Explanatory note:

First of all, apologies that I apparently gave the impression that I am going to offer a full paper. I am still working on the empirical evidence part, which so far has emerged as a Russian case study. Thus, in the text below I only offer some of empirical findings to clarify my ideas. I consider adding China as another case study, but I am not yet sure whether this is a good idea, and would invite opinions on that. As a result, I decided to only present here the logic of the argument and see how convincing it looks to you.

The text below is making a number of analytical approaches, in the attempt to address the question how authoritarian governments may weaken the protests movements, without making political concessions. It is based on the empirical observation (interpretation) that some authoritarian governments (China, Russia) have been quite successful in discouraging a growing middle class from joining active protests. At least, the literature provided some evidence that can be interpreted that middle class seem to be supportive of the authorities in these countries, or at least not willing to challenge it.

In this draft I am working on exploring the co-optation argument on the example of Russia, and I believe I find it has some week analytic spots. I would like to invite feedback on that part. Do you believe my argument about the transformation of public goods into private goods is logically consistent and persuasively convincing? I realize a potential line of criticism may come along the line that public goods are of different nature, they are non-exclusive etc. In my view I addressed that, but I would like to expose the argument to your merciless scrutiny.

Also, if you are aware of research that you believe I shall address, explore, give more justice, please let me know. I have been disconnected from the mainstream comparative politics literature for the last couple of years, focusing on IR research, so I may have missed many things. I do have a literature review that I did not include here to save your time, but I am sure I have missed things.

So, there literature, to your knowledge, that have already explored similar lines, or that have offered convincing arguments undermining this logical approach to the puzzle? Can you suggest any other cases studies, except Russia and China?

Methodologically, I am considering having a formal model to explain the logic that I present, but this looks like overkill to me according to Occam’s razor principle. If I work in the framework of BDM et al “Logic of Political Survival” it seems to me the argument is self-explanatory without a model. What do you think?
Disarming public protests in Russia:
transforming public goods into private goods

Introduction

Why some authoritarian governments are more successful than others in neutralizing public protests, either through force or waiting them out? For instance, what explains that popular protests in Georgia and Ukraine led to changes of governments while, among others, post-election protests in Iran and Russia did not manage to achieve the same goal? One potential answer is that the protests movements do not have sufficiently high support among the population to be able to pressure the government into running democratic reforms. It is worth asking then, given many similar conditions, why in some countries anti-authoritarian protest movements manage to get more popular support than in others?

One influential argument points out to the ability of authoritarian governments to use oppressive mechanisms that create high costs for the potential protesters, thus discouraging their participation (Lohman, 1994). And these ability and readiness of the governments to impose oppressive costs may not necessarily take violent forms. In order to defuse the social tensions inside the authoritarian society, those who express displeasure with the official policies may be encouraged to emigrate. Officials may also use elaborate means in
addressing tactically the protests and use targeted arrests to defuse and control social gatherings.

Another influential argument refers to the middle class co-optation by authoritarian governments (Tang and Unger 2013) as the mechanism that decreased the pressure for democratization. In other words, having noticed that in some countries the middle class joined the protests and even took leadership over it, an authoritarian government would start co-opting its country’s growing middle class. According to the invoked logic, this prevented the protests movements from getting stronger and more threatening to the governing elites.

**The argument**

However, the co-optation argument, even though attractive for a number of reasons, has a weak analytic spot. The resources that any government has are finite. One story goes that in authoritarian countries most resources are used as private goods to buy the support of a small but powerful winning coalition, allowing the ruling elite to stay in power (Bueno de Mesquita et al., 2005). As private goods share distributed to the winning coalition becomes smaller, that allows paying for the support of a larger group, but at the expense of their decreased loyalty. This logic offers then a starting ground for undermining the co-optation argument, as existing theories would suggest that due to limited resources an authoritarian government should not have sufficient private goods to buy the loyalty of the middle class.
So how is it possible for an authoritarian government to co-opt a growing middle class, in order to prevent them strengthening the protests movements? In this project I intend to explain the ability of Russian government to successfully disarm a number of protests over the last few years, even though it was marked by an increasing middle class dynamic. To do this I will be looking at public opinion polls and economic data from Russia, showing trends of public and private goods distribution, and popular attitudes towards them.

My main claim is that the Russian government has managed to artificially\(^1\) increase the level of its available private goods, which allows it to co-opt larger numbers among the growing middle class. But how is this possible? I am going to argue that in order to extend its pool of available private goods the Russian government transformed what in the West are traditionally public goods into private goods. It has done this by using informal institutions to restrain access to some traditional public goods, making them as a resource more scarce, and distributing them selectively.

One of my candidates represents the public sector jobs, which offer an increasing amount of salary, at levels competitive with other sectors of the economy. Along a similar line, I intend to show that the government penetration of the economy is so signifiant, that it has control over the major companies in energy, mining, public transportation sectors, etc. This provides the government with the tools to credibly threaten the job security in these sectors. One of my evidence cases is the last parliamentary elections, when many voters were strongly

\(^1\) Is that an appropriate word to use here?
recommended by their managers at work to vote for the pro-governmental United Russia party. They were requested to bring evidence of the marked voting ballot, by taking a picture with the mobile phone.

