|-------------------|----------------------------|-------------------------|------------------------|--------------------|----------------------------|-----------------------|
|  | % firms profitable |                   | thous. of rubles, per firm |                         | new firms / 1000 firms |                    | thous. of rubles, per firm |                       |
| STAGGERED CENTRALIZATION <sub><i>t</i>-1</sub><br><i>dummy; 1 = post-reform</i>          | 0.073<br>(0.647)   | 0.911             | -2355.552<br>(3274.500)    | 0.474                   | -2.123<br>(2.336)      | 0.366              | -233.807<br>(139.487)      | 0.098                 |
| SIMULTANEOUS CENTRALIZATION <sub><i>t</i>-1</sub><br><i>dummy; 1 = post-reform</i>       | 5.130<br>(0.981)   | 0.000             | -8866.725<br>(3487.621)    | 0.013                   | -6.540<br>(3.077)      | 0.037              | 176.841<br>(103.547)       | 0.092                 |
| CENTRALIZATION <sub><i>t</i>-1</sub><br>× COMPETITION <sub><i>t</i>-1</sub>              | -0.436<br>(0.208)  | -0.550<br>(0.271) | -3503.439<br>(1102.210)    | -4263.394<br>(1203.549) | -2.219<br>(0.665)      | -2.237<br>(0.614)  | -180.223<br>(55.971)       | -228.415<br>(79.170)  |
| GDP PER CAPITA <sub><i>t</i>-1</sub><br><i>constant 2000 rubles (logged)</i>             | 1.403<br>(2.225)   | 1.143<br>(2.226)  | -1457.593<br>(10720.643)   | -4100.700<br>(10507.57) | -1.185<br>(12.521)     | -3.263<br>(12.354) | 1494.188<br>(551.825)      | 1350.596<br>(537.641) |
| POPULATION <sub><i>t</i>-1</sub><br><i>in thousands of persons (logged)</i>              | 0.530<br>(10.178)  | 0.609<br>(10.266) | 0.892<br>(60090.463)       | 0.697<br>(57029.420)    | 0.925<br>(74.848)      | 0.792<br>(73.755)  | 0.008<br>(2913.358)        | 0.014<br>(2827.327)   |
| INFRASTRUCTURE <sub><i>t</i>-1</sub><br><i>km paved roads / km<sup>2</sup> land area</i> | 0.053<br>(0.012)   | 0.051<br>(0.011)  | 0.627<br>(38.326)          | 0.511<br>(35.132)       | 0.850<br>(0.036)       | 0.733<br>(0.034)   | 0.863<br>(3.564)           | 0.864<br>(3.043)      |
|  | 0.002<br>(0.012)   | 0.001<br>(0.011)  | -19.573<br>(38.326)        | -25.653<br>(35.132)     | 0.039<br>(0.036)       | 0.035<br>(0.034)   | -4.545<br>(3.564)          | -4.852<br>(3.043)     |
|  | 0.888              | 0.924             | 0.611                      | 0.467                   | 0.283                  | 0.299              | 0.206                      | 0.115                 |
| Region Fixed Effects   | Yes                | Yes               | Yes                        | Yes                     | Yes                    | Yes                | Yes                        | Yes                   |
| Year Fixed Effects   | Yes                | Yes               | Yes                        | Yes                     | Yes                    | Yes                | Yes                        | Yes                   |
| Number of Observations   | 720                | 720               | 632                        | 632                     | 400                    | 400                | 480                        | 480                   |

Note—Data on Russian gubernatorial appointments collected by author from Labyrinth.ru, and measures of political competition come from the Moscow Carnegie Center; all economic data from *Rosstat*. Due to the inclusion of region fixed effects, the interaction's constituent component POLITICAL CENTRALIZATION is dropped because it is time-invariant. Parameter estimates for fixed effects and model constants not presented in table to save space. Region-clustered standard errors in parentheses; *p*-values appear below standard errors.

Table 7. Political Centralization and Economic Performance, Extended Sample (incl. pre-2003)

|  | GDP Growth                 |                             |                            |                                    | Private Investment             |                            |                                    |                            |
|--|----------------------------|-----------------------------|----------------------------|------------------------------------|--------------------------------|----------------------------|------------------------------------|----------------------------|
|  | <i>annual change in %</i>  |                             |                            |                                    | <i>mil. of rubles (logged)</i> |                            |                                    |                            |
| POLITICAL CENTRALIZATION <sub><i>t</i>-1</sub><br><i>dummy; 1 = post-reform</i>          | -0.764<br>(1.263)<br>0.547 | -1.351<br>(1.125)<br>0.233  | -1.365<br>(1.025)<br>0.187 | -0.858<br>(1.060)<br>0.421         | 0.089<br>(0.061)<br>0.150      | 0.041<br>(0.053)<br>0.448  | 0.086<br>(0.042)<br>0.044          | 0.038<br>(0.036)<br>0.304  |
| POLITICAL COMPETITION <sub><i>t</i>-1</sub><br><i>mean-centered; -5 = low, 5 = high</i>  |                            |                             | 0.012<br>(0.177)<br>0.189  | 0.167<br>(0.189)<br>0.948<br>0.378 |                                |                            | 0.052<br>(0.014)<br>0.000<br>0.422 | 0.006<br>(0.008)           |
| CENTRALIZATION <sub><i>t</i>-1</sub><br>× COMPETITION <sub><i>t</i>-1</sub>              | -0.610<br>(0.282)<br>0.033 | -0.529<br>(0.301)<br>0.083  | -0.571<br>(0.300)<br>0.060 | -0.579<br>(0.263)<br>0.030         | -0.036<br>(0.018)<br>0.048     | -0.048<br>(0.020)<br>0.020 | -0.027<br>(0.010)<br>0.006         | -0.023<br>(0.011)<br>0.041 |
| GDP PER CAPITA <sub><i>t</i>-1</sub><br><i>constant 2000 rubles (logged)</i>             |                            | -32.867<br>(4.645)<br>0.000 |                            | -0.529<br>(0.832)<br>0.527         |                                | 0.418<br>(0.254)<br>0.103  |                                    | 0.213<br>(0.047)<br>0.000  |
| POPULATION <sub><i>t</i>-1</sub><br><i>in thousands of persons (logged)</i>              |                            | 7.964<br>(20.874)<br>0.704  |                            | -1.123<br>(0.621)<br>0.074         |                                | -1.117<br>(0.906)<br>0.221 |                                    | 0.224<br>(0.045)<br>0.000  |
| INFRASTRUCTURE <sub><i>t</i>-1</sub><br><i>km paved roads / km<sup>2</sup> land area</i> |                            | 0.002<br>(0.016)<br>0.886   |                            | 0.004<br>(0.005)<br>0.427          |                                | -0.001<br>(0.001)<br>0.072 |                                    | 0.000<br>(0.000)<br>0.960  |
| GDP GROWTH <sub><i>t</i>-1</sub><br><i>lagged dependent variable</i>                     |                            |                             | 0.033<br>(0.035)           | -0.076<br>(0.045)                  |                                |                            |                                    |                            |
| PRIVATE INVESTMENT <sub><i>t</i>-1</sub><br><i>lagged dependent variable</i>             |                            |                             | 0.354                      | 0.095                              |                                |                            | 0.842<br>(0.032)<br>0.000          | 0.782<br>(0.037)<br>0.000  |
| Region Fixed Effects   | Yes                        | Yes                         | No                         | No                                 | Yes                            | Yes                        | No                                 | No                         |
| Year Fixed Effects   | Yes                        | Yes                         | Yes                        | Yes                                | Yes                            | Yes                        | Yes                                | Yes                        |
| Number of Observations   | 1134                       | 799                         | 1061                       | 799                                | 1222                           | 799                        | 1221                               | 799                        |

Note—Data on Russian gubernatorial appointments collected by author from Labyrinth.ru, and measures of political competition come from the Moscow Carnegie Center; all economic data from *Rosstat*. Models use the staggered measure of political centralization. Parameter estimates for fixed effects and model constants not presented in table to save space. Region-clustered standard errors in parentheses; *p*-values appear below standard errors.

Table 8. Political Centralization and Economic Performance: Additional Controls

|  | GDP Growth                   |                            |                             |                            | Private Investment             |                            |                            |                            |
|--|------------------------------|----------------------------|-----------------------------|----------------------------|--------------------------------|----------------------------|----------------------------|----------------------------|
|  | <i>annual change in %</i>    |                            |                             |                            | <i>mil. of rubles (logged)</i> |                            |                            |                            |
| POLITICAL CENTRALIZATION <sub><i>t</i>-1</sub><br><i>dummy; 1 = post-reform</i>          | 1.198<br>(1.175)<br>0.311    | 0.083<br>(1.042)<br>0.937  | -1.138<br>(1.349)<br>0.401  | -1.235<br>(1.070)<br>0.252 | 0.077<br>(0.059)<br>0.195      | 0.047<br>(0.039)<br>0.232  | 0.014<br>(0.057)<br>0.805  | 0.024<br>(0.048)<br>0.616  |
| POLITICAL COMPETITION <sub><i>t</i>-1</sub><br><i>mean-centered; -5 = low, 5 = high</i>  |                              | 0.581<br>(0.253)<br>0.024  |                             | 0.554<br>(0.217)<br>0.013  |                                | 0.016<br>(0.010)<br>0.130  |                            | 0.016<br>(0.010)<br>0.118  |
| CENTRALIZATION <sub><i>t</i>-1</sub><br>× Competition <sub><i>t</i>-1</sub>              | -1.068<br>(0.392)<br>0.008   | -1.023<br>(0.350)<br>0.005 | -0.869<br>(0.437)<br>0.050  | -1.302<br>(0.454)<br>0.005 | -0.048<br>(0.021)<br>0.028     | -0.034<br>(0.013)<br>0.012 | -0.032<br>(0.027)<br>0.230 | -0.046<br>(0.022)<br>0.041 |
| GDP PER CAPITA <sub><i>t</i>-1</sub><br><i>constant 2000 rubles (logged)</i>             | -39.170<br>(4.780)<br>0.000  | -0.679<br>(1.002)<br>0.500 | -50.344<br>(5.873)<br>0.000 | -1.608<br>(0.916)<br>0.083 | 0.460<br>(0.230)<br>0.049      | 0.192<br>(0.060)<br>0.002  | 0.176<br>(0.374)<br>0.638  | 0.169<br>(0.059)<br>0.005  |
| POPULATION <sub><i>t</i>-1</sub><br><i>in thousands of persons (logged)</i>              | -49.475<br>(21.050)<br>0.021 | -0.738<br>(0.728)<br>0.314 | 4.110<br>(25.090)<br>0.870  | -0.553<br>(0.731)<br>0.452 | -1.122<br>(1.037)<br>0.282     | 0.228<br>(0.048)<br>0.000  | 0.437<br>(1.244)<br>0.726  | 0.219<br>(0.047)<br>0.000  |
| INFRASTRUCTURE <sub><i>t</i>-1</sub><br><i>km paved roads / km<sup>2</sup> land area</i> | 0.010<br>(0.016)<br>0.560    | 0.002<br>(0.005)<br>0.738  | 0.041<br>(0.028)<br>0.142   | 0.010<br>(0.005)<br>0.057  | -0.001<br>(0.001)<br>0.246     | 0.000<br>(0.000)<br>0.867  | 0.001<br>(0.001)<br>0.524  | 0.000<br>(0.000)<br>0.224  |
| TIME TREND   | 1.036<br>(0.389)<br>0.009    | -0.670<br>(0.206)<br>0.002 |                             |                            | 0.100<br>(0.018)<br>0.000      | -0.005<br>(0.008)<br>0.489 |                            |                            |
| OIL PRODUCTION <sub><i>t</i>-1</sub><br><i>thousands of tons (logged)</i>                |                              |                            | 2.745<br>(1.649)<br>0.100   | 0.399<br>(0.134)<br>0.004  |                                |                            | -0.037<br>(0.089)<br>0.675 | 0.007<br>(0.004)<br>0.085  |
| DEPENDENT VARIABLE <sub><i>t</i>-1</sub><br><i>lagged DV</i>                             |                              | 0.008<br>(0.035)<br>0.817  |                             | 0.116<br>(0.037)<br>0.002  |                                | 0.788<br>(0.044)<br>0.000  |                            | 0.791<br>(0.042)<br>0.000  |
| Region Fixed Effects   | Yes                          | No                         | Yes                         | No                         | Yes                            | No                         | Yes                        | No                         |
| Year Fixed Effects   | No                           | No                         | Yes                         | Yes                        | No                             | No                         | Yes                        | Yes                        |
| Number of Observations   | 640                          | 640                        | 473                         | 473                        | 640                            | 640                        | 473                        | 473                        |

Note—Data on Russian gubernatorial appointments collected by author from Labyrinth.ru, and measures of political competition come from the Moscow Carnegie Center; all economic data from *Rosstat*. Models use the staggered measure of political centralization. Parameter estimates for fixed effects and model constants not presented in table to save space. Region-clustered standard errors in parentheses; *p*-values appear below standard errors.

Table 9. Political Centralization and Economic Performance: Alt. Measures of Political Competition

| DV: GDP Growth<br>annual change (%)   | Petrov Index Component       |                              |                              | Trichotomous Coding         |                              |                            | Civil Society<br>civil organizations (logged) |                             |
|---|------------------------------|------------------------------|------------------------------|-----------------------------|------------------------------|----------------------------|---|-----------------------------|
|   | Openness                     | Competitive Elections        | Pluralism                    | -1 = low; 0 = mid, 1 = high |                              |                            |   |                             |
| POLITICAL CENTRALIZATION <sub>t-1</sub><br>dummy: 1 = post-reform           | 6.501<br>(3.611)<br>0.076    | 5.826<br>(3.725)<br>0.122    | 7.240<br>(3.744)<br>0.057    | 6.328<br>(3.356)            | -0.351<br>(1.023)<br>0.733   | -0.886<br>(0.998)<br>0.377 | 23.640<br>(7.671)<br>0.003                    | 14.952<br>(10.136)<br>0.144 |
| COMPETITION MEASURE <sub>t-1</sub><br>various, as indicated                 | 1.924<br>(0.658)<br>0.005    | 0.482<br>(0.755)<br>0.525    | 1.406<br>(0.702)<br>0.049    | 1.406<br>(0.702)            | 1.479<br>(0.833)<br>0.080    | 1.479<br>(0.833)<br>0.080  | -3.971<br>(3.893)<br>0.311                    | -1.839<br>(1.443)<br>0.206  |
| CENTRALIZATION <sub>t-1</sub><br>x COMPETITION MEASURE <sub>t-1</sub>       | -2.206<br>(1.056)<br>0.040   | -2.063<br>(1.148)<br>0.076   | -2.585<br>(1.165)<br>0.029   | -2.460<br>(1.043)<br>0.021  | -1.950<br>(1.273)<br>0.129   | -2.184<br>(1.018)<br>0.035 | -3.205<br>(0.986)<br>0.002                    | -2.166<br>(1.304)<br>0.101  |
| GDP PER CAPITA <sub>t-1</sub><br>constant 2000 rubles (logged)              | -38.304<br>(5.154)<br>0.000  | -38.581<br>(5.146)<br>0.000  | -38.725<br>(5.018)<br>0.000  | -0.458<br>(0.992)<br>0.646  | -38.559<br>(5.137)<br>0.000  | -0.558<br>(0.995)<br>0.577 | -39.632<br>(5.048)<br>0.000                   | -0.017<br>(0.993)<br>0.987  |
| POPULATION <sub>t-1</sub><br>in thousands of persons (logged)               | -21.283<br>(23.365)<br>0.365 | -25.778<br>(23.350)<br>0.273 | -20.209<br>(23.385)<br>0.390 | -0.716<br>(0.724)<br>0.326  | -22.267<br>(23.320)<br>0.343 | -0.761<br>(0.699)<br>0.280 | -22.150<br>(22.317)<br>0.324                  | 1.813<br>(1.174)<br>0.126   |
| INFRASTRUCTURE <sub>t-1</sub><br>km paved roads / km <sup>2</sup> land area | 0.013<br>(0.015)<br>0.388    | 0.008<br>(0.016)<br>0.609    | 0.011<br>(0.015)<br>0.456    | 0.003<br>(0.004)<br>0.012   | 0.011<br>(0.015)<br>0.451    | 0.003<br>(0.004)<br>0.486  | 0.028<br>(0.016)<br>0.090                     | 0.005<br>(0.005)<br>0.295   |
| GDP GROWTH <sub>t-1</sub><br>lagged dependent variable                      | 0.009<br>(0.038)<br>0.81     | 0.015<br>(0.038)<br>0.695    | 0.015<br>(0.038)<br>0.754    | 0.012<br>(0.038)            | 0.015<br>(0.038)             | 0.015<br>(0.038)           | 0.090<br>(0.036)<br>0.964                     | 0.002<br>(0.036)<br>0.964   |
| Region Fixed Effects  | Yes                          | No                           | Yes                          | No                          | Yes                          | No                         | Yes   | No                          |
| Year Fixed Effects  | Yes                          | Yes                          | Yes                          | Yes                         | Yes                          | Yes                        | Yes   | Yes                         |
| Number of Observations  | 640                          | 640                          | 640                          | 640                         | 640                          | 640                        | 645   | 644                         |

Note—Data on Russian gubernatorial appointments collected by author from Labyrinth.ru, and measures of political competition come from the Moscow Carnegie Center; all economic data from Rosstat. Models use the staggered measure of political centralization. Parameter estimates for fixed effects and model constants not presented in table to save space. Region-clustered standard errors in parentheses; *p*-values appear below standard errors.



Table 10. Instrumental Variables Regression and First-Stage Results (Replacement)

| DV: GDP Growth<br><i>annual change (%)</i>   | Simultaneous Centralization |                             | Staggered Centralization    |                             |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|  | <i>1<sup>st</sup> stage</i> | <i>2<sup>nd</sup> stage</i> | <i>1<sup>st</sup> stage</i> | <i>2<sup>nd</sup> stage</i> |
| POLITICAL CENTRALIZATION <sub><i>t-1</i></sub><br><i>dummy; 1 = post-reform</i>                  | 0.144<br>(0.053)            | 9.407<br>(1.856)            | 0.245<br>(0.048)            | -0.996<br>(1.351)           |
|  | 0.008                       | 0.000                       | 0.000                       | 0.461                       |
| CENTRALIZATION <sub><i>t-1</i></sub><br>× COMPETITION <sub><i>t-1</i></sub>                      | 0.005<br>(0.013)            | -0.735<br>(0.362)           | 0.013<br>(0.017)            | -0.997<br>(0.385)           |
|  | 0.696                       | 0.042                       | 0.454                       | 0.010                       |
| GDP PER CAPITA <sub><i>t-1</i></sub><br><i>constant 2000 rubles (logged)</i>                     | 0.185<br>(0.160)            | -38.384<br>(4.963)          | 0.202<br>(0.144)            | -38.998<br>(5.094)          |
|  | 0.251                       | 0.000                       | 0.165                       | 0.000                       |
| POPULATION <sub><i>t-1</i></sub><br><i>in thousands of persons (logged)</i>                      | 0.657<br>(0.792)            | -24.968<br>(22.491)         | 0.251<br>(0.780)            | -22.983<br>(22.380)         |
|  | 0.409                       | 0.267                       | 0.749                       | 0.304                       |
| INFRASTRUCTURE <sub><i>t-1</i></sub><br><i>km paved roads / km<sup>2</sup> land area</i>         | 0.000<br>(0.001)            | 0.011<br>(0.015)            | -0.0002<br>(0.001)          | 0.010<br>(0.016)            |
|  | 0.712                       | 0.445                       | 0.722                       | 0.559                       |
| (2SLS): REPLACEMENT <sub><i>t-1</i></sub><br><i>dummy, 1 = incumbent replaced during reforms</i> |                             | 1.489<br>(2.008)            |                             | 1.889<br>(2.345)            |
|  |                             | 0.458                       |                             | 0.420                       |
| BIRTH YEAR <sub><i>t-1</i></sub><br><i>governor birth year</i>                                   | 0.032<br>(0.004)            |                             | 0.030<br>(0.004)            |                             |
|  | 0.000                       |                             | 0.000                       |                             |
| F-stat of excluded instruments   | 56.22                       |                             | 52.25                       |                             |
| F-stat ( <i>p</i> -value)  | 0.000                       |                             | 0.000                       |                             |
| Region Fixed Effects   | Yes                         | Yes                         | Yes                         | Yes                         |
| Year Fixed Effects   | Yes                         | Yes                         | Yes                         |                             |
| Number of Observations   | 640                         | 640                         | 640                         | 640                         |

Note—Data on Russian gubernatorial appointments by author from Labyrinth.ru, and data on political competition from the Moscow Carnegie Center; all other data from Rosstat. Statistical models represent two-stage least squares regression (2SLS) using BIRTH YEAR to instrument for governors' replacement. Parameter estimates for fixed effects not presented to save space. Region-clustered standard errors in parentheses; *p*-values appear below standard errors.

Table 11. Instrumental Variables Regression and First-Stage Results (Scheduled Turnover)

|   | First-Stage Results: Endogenous Regressors |                                 | GDP Growth<br>annual change in % | Private Investment<br>mil. of rubles (logged) |
|---|--|---------------------------------|----------------------------------|---|
|   | Centralization                             | Centralization ×<br>Competition |                                  |   |
| (2SLS): STAGGERED CENTRALIZATION <sub><i>t</i>-1</sub><br><i>dummy; 1 = post-reform</i>           |  |                                 | -1.415<br>(1.814)                | 0.047<br>(0.069)                              |
| (2SLS): CENTRALIZATION <sub><i>t</i>-1</sub><br>× COMPETITION <sub><i>t</i>-1</sub>               |  |                                 | 0.435<br>(0.485)                 | 0.495<br>(0.022)                              |
| GDP PER CAPITA <sub><i>t</i>-1</sub><br><i>constant 2000 rubles (logged)</i>                      | 0.056<br>(0.091)                           | 0.333<br>(0.228)                | -38.520<br>(5.134)               | 0.273<br>(0.247)                              |
| POPULATION <sub><i>t</i>-1</sub><br><i>in thousands of persons (logged)</i>                       | 0.540<br>(0.397)                           | 0.148<br>(0.914)                | 0.000<br>(23.074)                | 0.268<br>(1.151)                              |
| INFRASTRUCTURE <sub><i>t</i>-1</sub><br><i>km paved roads / km<sup>2</sup> land area</i>          | 0.099<br>(0.0004)                          | -0.436<br>(0.0009)              | -22.041<br>(0.016)               | -0.144<br>(0.001)                             |
| ELECTORAL SCHEDULE <sub><i>t</i>-1</sub><br><i>dummy; 1 = scheduled turnover, post-reform era</i> | 0.804<br>(0.0005)                          | 0.635<br>(0.0001)               | 0.339<br>(0.016)                 | 0.900<br>(0.001)                              |
| ELECTORAL SCHEDULE <sub><i>t</i>-1</sub><br>× COMPETITION <sub><i>t</i>-1</sub>                   | 0.246<br>(0.053)                           | 0.933<br>(0.135)                | 0.532                            | 0.174   |
| ELECTORAL SCHEDULE <sub><i>t</i>-1</sub><br>× COMPETITION <sub><i>t</i>-1</sub>                   | 0.690<br>(0.053)                           | 0.093<br>(0.135)                |                                  |   |
|   | 0.000                                      | 0.494                           |                                  |   |
|   | 0.011<br>(0.006)                           | 0.917<br>(0.026)                |                                  |   |
|   | 0.098                                      | 0.000                           |                                  |   |
| F-stat of excluded instruments  | 88.260                                     | 640.140                         |                                  |   |
| F-stat ( <i>p</i> -value)   | 0.000                                      | 0.000                           |                                  |   |
| Partial <i>R</i> <sup>2</sup> of excluded instruments   | 0.489                                      | 0.803                           |                                  |   |
| Region Fixed Effects  | Yes  | Yes                             | Yes                              | Yes   |
| Year Fixed Effects  | Yes  | Yes                             | Yes                              | Yes   |
| Number of Observations  | 640  | 640                             | 640                              | 640   |

Note—Data on Russian gubernatorial appointments by author from Labyrinth.ru, and data on political competition from the Moscow Carnegie Center; all other data from *Rosstat*. Statistical models represent two-stage least squares regression (2SLS) using ELECTORAL SCHEDULE to instrument for regions' introduction to gubernatorial appointments. Parameter estimates for fixed effects not presented to save space. Region-clustered standard errors in parentheses; *p*-values appear below standard errors.

Table 12. Political Centralization and Economic Performance: Additional Analyses (LDV)

| DV: GDP Growth<br>annual change (%)              | Averages                 |                   | Replacement                   |                   |                   |                   | Alt. Timing<br>scheduled |
|--|--------------------------|-------------------|-------------------------------|-------------------|-------------------|-------------------|--------------------------|
|  | 3-year avg. pre vs. post |                   | controlling for gov. turnover |                   |                   |                   |                          |
| SIMULTANEOUS CENTRALIZATION <sub>t-1</sub>       | 0.418<br>(0.418)         |                   | -2.900<br>(1.599)             |                   | 2.678<br>(2.374)  |                   |                          |
| <i>dummy; 1 = post-reform</i>                    | 0.320                    |                   | 0.074                         |                   | 0.259             |                   |                          |
| STAGGERED CENTRALIZATION <sub>t-1</sub>          |                          | -1.426<br>(0.540) |                               | -1.218<br>(1.098) |                   | -0.376<br>(2.446) |                          |
| <i>dummy; 1 = post-reform</i>                    |                          | 0.010             |                               | 0.271             |                   | 0.878             |                          |
| POLITICAL COMPETITION <sub>t-1</sub>             | 0.304<br>(0.131)         | 0.079<br>(0.183)  | 0.720<br>(0.269)              | 0.521<br>(0.246)  | 0.752<br>(0.287)  | 0.561<br>(0.269)  | 0.546<br>(0.248)         |
| <i>mean-centered; -5 = low, 5 = high</i>         | 0.023<br>(0.237)         | 0.668<br>(0.299)  | 0.009<br>(0.353)              | 0.037<br>(0.350)  | 0.009<br>(0.343)  | 0.037<br>(0.352)  | 0.027                    |
| CENTRALIZATION <sub>t-1</sub>                    | -0.667<br>(0.237)        | -0.504<br>(0.299) | -0.994<br>(0.353)             | -0.991<br>(0.350) | -0.972<br>(0.343) | -0.928<br>(0.352) |                          |
| × COMPETITION <sub>t-1</sub>                     | 0.006<br>(0.028)         | 0.096<br>(0.061)  | 0.006<br>(0.039)              | 0.006<br>(0.037)  | 0.005<br>(0.042)  | 0.008<br>(0.043)  | 0.010<br>(0.037)         |
| GDP GROWTH <sub>t-1</sub>                        | 0.604<br>(0.028)         | 0.733<br>(0.061)  | 0.017<br>(0.039)              | 0.007<br>(0.037)  | 0.023<br>(0.042)  | 0.016<br>(0.043)  | 0.010<br>(0.037)         |
| <i>lagged dependent variable</i>                 | 0.000<br>(0.298)         | 0.000<br>(0.383)  | 0.653<br>(0.955)              | 0.851<br>(0.991)  | 0.582<br>(0.934)  | 0.720<br>(1.019)  | 0.795<br>(0.986)         |
| GDP PER CAPITA <sub>t-1</sub>                    | 0.381<br>(0.204)         | 1.144<br>(0.004)  | -0.522<br>(0.586)             | -0.438<br>(0.660) | -0.637<br>(0.495) | -0.635<br>(0.533) | -0.476<br>(0.630)        |
| <i>constant 2000 rubles (logged)</i>             | 0.400<br>(0.213)         | 0.122<br>(0.249)  | -0.749<br>(0.707)             | -0.637<br>(0.699) | -0.864<br>(0.841) | -0.811<br>(0.906) | -0.686<br>(0.699)        |
| POPULATION <sub>t-1</sub>                        | 0.065<br>(0.065)         | 0.625<br>(0.293)  | 0.293<br>(0.005)              | 0.365<br>(0.005)  | 0.304<br>(0.005)  | 0.371<br>(0.005)  | 0.326<br>(0.005)         |
| <i>in thousands of persons (logged)</i>          | 0.005<br>(0.002)         | -0.001<br>(0.003) | 0.003<br>(0.005)              | 0.002<br>(0.005)  | 0.003<br>(0.005)  | 0.003<br>(0.005)  | 0.003<br>(0.005)         |
| INFRASTRUCTURE <sub>t-1</sub>                    | 0.007<br>(0.007)         | 0.823<br>(0.007)  | 0.564<br>(0.005)              | 0.628<br>(0.005)  | 0.508<br>(0.005)  | 0.559<br>(0.005)  | 0.554<br>(0.005)         |
| <i>km paved roads / km<sup>2</sup> land area</i> |                          |                   | 0.721<br>(0.734)              | 1.213<br>(0.862)  |                   |                   |                          |
| REPLACEMENT <sub>t-1</sub>                       |                          |                   | 0.329                         | 0.163             |                   |                   |                          |
| <i>dummy; 1 = incumbent replaced</i>             |                          |                   |                               |                   |                   |                   |                          |
| REPLACEMENT (IV) <sub>t-1</sub>                  |                          |                   |                               |                   | -1.624<br>(6.569) | -1.824<br>(7.824) |                          |
| <i>2SLS using governors' birth year</i>          |                          |                   |                               |                   | 0.805             | 0.816             |                          |
| CENTRALIZATION (IV) <sub>t-1</sub>               |                          |                   |                               |                   |                   |                   | -1.600<br>(1.478)        |
| <i>2SLS using scheduled turnover</i>             |                          |                   |                               |                   |                   |                   | 0.279                    |
| CENTRALIZATION (IV) <sub>t-1</sub>               |                          |                   |                               |                   |                   |                   | -1.006<br>(0.395)        |
| × COMPETITION <sub>t-1</sub>                     |                          |                   |                               |                   |                   |                   | 0.011                    |
| First-stage F-stat                               |                          |                   |                               |                   | 4.81              | 4.47              | 105.09                   |
| F-stat <i>p</i> -value                           |                          |                   |                               |                   | 0.031             | 0.038             | 0.000                    |
| Region Fixed Effects                             | No                       | No                | No                            | No                | No                | No                | No                       |
| Year Fixed Effects                               | No                       | No                | Yes                           | Yes               | Yes               | Yes               | Yes                      |
| Number of Observations                           | 160                      | 156               | 640                           | 640               | 640               | 640               | 640                      |

Note—Data on Russian gubernatorial appointments and birth year collected by author and data on political competition from the Moscow Carnegie Center; all other data from Rosstat. Parameter estimates for fixed effects and model constants not presented to save space. The first two columns compare changes in three-year regional averages directly before and after reforms. The fifth and sixth columns use two-stage least squares regression (2SLS) with BIRTH YEAR as an instrument for governors' replacement; the last column reports results from 2SLS regression using ELECTORAL SCHEDULE to instrument for regions' introduction to reforms. Region-clustered standard errors in parentheses; *p*-values appear below standard errors.

Table 13. Economic Performance and Anticipation of Implemented Appointments

| DV: GDP Growth<br>annual change (%)  | One-Year Lead       |                   | Two-Year Lead       |                   | Three-Year Lead    |                   |
|--|---------------------|-------------------|---------------------|-------------------|--------------------|-------------------|
| CENTRALIZATION (ANTICIPATED)<br><i>dummy; 1 = reform</i>                                 | 1.904<br>(1.179)    | 0.786<br>(0.817)  | -0.390<br>(1.274)   | -1.172<br>(1.257) | 0.468<br>(1.186)   | -1.065<br>(1.383) |
| POLITICAL COMPETITION<br><i>mean-centered; -5 = low, 5 = high</i>                        |                     | 0.339<br>(0.309)  | 0.760<br>(0.394)    | 0.354<br>(0.304)  | 0.694<br>(0.586)   | 0.444<br>(0.231)  |
| CENTRALIZATION<br>× COMPETITION  | -0.190<br>(0.298)   | -0.602<br>(0.320) | 0.422<br>(0.447)    | -0.294<br>(0.381) | 0.612<br>(0.595)   | -0.098<br>(0.563) |
| GDP PER CAPITA <sub><i>t</i>-1</sub><br><i>constant 2000 rubles (logged)</i>             | -38.536<br>(4.798)  | -0.611<br>(0.966) | -42.545<br>(5.370)  | -0.663<br>(1.043) | -48.797<br>(5.759) | -0.525<br>(0.851) |
| POPULATION <sub><i>t</i>-1</sub><br><i>in thousands of persons (logged)</i>              | -18.314<br>(23.167) | -0.763<br>(0.715) | -13.119<br>(26.737) | -1.071<br>(0.765) | 2.230<br>(25.871)  | -0.068<br>(0.700) |
| INFRASTRUCTURE <sub><i>t</i>-1</sub><br><i>km paved roads / km<sup>2</sup> land area</i> | 0.432<br>(0.014)    | 0.289<br>(0.005)  | 0.625<br>(0.018)    | 0.165<br>(0.005)  | 0.932<br>(0.028)   | 0.923<br>(0.005)  |
| GDP GROWTH <sub><i>t</i>-1</sub><br><i>lagged dependent variable</i>                     |                     | 0.000<br>(0.040)  | 0.529<br>(0.040)    | 0.527<br>(0.057)  | 0.000<br>(0.057)   | 0.539<br>(0.046)  |
|  |                     | 0.294<br>(0.540)  | 0.413<br>(0.540)    | 0.449<br>(0.228)  | 0.253<br>(0.228)   | 0.083<br>(0.018)  |
| Region Fixed Effects   | Yes                 | No                | Yes                 | No                | Yes                | No                |
| Year Fixed Effects   | Yes                 | Yes               | Yes                 | Yes               | Yes                | Yes               |
| Number of Observations   | 640                 | 640               | 560                 | 560               | 480                | 480               |

Note—Data on Russian gubernatorial appointments collected by author from Labyrinth.ru, and measures of political competition come from the Moscow Carnegie Center; all economic data from *Rosstat*. Parameter estimates for fixed effects and model constants not presented in table to save space. Region-clustered standard errors in parentheses; *p*-values appear below standard errors.

Table 14. Economic Performance and Staggered Centralization: Plausible Mechanisms

| DV: GDP Growth<br>annual change (%)   | Selection                       |                            | Uncertainty                  |                            |                              |                            |                              |                            |
|---|---------------------------------|----------------------------|------------------------------|----------------------------|------------------------------|----------------------------|------------------------------|----------------------------|
|   | <i>excl. replaced governors</i> |                            | <i>early appointees</i>      |                            | <i>late appointees</i>       |                            | <i>interacted with time</i>  |                            |
| POLITICAL CENTRALIZATION <sub><i>t</i>-1</sub><br><i>dummy; 1 = post-reform</i>                                       | -0.577<br>(1.368)<br>0.675      | -0.904<br>(1.202)<br>0.456 | 0.089<br>(1.397)<br>0.949    | -1.548<br>(1.750)<br>0.380 | -0.533<br>(3.286)<br>0.873   | -0.332<br>(2.908)<br>0.910 | 0.467<br>(1.957)<br>0.812    | -2.346<br>(2.170)<br>0.283 |
| POLITICAL COMPETITION <sub><i>t</i>-1</sub><br><i>mean-centered; -5 = low, 5 = high</i>                               |                                 | 0.461<br>(0.239)<br>0.059  |                              | 0.614<br>(0.269)<br>0.027  |                              | 0.448<br>(0.646)<br>0.495  |                              | 0.715<br>(0.251)<br>0.006  |
| CENTRALIZATION <sub><i>t</i>-1</sub><br>× COMPETITION <sub><i>t</i>-1</sub>   | -1.424<br>(0.519)<br>0.008      | -1.257<br>(0.451)<br>0.007 | -1.141<br>(0.435)<br>0.011   | -1.051<br>(0.393)<br>0.010 | 0.260<br>(1.111)<br>0.817    | -0.442<br>(0.897)<br>0.627 | -0.996<br>(0.645)<br>0.127   | -2.179<br>(0.790)<br>0.007 |
| YEARS POST-ANNOUNCEMENT <sub><i>t</i>-1</sub><br><i>years since reforms announced</i>                                 |                                 |                            |                              |                            |                              |                            | 2.230<br>(0.588)<br>0.000    | -0.621<br>(0.436)<br>0.158 |
| COMPETITION <sub><i>t</i>-1</sub><br>× POST-ANNOUNCEMENT <sub><i>t</i>-1</sub>  |                                 |                            |                              |                            |                              |                            | -0.169<br>(0.180)<br>0.349   | -0.392<br>(0.177)<br>0.029 |
| CENTRALIZATION <sub><i>t</i>-1</sub><br>× POST-ANNOUNCEMENT <sub><i>t</i>-1</sub>                                     |                                 |                            |                              |                            |                              |                            | -0.351<br>(0.726)<br>0.630   | 0.546<br>(0.725)<br>0.453  |
| CENTRALIZATION <sub><i>t</i>-1</sub> × COMPETITION <sub><i>t</i>-1</sub><br>× POST-ANNOUNCEMENT <sub><i>t</i>-1</sub> |                                 |                            |                              |                            |                              |                            | 0.162<br>(0.199)<br>0.416    | 0.692<br>(0.248)<br>0.007  |
| GDP PER CAPITA <sub><i>t</i>-1</sub><br><i>constant 2000 rubles (logged)</i>  | -43.141<br>(3.450)<br>0.000     | -2.009<br>(0.872)<br>0.025 | -42.302<br>(3.672)<br>0.000  | -0.434<br>(0.924)<br>0.640 | -35.061<br>(10.634)<br>0.003 | -1.413<br>(4.544)<br>0.759 | -38.492<br>(5.394)<br>0.000  | -0.485<br>(0.968)<br>0.618 |
| POPULATION <sub><i>t</i>-1</sub><br><i>in thousands of persons (logged)</i>   | -32.139<br>(27.596)<br>0.250    | 0.651<br>(0.537)<br>0.231  | -38.727<br>(23.746)<br>0.109 | -0.850<br>(0.791)<br>0.287 | 39.38<br>(48.859)<br>0.429   | -0.058<br>(1.508)<br>0.969 | -23.950<br>(23.608)<br>0.313 | -0.696<br>(0.707)<br>0.328 |
| INFRASTRUCTURE <sub><i>t</i>-1</sub><br><i>km paved roads / km<sup>2</sup> land area</i>                              | 0.025<br>(0.019)<br>0.182       | -0.002<br>(0.006)<br>0.778 | 0.010<br>(0.018)<br>0.584    | 0.004<br>(0.004)<br>0.371  | 0.040<br>(0.033)<br>0.236    | -0.005<br>(0.020)<br>0.799 | 0.010<br>(0.016)<br>0.515    | 0.003<br>(0.004)<br>0.545  |
| GDP GROWTH <sub><i>t</i>-1</sub><br><i>lagged dependent variable</i>  |                                 | 0.024<br>(0.045)<br>0.594  |                              | 0.008<br>(0.050)<br>0.870  |                              | 0.012<br>(0.056)<br>0.840  |                              | 0.018<br>(0.040)<br>0.645  |
| Region Fixed Effects  | Yes                             | No                         | Yes                          | No                         | Yes                          | No                         | Yes                          | No                         |
| Year Fixed Effects  | Yes                             | Yes                        | Yes                          | Yes                        | Yes                          | Yes                        | Yes                          | Yes                        |
| Number of Observations  | 416                             | 416                        | 448                          | 448                        | 192                          | 192                        | 640                          | 640                        |

Note—Data on Russian gubernatorial appointments and birth year collected by author, and data on political competition from the Moscow Carnegie Center; all other data from Rosstat. “Early” refers to regions with appointments between 2005 and 2007, “late” refers to regions with appointments 2008 or after. Parameter estimates for fixed effects and model constants not presented to save space. Region-clustered standard errors in parentheses; *p*-values appear below standard errors.

Table 15. Placebo Test: Political Centralization and Federal Investment

| DV: Federal Investment<br><i>mil. of rubles (logged)</i>                                 | Simultaneous Centralization |                   | Staggered Centralization> |                   |
|--|-----------------------------|-------------------|---------------------------|-------------------|
| POLITICAL CENTRALIZATION <sub><i>t-1</i></sub><br><i>dummy; 1 = post-reform</i>          | 0.340<br>(0.180)            | 0.042<br>(0.073)  | 0.022<br>(0.061)          | 0.044<br>(0.055)  |
|  | 0.062                       | 0.570             | 0.717                     | 0.426             |
| POLITICAL COMPETITION <sub><i>t-1</i></sub><br><i>mean-centered; -5 = low, 5 = high</i>  |                             | 0.006<br>(0.010)  |                           | 0.012<br>(0.010)  |
|  |                             | 0.550             |                           | 0.211             |
| CENTRALIZATION <sub><i>t-1</i></sub><br>× COMPETITION <sub><i>t-1</i></sub>              | 0.010<br>(0.020)            | 0.005<br>(0.011)  | -0.003<br>(0.022)         | -0.005<br>(0.011) |
|  | 0.623                       | 0.632             | 0.877                     | 0.652             |
| GDP PER CAPITA <sub><i>t-1</i></sub><br><i>constant 2000 rubles (logged)</i>             | -0.158<br>(0.339)           | -0.004<br>(0.033) | -0.147<br>(0.339)         | -0.006<br>(0.034) |
|  | 0.642                       | 0.910             | 0.667                     | 0.85              |
| POPULATION <sub><i>t-1</i></sub><br><i>in thousands of persons (logged)</i>              | 2.313<br>(1.591)            | 0.162<br>(0.032)  | 2.187<br>(1.583)          | 0.160<br>(0.032)  |
|  | 0.150                       | 0.000             | 0.171                     | 0.000             |
| INFRASTRUCTURE <sub><i>t-1</i></sub><br><i>km paved roads / km<sup>2</sup> land area</i> | 0.001<br>(0.001)            | 0.000<br>(0.000)  | 0.001<br>(0.001)          | 0.000<br>(0.000)  |
|  | 0.315                       | 0.269             | 0.339                     | 0.243             |
| FEDERAL INVESTMENT <sub><i>t-1</i></sub><br><i>lagged dependent variable</i>             |                             | 0.829<br>(0.031)  |                           | 0.830<br>(0.031)  |
|  |                             | 0.000             |                           | 0.000             |
| Region Fixed Effects   | Yes                         | No                | Yes                       | No                |
| Year Fixed Effects   | Yes                         | Yes               | Yes                       | Yes               |
| Number of Observations   | 640                         | 640               | 640                       | 640               |

Note—Data on Russian gubernatorial appointments collected by author from Labyrinth.ru, and measures of political competition come from the Moscow Carnegie Center; all economic data from *Rosstat*. Parameter estimates for fixed effects and model constants not presented in table to save space. Region-clustered standard errors in parentheses; *p*-values appear below standard errors.

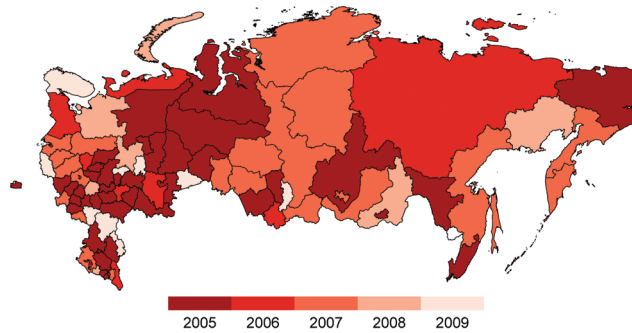


Figure 1. Year of first gubernatorial appointment, by region. Data collected by author from the Labyrinth biographical database on Russian political figures.

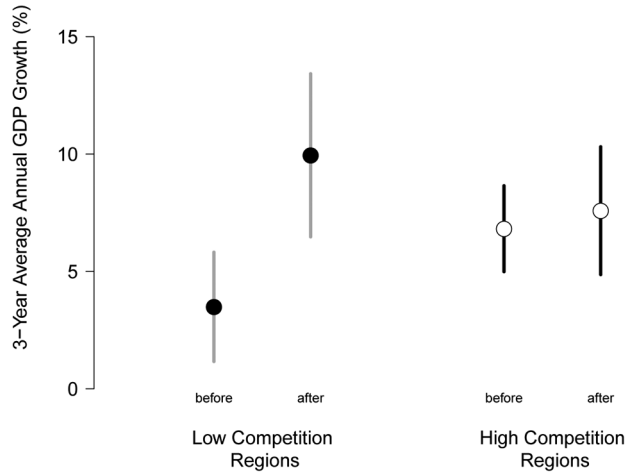


Figure 2. Russian regional economic performance, before and after centralization (simultaneous measure). Plot compares group means of year-on-year economic growth (in percentages) in Russia’s regions for the three years preceding and following the announcement of the gubernatorial appointment system. “Low” and “high” political competition groups include those regions in the first ( $n = 21$ ) and fourth ( $n = 21$ ) quartiles of `POLITICAL COMPETITION`, respectively. Bands represent 90% confidence intervals. This plot is the companion to Figure 1 in the article.

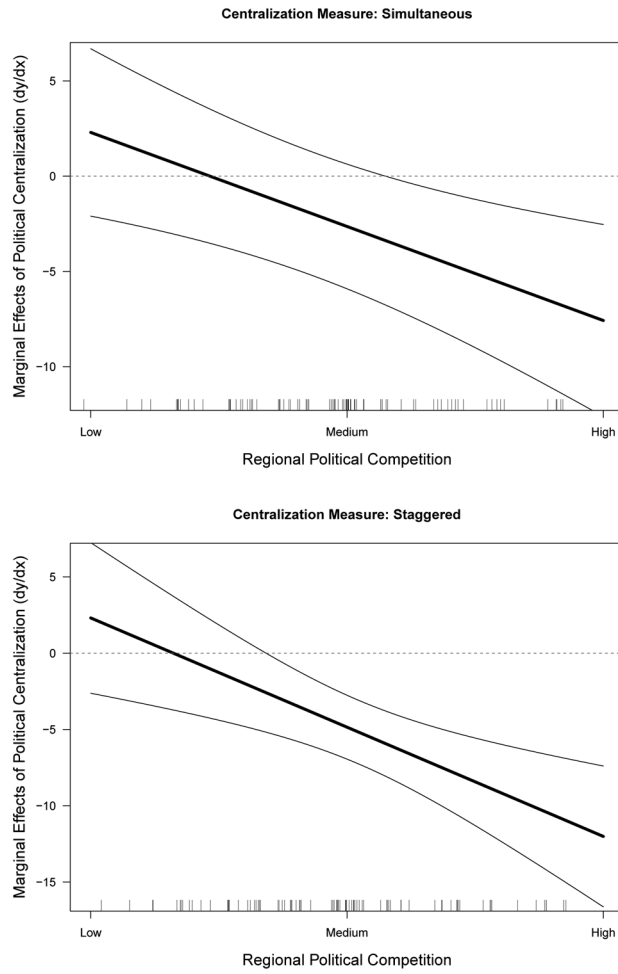


Figure 3. Marginal effects of centralization (three-year averages). The dependent variable is year-on-year change in regional GDP in percentage terms, averaged over three years before and after centralization; based on the first two columns of Table 3 in the paper. Bands represent 90% confidence intervals. Markers along the bottom of the graph indicate (jittered) location of regions on the x-axis.



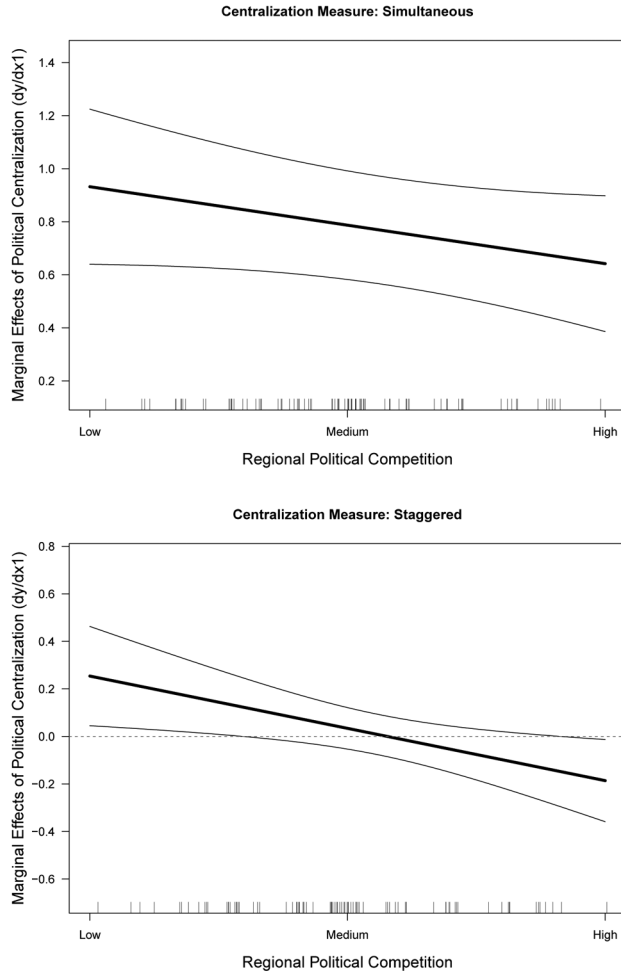


Figure 4. Marginal effects of centralization on private investment. The dependent variable is investment by private sector enterprises in fixed capital assets (logged millions of constant rubles). Bands represent 90% confidence intervals. Markers along the bottom of the graph indicate (jittered) location of regions on the x-axis.

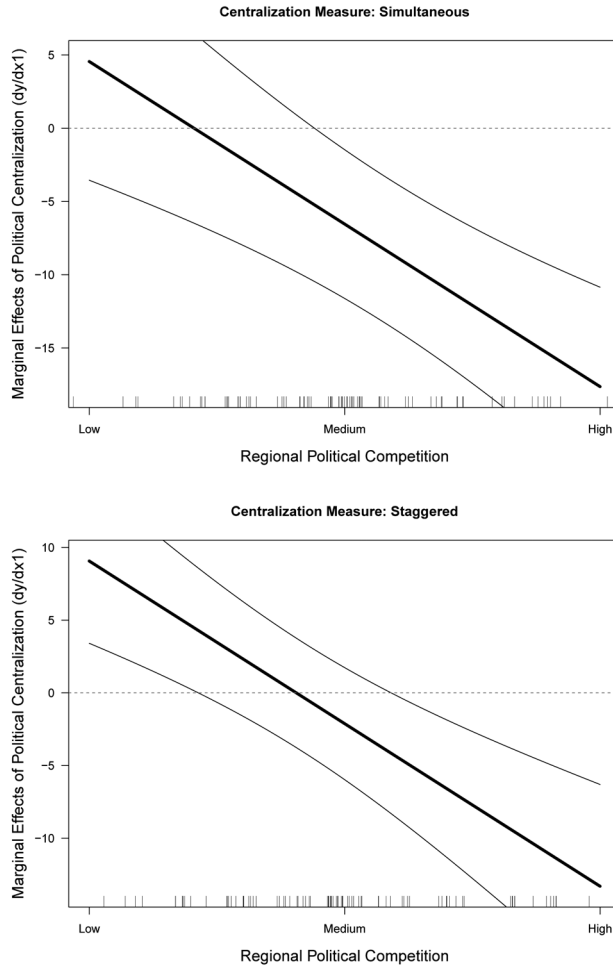


Figure 5. Marginal effects of centralization on rate of firm creation. The dependent variable is new firms registered per 1000 existing firms. Bands represent 90% confidence intervals. Markers along the bottom of the graph indicate (jittered) location of regions on the x-axis.

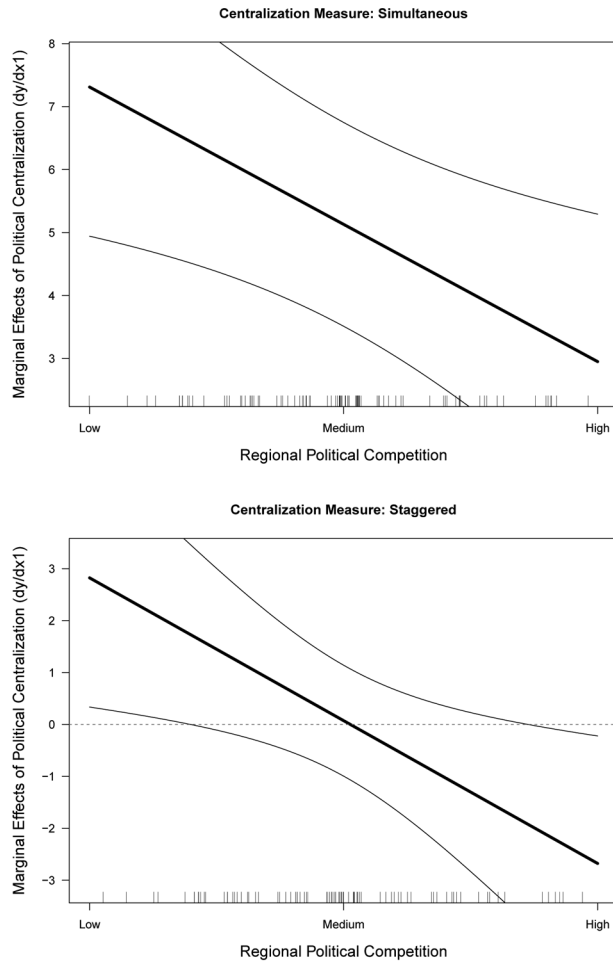


Figure 6. Marginal effects of centralization on firm profitability. The dependent variable is profitable enterprises as percent of total enterprises. Bands represent 90% confidence intervals. Markers along the bottom of the graph indicate (jittered) location of regions on the x-axis.

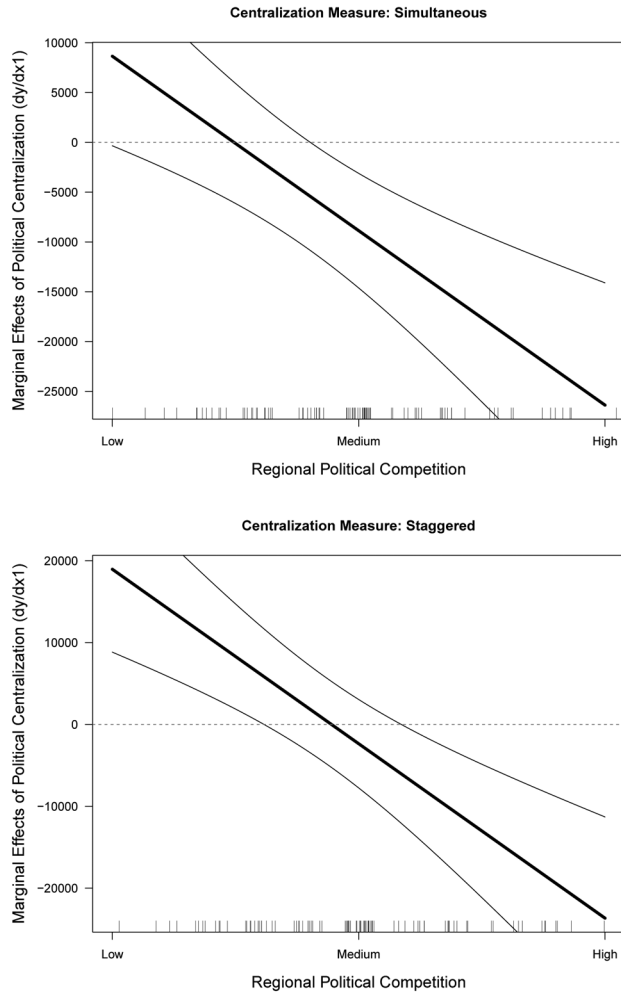


Figure 7. Marginal effects of centralization on R&D spending. The dependent variable is spending on research and development (per firm average, in thousands of constant rubles). Bands represent 90% confidence intervals. Markers along the bottom of the graph indicate (jittered) location of regions on the x-axis.

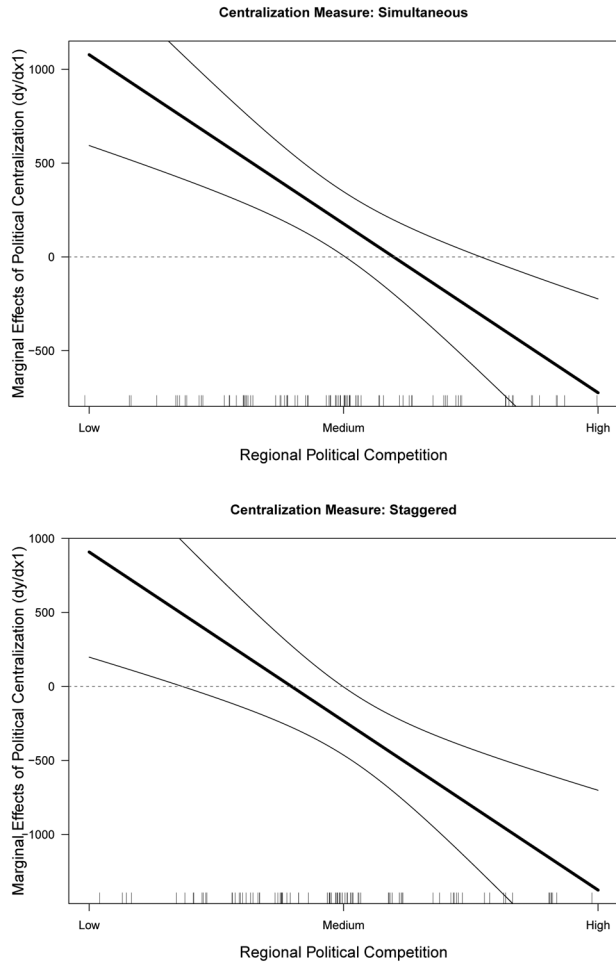


Figure 8. Marginal effects of centralization on small business volume. The dependent variable is small business volume (averaged per small firm, in millions of constant rubles). Bands represent 90% confidence intervals. Markers along the bottom of the graph indicate (jittered) location of regions on the x-axis.