Governors’ Party Affiliation and Public Services: A Difference-in-Difference Analysis of Recentralization in Russia.

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The Russian Federation replaced popular elections of regional governors with direct presidential appointments in 2004. This paper sheds light on whether the recentralization of political power in the Russian Federation has significant effects on the provision of regional public services. I contribute to existing literature in two ways: first, I exploit regional variation in governors’ party affiliation (i.e. in opposition to or aligned with the central administration) to assess the impact of a uniform change in political institutions towards more centralization on the level of public services provision across states. Second, I investigate whether the combined effect, recentralization and party affiliation, is different across types of public services with respect to their interregional spillover effects. Two primary results supplement the existing literature. First, a change in the region’s affiliation newly aligning with the central government party induced by the policy change appears to increase the level of high-spillover public services by roughly 1-2 percent. Second, the provision of public services without interregional spillovers is not significantly affected by the region’s realignment with the central government party.

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