The statistics shows a considerable share of the job market represented by public sector jobs. Since Vladimir Putin came to power in Russia that figure has been oscillating between 30-50%. Because private business is vulnerable to governmental pressure (sanitary inspections, tax evasions accusations, licensing, access to credits, etc.) their employees can also be discouraged from attending anti-governmental public protests. That would then make the job market vulnerable to credible governmental influence even higher.

Another candidate for public-private good transformation is the access to a fair legal process. In the terms of the selectorate theory the legal system is favoring the members of the winning coalition. If you are outside of the winning coalition, your chances of getting a honest legal process is very low. It practically disappears if you are facing in court the government or a member of the winning coalition. You are also disadvantaged if you are known to have been supporting the anti-governmental protest movements. And the governmental agencies are good at this type of monitoring.

The logic that I follow in presenting public sector jobs and access to fair legal process as public goods is that in a democratic society they are non-excludable, in the sense that the government cannot interdict access to them. It is also in a way non-rivalrous, in the sense that
it is as a rule less attractive in comparison to the private sector jobs, and therefore access to public sector jobs is not a scarce resource. In fact democratic governments often times are understaffed and thus try to attract people to fill the jobs, but these still remain less competitive (I sense I may have a weak argument here - any counterfactuals?) comparing to the private sector.

What is the mechanism of exploring that increased level of private goods? Authoritarian states that have an growing level of middle class, can use informal institutions to credibly threaten the newly acquired welfare and wellbeing of that middle-class. Officially this is an illegal practice, but unofficially this is a practice that is being put in place through informal institutions. In a way this works like a second-layer winning coalition. If you challenge the government you are denied access to these goods (job, fair legal process, entrepreneurial activity), while those who support the government are given access to them. What I am basically offering is an additional mechanism that explains how economic development may contribute to the development of democratic political institutions in authoritarian states.

The idea that economic development is a key precursor for democratization has been an essential element of the modernization theory (Inglehart and Welzel 2005, Epstein et al. 2006). Even the critics of this idea, Przeworski et al. (2000), had convincingly shown that development is an essential ingredient for a democracy to consolidate and prevent regressing back into autocracy. In fact, according to their findings, a democratic regime is almost certain
to survive in those countries which have a per capita income above $4,000, though this is not the case for lower level of welfare (2000, 273).

Russian GDP/capita (current $US) have increased from $4,109 in 2004 to $11,700 in 2008. In 2012 this figure has reached $14,037, according to the World Bank data. If we believe in either modernization theory or its critics that nevertheless accept the role of economic development in encouraging democratic political development in authoritarian states, then Russia does look like an outlier. This forces us to ask if it is possible that we might need another condition for the economic development to actually be able to trigger democratic development?

When the government has under its control institutional tools that allow it to regulate the structure and the distribution of economic development, it may also acquire the incentive to use them. When this is common knowledge in the game between the government and the citizens, we could logically represent this game as a costly lottery for the citizens. They can either challenge the government and lose the recently acquired economic welfare, without being able to recover it. When economic welfare becomes a rivalrous good, being restricted and its distribution controlled by the government, a citizen realizes that the good lost (job for instance) will be offered to another member of the electorate that is not currently a part of this ‘second-layer’ winning coalition.
Basically this suggests a potential equilibrium for the middle class to choose the strategy of supporting the government, given that the alternative is to risk having a much worse payoff. Would it make sense to further explain that part, through, for instance, considering the preference formation of people depending on the political regime they are in? For instance, the Maslow pyramid of needs (Maslow, 1943) seems to offer a good theoretical framework, suggesting that individuals would tend to achieve their needs in specific order - first basic living needs, and only after fulfilling them would think about self-expression needs (individual liberties, etc.). To my understanding this seem to fill in another analytic gap, explaining why in democratic states middle class is not afraid of challenging the government while in the authoritarian it may be. In the latter case they may be credibly deprived of some basic needs, which is higher on their preference ranking list than individual liberties.

What are some of my preliminary conclusions? The governmental high level of penetration of the economy seem to be supporting the survival of authoritarian regimes. The less role the government has in the control of the economy, the more independent the private sector is and thus the citizens are from potential authorities pressure. Being independent economically they face lower costs protesting against the government. Does this mean the level of economic development is not that important in encouraging democratization, as it is the structure of economic development - more private and less publicly driven?

Could this be the main factor of influence in making protests successful in some political regimes and bring to their failure in others? Based on the evidence that I gathered so far I
would like to believe that this seems to be the case at least in Russia. I also would expect the same mechanism to be important in explaining Chinese case. How would I test the external validity of this logic? Should I look at the level of governmental role in the economy across a set of authoritarian countries and see whether this is correlated with the frequency of public protests or another indicators of public unrest? Do you think of any other potential tests?

It also occurred to me that the size of the country matters. First, this brings into the picture the economy of scale, with its higher potential for resource generation. It also means larger administrative infrastructure, and thus potential for more public jobs. Finally, I am considering exploring how large territory (spacial dispersion) may affect popular mobilization, and the ability of the government to control it.

Thank you!
References:


