

BOFIT Discussion Papers
2 • 2021

Ekaterina Paustyan

Politically motivated inter-
governmental transfers in Russia:
The case of the 2018 FIFA World Cup



BOFIT

THE BANK OF FINLAND
INSTITUTE FOR
EMERGING ECONOMIES

BOFIT Discussion Papers
Editor-in-Chief Zuzana Fungáčová

BOFIT Discussion Papers 2/2021
28.1.2021

Ekaterina Paustyan: Politically motivated intergovernmental transfers in
Russia: The case of the 2018 FIFA World Cup

ISBN 978-952-323-363-8, online
ISSN 1456-5889, online

The views expressed in this paper are those of the authors and
do not necessarily represent the views of the Bank of Finland.

Bank of Finland
Helsinki 2021

Politically Motivated Intergovernmental Transfers in Russia: The Case of the 2018 FIFA World Cup

Ekaterina Paustyan

Abstract

This paper studies the distribution of politically motivated intergovernmental transfers in Russia focusing on the case of the 2018 FIFA World Cup. It investigates what factors have accounted for the selection of the 2018 FIFA World Cup venues. Qualitative Comparative Analysis of 14 cases reveals that well-connected political elites were able to secure the right for their regions to host the championship and, as a result, to extract additional funds from the center. These findings are in line with the argument that the regional governments in Russia play an important role in the distribution of politically sensitive transfers. Taking into account that these transfers have been increasing over the past years, there is no surprise that the regional elites have developed various lobbying strategies and mechanisms for attracting them.

Keywords: Russia, politically sensitive transfers, Qualitative Comparative Analysis

JEL Classification: E62, L83, O23, P26, R11

Ekaterina Paustyan, orcid.org/0000-0002-4646-0550. University of Bremen, Max-von-Laue-Straße 1, 28359 Bremen. Email: paustyan@uni-bremen.de.

Acknowledgements

I thank Julius Horváth, Zuzana Fungáčová, Laura Solanko, Mikko Mäkinen, Jörg Broschek, Ekaterina Borisova, Israel Marques II, Carsten Schneider, and Tim Haesebrouck for helpful comments on earlier drafts of this paper and participants of the Second Ghent Russia Colloquium, the BOFIT research seminar, the 14th CEU Annual Doctoral Conference, and the 8th Annual ICSID Conference.

1 Introduction

Since the early 2000s fiscal flows in Russia became highly centralized making the regional governments more dependent on federal transfers. Existing literature investigates if the center allocates transfers in favor of their core constituents or targets swing voters (Treisman, 1999; Popov, 2004; Frye et al., 2015; Marques II et al., 2016; Starodubtsev, 2009, 2018). Recent studies, however, suggest that regional elites may also have certain leverage over federal transfer policy (Sharafutdinova and Turovsky, 2017; Turovsky and Gaivoronsky, 2017; Petrov and Nazrullaeva, 2018). For example, until recently, the federal government has generously funded celebrations commemorating millennial and centennial anniversaries of Russian cities such as 1000 years of Kazan in 2005, 1000 years of Yaroslavl in 2010, or 300 years of Omsk in 2016 (Kommersant, 2014).

Despite the decrease in the amount of federal funds allocated to the Russian regions¹ due to the economic slowdown, the federal government regularly commits to expensive projects. The 2014 Sochi Olympics became one of the most costly Olympic Games ever (RBK, 2015; Golubchikov, 2016; Flyvbjerg and Stewart, 2016). In 2018, Russia hosted the FIFA World Cup, which has been similarly recognized as the most expensive in its history (RBK, 2018b). The case of the 2018 FIFA World Cup is particularly interesting as, out of fourteen initially nominated venues, only eleven were selected to host the event. The results of the selection surprised many observers because the city of Krasnodar, with two football clubs playing in the Russian Premier League, was not selected while Saransk and Volgograd, which have none, were selected (Expert, 2012; Ash, 2018). The localities chosen to host the championship received significant amount of federal transfers. To shed light

¹There are different types of subnational units in Russia including republics, oblasts, krais, cities of federal significance, autonomous okrugs, and an autonomous oblast. In the paper, I refer to all of them as regions and to their heads as governors or regional executives.

on the logic behind their distribution, this paper raises the following research question: *what are the factors accounting for the selection of venues for the 2018 FIFA World Cup Russia?*

The analysis evaluates the “*rewarding loyalty*” and the “*political connections*” hypotheses by studying the interplay of the following four factors: the ability of regional elites to deliver high voting results, to keep stability in the regions, strong administrative capacity of the regions, and the lobbying power of governors. Previous analyses adopt a large-N strategy to reveal an average or net “effect” of one factor keeping everything else constant. This type of analysis assumes that such an “effect” is symmetrical across different kinds of cases. However, in the case of the selection of championship venues it was the particular characteristics of nominated candidates that shaped the final outcome. To explain why specific cases have particular outcomes, this study takes a causes-of-effects perspective on causality (Mahoney, 2010; Goertz and Mahoney, 2012; Rohlfing, 2012). The paper employs Qualitative Comparative Analysis (QCA) to detect necessary and sufficient factors or combinations of factors accounting for the selection as a World Cup venue. QCA represents a novel procedure for “identifying and generalizing about the causes of outcomes in individual cases and sets of comparable cases” (Mahoney, 2010, 133). In addition, it is appropriate for the structural comparison of a middle number of cases and can reveal multiple paths leading to the same outcome, which is likely to be the case in the selection process.

The analysis detects that the lobbying power of governors has been necessary for the selection as a World Cup venue. In turn, the inability of regional elites to deliver high voting results combined with the lobbying power of governors or strong administrative capacity of the regions combined with the lobbying power of governors have been sufficient for being selected as a World Cup venue. These results support the “*political connections*” hypothesis. They suggest that well-connected political elites were able to secure the right

for their regions to host the championship and, as a result, to extract additional resources from the center. These findings are in line with previous studies (e.g., [Sharafutdinova and Turovsky, 2017](#)) demonstrating that the regional governments in Russia play an important role in the distribution of transfers that are sensitive to political bargaining. As these transfers have been increasing over the past years, the regional elites have mastered various lobbying strategies to attract them.

The paper is structured as follows. The next section defines the outcome and provides the background on the distribution of politically motivated transfers in Russia. The third section presents alternative explanations. The fourth section outlines the theoretical model and lists the main factors that are expected to account for the outcome. The fifth section describes the methodology, data, and the calibration strategy. The sixth section presents and discusses the results. The final section concludes.

2 Politically motivated intergovernmental transfers in Russia

The system of federal funds in Russia includes formula-based unconditional transfers as well as discretionary transfers that are subjected to political bargaining. In the 1990s, federal transfers accounted for around 12.7 percent of regional revenues ([Libman and Rochlitz, 2019](#), 21). In the 2000s, the central government has been allocating more funds to the regions. Federal transfers peaked at 1.8 trillion rubles accounting for 23 percent of average regional revenues in 2011, making the regional governments more dependent on the center ([Zubarevich, 2015](#), 3). The dependence of different regions on transfers varies significantly. The North Caucasus republics of Chechnya and Ingushetia as well as the Siberian republics of Tuva and Altai are heavily dependent on federal transfers, which account for more than 75 percent of their total revenues ([Zubarevich, 2018](#)). On the other hand, the share

of federal funds is less than five percent in the revenues of Moscow, Saint Petersburg, and the resource-rich regions such as Tyumen Oblast, Yamal-Nenets and Khanty-Mansi autonomous okrugs ([Libman and Rochlitz, 2019](#), 22).

The Russian government allocates to the regions different types of transfers. Some of them are subjected to political bargaining, while others are not. For example, discretionary grants (*dotatsii*) are divided into equalization grants (*dotatsii na vyравnivanie*) and extraordinary bailout grants (*dotatsii na sbalansirovannost*). Equalization grants represent non-earmarked and non-matching transfers allocated to underdeveloped and poor regions. They are intended to reduce the gaps in the regions' revenue per capita and their size is formula-based. The wealthiest so-called 'donor regions' transfer a significant share of taxes collected on their territory to the federal budget and do not receive equalization grants from the center. However, they receive extraordinary bailout grants that are allocated to the regions for multiple purposes. For example, they may "compensate regions for losses of tax revenues or increased expenditure burdens that result from federal policies" ([De Silva et al., 2009](#), 75). As a result, while the distribution of equalization grants follows clear criteria and is not subjected to political bargaining, the allocation of extraordinary bailout grants is not transparent and is often driven by political considerations ([Frye et al., 2015](#); [Zubarevich, 2018](#)).

In addition to discretionary grants, Russian regions receive subsidies (*subsidii*) and subventions (*subventsii*) from the center. Subsidies represent earmarked matching transfers, which provide financing, for example, to industries as well as enterprises seen by the federal government as important and worthy of additional support. Subventions refer to earmarked non-matching transfers, which are allocated to finance regional bodies that perform functions of the federal government. Political factors have a strong effect on the distribution of subsidies, while the allocation of subventions is more subjected to unified rules and allows "little wiggle room for regional elites" ([Frye et al., 2015](#), 15-16).

Finally, ‘other transfers’ include federal targeted programs (*federalnye tselevye programmy*),⁴ federal targeted investment programs (*federalnye adresnye investitsionnye programmy*), and additional transfers. Federal targeted programs aim to contribute to the social and economic development of specific regions. They often target problematic and geopolitically important regions and tend to be politically motivated ([Sharafutdinova and Turovsky, 2017](#), 163). Large-scale projects such as the 2012 APEC Summit, the 2014 Winter Olympics, and the 2018 FIFA World Cup were financed through various channels, including federal targeted programs and federal targeted investment programs. Their distribution, however, is less transparent and provides more opportunities for rent-seeking ([Frye et al., 2015](#), 16).

There is a consensus in the literature on federal transfers in Russia ([Sharafutdinova and Turovsky, 2017](#); [Turovsky and Gaivoronsky, 2017](#)) that extraordinary bailout grants, along with subsidies, belong to politically sensitive transfers—yet there is no common understanding of the nature of ‘other transfers.’ In their analysis, [Turovsky and Gaivoronsky \(2017, 544\)](#) do not consider ‘other transfers’ because, in their view, they “are small and too versatile.” They qualify extraordinary bailout grants and subsidies as politically determined transfers and report their decrease, starting from 2012. This is puzzling taking into account the on-going preparations for the 2013 Universiade Kazan, the 2014 Sochi Winter Olympics, and the 2018 FIFA World Cup. These projects were financed through different programs, including targeted federal programs that go under ‘other transfers,’ meaning ‘other transfers’ constitute an important part of politically sensitive transfers in addition to extraordinary bailout grants and subsidies. However, the distribution of ‘other transfers’ remains understudied in the literature despite their high relevance. As [Table A.1](#) demonstrates, ‘other transfers’ varied from seven to twenty-one

⁴Targeted programs are also defined as capital transfers ([De Silva et al., 2009](#), 76).

percent of total transfers between 2009 and 2019, with politically sensitive transfers accounting for almost half of all transfers allocated to the regional governments in this period.

Expensive projects boost politically sensitive transfers (Turovsky and Gaivoronsky, 2017). Official costs of hosting the FIFA World Cup Russia reached 678 billion rubles (11.8 billion U.S. dollars) with half of this amount being covered from the federal budget (RBK, 2018b; The Moscow Times, 2018). Expenditures on the championship varied substantially across the regions. For example, costs in Moscow exceeded 188 billion rubles (3.3 billion U.S. dollars), while in Tatarstan they totaled 4.4 billion rubles (0.08 billion U.S. dollars). On the other hand, Moscow received only 0.03 billion rubles of federal funds, while Tatarstan - 1.9 billion rubles (see Figure A.1 for data on other regions). These estimates are based on program documents, meaning the actual amount of federal transfers spent in each region is likely to be higher (RBK, 2018a). As no reliable data are available, the present analysis does not aim to explain the differences in the actual amount of federal funds received by the regions preparing for the championship. Instead, it builds on the assumption that transfers associated with the World Cup represent politically motivated transfers, meaning the venues selected to host the event received significant amounts of these transfers. Consequently, the outcome to be explained in the empirical analysis is the selection as a World Cup venue.

3 Evaluating alternative explanations

Following the economic arguments (Turovsky and Gaivoronsky, 2017; Starodubtsev, 2018), one may expect that such factors as economic development or investment attractiveness of the nominated venues could play some role in the selection process. Table A.2 shows the data on the average gross regional product (GRP) per capita and the average rank of

investment potential of the nominated regions between 2007 and 2011. On the one hand, these data suggest that some candidates like Moscow, Saint Petersburg, and Tatarstan had higher than average GRP per capita, while other regions, like the Republic of Mordovia, Rostov, and Volgograd oblasts were below the national average. On the other hand, except for Mordovia, all other candidates had above average investment rating. As a result, the final selection of the championship venues cannot be explained either by their GRP per capita or by their investment rating. While no details are available concerning the criteria for the selection of the candidate venues, it is quite likely that GRP per capita or investment rating were taken into account at the early stage of the selection process when the Russian Organizing Committee proposed the list of potential venues for hosting the World Cup.

Population size and availability of sports infrastructure might also be taken into consideration by the Organizing Committee. However, the capital of Mordovia, Saransk, with less than 300,000 inhabitants, was selected while Krasnodar and Yaroslavl, each with more than 600,000 inhabitants, were not (FIFA, 2010). In addition, except for Moscow and Yekaterinburg, those stadiums according to the FIFA (2010, 11-12) required “major renovation,” the stadiums in all other nominated venues were proposed “to be built.” The construction of the stadiums was financed from the federal budget. The major candidates, Moscow, Saint Petersburg, Sochi, and Kazan, already had developed infrastructure. For example, Moscow’s Luzhniki stadium was renovated and Otkritie Arena was newly-built. The construction of Saint Petersburg stadium was initiated already in 2007. Kazan Arena was constructed for the 2013 Summer Universiade. Sochi’s Fisht Stadium was built for the 2014 Winter Olympics.

The city of Krasnodar was the only one of the remaining candidates that had a private investor, Sergey Galitsky, the owner of the “Krasnodar” football club, who was ready to co-finance the construction of the new stadium. Following Krasnodar’s non-selection as the World Cup venue, Galitsky spent around 300 million U.S. dollars on the construction

of a new private stadium, which was finished in 2016 two years before the start of the FIFA World Cup in Russia (RIA News Sport, 2018). Furthermore, Krasnodar even has two football clubs, “Krasnodar” and “Kuban,” playing in the Russian Premier League. In 2011, the games with “Krasnodar” were well attended by football fans. After the non-selection of the city, Galitsky wrote in his Twitter account: “the most soccer-mad city was shut out, I simply cannot believe that” (Expert, 2012; The New York Times, 2018). The evidence above suggests that neither the availability of private investors nor the popularity of football in the region has played any significant role in the selection process.

The FIFA Inspection Commission visited and formally assessed the candidate cities according to several criteria including availability of sports infrastructure and accommodation, development of the championship investment program, hosting concept, and legacy (see Table A.3 for some of them). The chairman of the Local Organizing Committee, Vitaly Mutko, stated that the final selection would be made based on mutual consultations with the FIFA Commission but then added that eventually “we would make a final choice that the FIFA Executive Committee would approve” (Sovetskii Sport, 2011). This statement confirms that the selection of the World Cup venues was eventually made by the Russian officials rather than determined by the FIFA bureaucrats.

4 Conditions of selection as a World Cup venue

This study proposes a political explanation for the outcome of the selection process. It evaluates two alternative hypotheses. The “rewarding loyalty” hypothesis posits that the regional elites are rewarded for their loyalty to the Kremlin. On the one hand, “loyalty” refers to the ability of regional elites to deliver high voting results (Hale, 2003; Gilev, 2017). Previous studies (e.g., Frye et al., 2015; Starodubtsev, 2018) confirm that electoral

politics matters for transfers and demonstrate that the center tends to transfer more funds to the regions delivering more votes to the regime at national elections. On the other hand, electoral incentives matter more in the periods before the elections and less after the elections (Reuter and Robertson, 2012). Taking into account the economic and financial crisis of 2008-2009 as well as the massive protests of 2011-2012, it is quite likely that the center may also reward the elites that are able to control protest activity in their regions as they contribute to the political stability of the regime (Robertson, 2007; Gel'man, 2010). As a result, the "rewarding loyalty" hypothesis suggests that *the ability of the regional elites to deliver high voting results and to keep stability in the regions* is quite likely to be rewarded by the center.

According to the "political connections" hypothesis, the regional elites with strong links to the Kremlin have been competing for obtaining the right for their region to host the championship. Some regional elites have consciously cultivated their relations with the center, maintaining regular contacts with federal executives and demonstrating their capacity to fulfill sports projects on time. In addition, the governors with extensive networks in the Presidential Administration are able to reach not only federal officials but directly the president. Politically connected governors are more "likely to do better in quiet, intra-elite bargaining than their counterparts without such connections (Robertson, 2007, 788). Empirical analyses (Turovsky and Gaivoronsky, 2017) confirm that the governors with strong lobbying skills and extensive networks are successful in bringing additional transfers to the region. Following this logic, the "political connections" hypothesis implies that *strong administrative capacity of the regions* in combination with *the lobbying power of governors* enhances the ability of the regional elites to secure additional funds from the federal budget.

5 Method, data and calibration

5.1 Method

To study an interplay of the factors outlined above, the paper employs Qualitative Comparative Analysis (QCA). It is a set-theoretic method that displays the following features. First, it operates on membership scores of cases in sets. For example, the Russian Federation is a post-Soviet country, meaning that it has a full membership in a set of post-Soviet countries. Second, QCA perceives relations between social phenomena as set relations. For instance, along with other regions there are 49 oblasts in Russia meaning that a set of Russian regions is a superset of the set of oblasts. Third, this method aims to reveal necessary and sufficient conditions. Necessary conditions imply that if we remove or change them, we also remove or change the outcome. Sufficient conditions mean that once they occur, the outcome is destined to occur. Fourth, QCA emphasizes causal complexity, which unfolds through equifinality, conjunctural causation, and asymmetry.² Finally, QCA aims at causal interpretation, makes use of truth tables, and relies on the principle of logical minimization, which is performed with the help of a special software (Schneider and Wagemann, 2012).

It is important to note that QCA does not operate on existing data. The raw data are first collected and then calibrated (or transformed) into membership scores of cases in sets. This study employs fuzzy-set QCA, which establishes qualitative differences in kind and in degree among the cases and allows for differentiating not only between full

²Equifinality means that several conditions or combinations of conditions can lead to the same outcome; therefore, there might be several sufficient paths to the same outcome. Conjunctural causation denotes that a single condition may produce the outcome only in a combination with other conditions and therefore may not lead to the outcome on its own. Asymmetry implies that the absence of conditions producing the outcome may not lead to the absence of the outcome. As a result, the analysis of outcome and its absence is performed separately. Asymmetry also suggests multifinality, meaning that the same factor can produce different outcomes depending on the context.

membership and non-membership of cases in sets but also between their partial membership and partial non-membership. The rest of the section reports the data sources and explains the calibration procedure.

5.2 Calibration of the outcome, selection as a World Cup venue

In January 2009, the Russian Football Union made an official statement that Russia would bid for hosting the FIFA World Cup (RBK, 2018a). The starting point of the analysis is January 2007 as it refers to two years preceding the announcement of the the Russian Football Union. In December 2010, the FIFA Selection Committee chose Russia to host the 2018 World Cup. The final list of selected championship venues in Russia was announced on 29 September 2012, which is the endpoint of the analysis.

The outcome of interest is *the selection as a World Cup venue*, hereafter denoted as SEL. The unit of analysis in the study is a region and not a city because, while individual cities were competing for the right to host the event, it was regional rather than city officials that negotiated with the center. It is also important to note that two cities, Krasnodar and Sochi, were nominated from the same region, Krasnodar Krai. They are labelled in the empirical analysis as KDA I and KDA II, respectively.

The population includes both positive and negative cases, in other words, both the ones that were selected to host the FIFA World Cup and the ones that were not. Initially, fourteen venues were proposed by the Russian Football Union in January 2009. They were arranged in five clusters, including 1) the Northern-Western cluster (Saint Petersburg and Kaliningrad), 2) the central cluster (Moscow and Podol'sk in Moscow Oblast), 3) the Volga cluster (Yaroslavl, Nizhniy Novgorod, Samara, and Volgograd along with Kazan and Saransk in the republics of Tatarstan and Mordovia, respectively), 4) the Southern cluster (Krasnodar, Sochi, and Rostov-on-Don), and 5) the Ural cluster (Yekaterinburg in Sverdlovsk Oblast).

Along with the regions that were nominated, the heads of three other regions (Voronezh Oblast, the republics of Chechnya and Daghestan) expressed explicit interest in hosting the event. The governor of Voronezh Oblast, Aleksey Gordeev, appealed to federal officials, asking them to consider the region as a potential venue for the World Cup following the drop out of Podol'sk in Moscow Oblast in October 2011 (Kosinov, 2011). The head of Chechnya, Ramzan Kadyrov, similarly suggested that some football games could take place in Grozny, the capital of the republic, as its newly constructed 30,000-seat stadium, Akhmat Arena, was planned to be opened in May 2011 (Ponomarev, 2011). However, neither Voronezh Oblast nor Chechnya were included in the list of the candidate regions.

The head of Daghestan, Magomedsalam Magomedov, highlighted that the republic could be a venue for the World Cup because the new owner of the Anzhi football club, Suleiman Kerimov, was ready to invest in the construction of a new stadium in the republic (Ponomarev, 2011). The presidential envoy, Aleksandr Khloponin, even asked the Local Organizing Committee to consult with FIFA officials regarding the possibility to include Daghestan in the list of candidate venues for hosting the World Cup. However, Khloponin later announced that the inclusion of Daghestan was not possible because of security considerations (Moi Daghestan, 2011). Since these three regions had not been officially nominated to host the event, they are not included in the analysis. The population consists of fourteen venues, which the Russian Football Union initially proposed as potential hosts in January 2009.

To assign set membership scores to cases in the outcome set, I followed a 'theory-guided calibration' strategy opting for a four-value fuzzy scale of 0, 0.33, 0.67, and 1 (Ragin, 2009; Oana et al., 2020).³ Podol'sk in Moscow Oblast, which was initially in the Russian bid, but

³0 refers to full non-membership, 0.33 denotes partial non-membership, 0.67 indicates partial membership, and 1 means full membership in the outcome set.

later withdrew, receives a score of 0. The reason for its withdrawal was the disagreement between the Local Organizing Committee and the regional government concerning the need to build a new 40,000 seat stadium. The government proposed to renovate existing facilities but the Organizing Committee rejected it ([Kommersant, 2011](#)). Yaroslavl Oblast as well as Krasnodar Krai (the city of Krasnodar), which were nominated yet did not pass the final selection procedure, are assigned a score of 0.33.

The primarily candidates for hosting the event were Moscow, Saint-Petersburg, Tatarstan (Kazan) and Krasnodar Krai (Sochi). In 2017, these four hosted the FIFA Confederations Cup. Therefore, the head of the Local Organizing Committee, Vitaly Mutko, explicitly stated that they represented “the main pillars of the Russian bid” ([Sport-Express, 2011](#)). As a result, Moscow, Saint-Petersburg, Tatarstan and Krasnodar Krai (meaning Sochi) receive a score of 1. The remaining candidates that were selected, namely, Samara, Rostov, Volgograd, Kaliningrad, Nizhniy Novgorod, and Sverdlovsk oblasts as well as Saransk in the Republic of Mordovia, get a score of 0.67.

5.3 Calibration of the conditions

The ability of regional elites to deliver high voting results (VOT)

I used a public database on political elites and economic performance in Russia provided by the International Center for the Study of Institutions and Development (ICSID) of the Higher School of Economics in Moscow.⁴ I collected data on the share of votes for United Russia in each region in the State Duma elections in 2007 and 2011, as well as on the share of votes for Dmitry Medvedev in 2008 and Vladimir Putin in 2012 presidential elections.

Then I calculated the mean and the median values and assigned a raw score to each case in each election round having four rounds in total. If the share of votes for United

⁴The database and the codebook are available at <https://iims.hse.ru/en/csid/databases>.

Russia, Dmitry Medvedev, and Vladimir Putin is more than 50 percent, then the case gets a score of 1. If the share of votes is higher than both 50 percent and the national average, the case receives a score of 2. The mean value is selected as a benchmark because it is more restrictive in comparison with the median value—see [Table A.4](#) for descriptive statistics. As a result, the minimum score that the case has is 0, while the maximum score is 8. After that, I transformed this raw score into a fuzzy-set membership score. The cases with scores of 1 and 2; 3 and 4; 5 and 6; 7 and 8 were assigned fuzzy scores of 0, 0.33, 0.67, and 1, correspondingly. To be regarded as a member of the set, the case should always display the share of votes that is higher than 50 percent and once or twice have a share of votes that is higher than the national average.

The ability of regional elites to keep stability (STAB)

Protest activity is taken as a proxy for political stability in the regions. The Russian protest event dataset by Lankina⁵ lists the main protests across Russia and provides information on their turnout. It contains the data for the entire period under consideration, however, it seems to under-report protest activity. For example, in their analysis of protest dynamics in Tymen Oblast, [Lobanova and Semenov \(2013\)](#) report 261 protests in the period of 2008-2012 by contrast to 18 protests recorded in Lankina's dataset.

The monitoring reports published by the Communist Party of the Russian Federation⁶ represent the alternative source of data. They include information about political, social, and economic protests and their turnout. The systematic data, however, are available only for the period of 2008-2012. I collected the information on total protests' turnout in each region and then assigned fuzzy-set membership scores of 0, 0.33, 0.67, and 1 to the cases with low, moderate, high and very high protests' turnout, respectively. These distinctions

⁵The dataset is available at <https://popularmobilization.net/about/>.

⁶The reports are available at <https://kprf.ru/analytics/>.

were made mainly based on the gaps in the data. For example, Moscow was assigned a score of 0 with the highest turnout of almost 2 million people. Saint Petersburg received a score of 0.33 with protests' turnout exceeding 350,000 people. Rostov oblast got a score of 0.67 with protests' turnout there being more than 160,000 people. Finally, the Republic of Mordovia was assigned a score of 1 with the lowest protest turnout of 68,000 people in the period of 2008-2012.

Strong administrative capacity of the regions (CAP)

Strong administrative capacity has been operationalized in previous analyses as voter turnout since “getting a high turnout in Russia is often associated with administrative pressure and mobilization” (Sharafutdinova and Turovsky, 2017, 168). This operationalization, however, is not sufficient in the case of the FIFA World Cup as its preparation, on the one hand, required capacity to attract federal funds for financing sports projects. On the other hand, it required a proven ability to complete sports-related projects on time. The Ministry of Sports provides data on the fulfillment of sports-related federal targeted programs in the regions in the period of 2006-2013.⁷ In addition, the all-Russian register of sports facilities lists newly constructed sports venues starting from November 2011.⁸ The cases with low, moderate, high, and very high administrative capacity received a score of 0, 0.33, 0.67, and 1, correspondingly. For example, Kaliningrad Oblast was assigned a score of 0, as only seven projects were completed there during the period of 2007-2012. Samara and Yaroslavl oblasts received a score of 0.33 with 12 and 19 projects, respectively. Rostov and Nizhnyi Novgorod oblasts got a score of 0.67 with 26 and 28 projects. Finally, the republics of Tatarstan and Mordovia were assigned a score of 1 with more than forty completed projects.

⁷The report is available at <https://www.minsport.gov.ru/documents/>.

⁸The register is available at: <https://data.gov.ru/opendata/7703771271-typesportobjects>.

The lobbying power of governors (LOB)

There are several measures for assessing the lobbying power of governors. For example, *Nezavisimaya Gazeta* publishes expert evaluations of how effectively regional executives have been lobbying for their regions, in particular, by influencing decisions of the central government related to the financial support of the regions (Petrov and Nazrullaeva, 2018, 122). Another indicator is the tenure of governors, as “the more time a governor spends in power, the more he/she could be expected to learn about the various lobbying mechanisms and acquire necessary connections” (Sharafutdinova and Turovsky, 2017, 167). These indicators, however, do not account for gubernatorial turnover.

Sharafutdinova and Turovsky (2017) use visits of federal officials to the region as a proxy for the lobbying capacity of governors. This measure is also problematic as federal officials visit regions for a variety of reasons including emergencies. In turn, Petrov and Nazrullaeva (2018, 128) highlight that “much of the most important lobbying occurs during meetings with the president – either in Moscow or in the regions.” This indicator best captures the ability of governors to reach the president. Therefore, using the official presidential website,⁹ I collected data on bilateral meetings between the governors of selected regions and the president in either one of the presidential residences or during his visits to the regions. Additionally, using the Public.Ru database, I gathered data on the meetings of Vitaly Mutko, the chair of the Local Organizing Committee, with the governors.

Then I assigned fuzzy-set membership scores of 0, 0.33, 0.67, and 1 to the regions whose governors had rare, occasional, regular, and frequent meetings, respectively. For example, Yaroslavl, Moscow, Kaliningrad oblasts, and Saint Petersburg received a score of 0, 0.33, 0.67, and 1 with 2, 4, 8, and 12 meetings, respectively.¹⁰

⁹www.kremlin.ru.

¹⁰Table A.5 provides the calibrated dataset.

6 Results and discussion

6.1 The analysis of the outcome, selection as a World Cup venue

The first step in running Qualitative Comparative Analysis (QCA) is the analysis of necessity.¹¹ Necessity means that the outcome could not have been achieved without the condition. Empirically, the condition is commonly considered necessary if it reaches a consistency threshold of at least 0.9 (Ragin, 2006). The present analysis reveals that the lobbying power of governors is necessary for the selection as a World Cup venue. It has a consistency value of 0.965 and relevance of 0.799.¹²

The next step in QCA is the analysis of sufficiency. Sufficiency implies that the condition or the combination of conditions is present where the outcome is also present. The analysis of sufficiency is based on minimization of sufficient truth table rows, which together contain all logically possible combinations of conditions—their number is equal to 2^n , where n is the number of conditions in the analysis. Table 1 below displays the truth table representation of 14 cases in the outcome set and the condition sets.¹³

The first column displays the row number as it appears in the software output. The columns two to five show the status of four conditions, with 1 meaning "present", 0 meaning "absent". The column "OUT" indicates if a given row is sufficient for the outcome; 1 denotes sufficiency. The decision about sufficiency depends on each row's consistency score shown in the column "incl." as well as on row's PRI score displayed in the column "PRI."¹⁴ It is recommended to include in the minimization procedure the rows with the inclusion

¹¹The R packages 'QCA' (Dusa, 2019) and 'Set Methods' (Oana and Schneider, 2018) were used.

¹²See Table A.6 for the parameters of fit.

¹³The truth table reports only empirically covered rows and does not display so-called "logical remainder" rows, for which no empirical evidence exists.

¹⁴PRI means "proportional reduction in inconsistency"; it shows how much it helps to know whether a given X is a subset of Y and not a subset of not Y (Schneider and Wagemann, 2012, 242).

Table 1: Truth table, outcome selection as a World Cup venue

Raw	VOT	STAB	CAP	LOB	OUT	n	incl.	PRI	Cases	
									SEL	Not SEL
16	1	1	1	1	1	3	1.000	1.000	ROS MO TA	-
6	0	1	0	1	1	2	1.000	1.000	SVE KAL	-
8	0	1	1	1	1	2	1.000	1.000	NIZ SAM	-
4	0	0	1	1	1	2	0.890	0.835	SPE MOW	-
2	0	0	0	1	1	1	0.801	0.670	VGG	-
12	1	0	1	1	1	2	0.798	0.665	KDA II	KDA I
5	0	1	0	0	0	1	0.829	0.000	-	YAR
3	0	0	1	0	0	1	0.496	0.000	-	MOS

¹ Consistency threshold = 0.75, PRI threshold = 0.60.

score of higher than or equal to 0.75 (Schneider and Wagemann, 2010, 10). Furthermore, recent recommendations also suggest that truth table rows with a PRI value of lower than 0.50 should not be regarded sufficient (Oana et al., 2020). Based on these recommendations, 0.75 is set as a consistency threshold and 0.60 as a PRI threshold in this analysis. The column "n" displays how many cases belong to a given row; the column "Cases" names them. The columns "SEL" and "Not SEL" indicate if the cases exhibit the outcome or its absence.

The standard analysis of sufficiency produces conservative, parsimonious, and intermediate solution formulas.¹⁵ In this analysis, the parsimonious and intermediate solutions look identical—see Table A.7. The conservative solution is selected for substantive interpretation. It is reported in Table 2 below.

¹⁵The difference between these solution formulas is the following. The conservative solution is based on empirically observed evidence only. The parsimonious solution is based on simplifying assumptions—the logical remainder rows, which contribute to parsimony. The intermediate solution formula is based on those simplifying assumptions that at the same time represent easy counterfactuals.

Table 2: Conservative solution formula, outcome selection as a World Cup venue

	Cons.	PRI	Raw cov.	Uniq. cov.	Typical cases	Deviant cases
vot*LOB +	0.942	0.911	0.572	0.144	VGG KAL SVE NIZ SAM SPE MOW	-
CAP*LOB	0.880	0.834	0.785	0.357	ROS MO TA KDAII NIZ SAM SPE MOW	KDAI
Overall solution	0.897	0.858	0.929			

¹ Capital letters denote presence, small letters absence, * stands for logical AND, + for logical OR.

² Uniquely covered cases are in bold.

The conservative solution formula consists of two sufficient combinations of conditions. The first combination is the inability of regional elites to deliver high electoral results combined with the lobbying power of governors (vot*LOB). The second combination is strong administrative capacity of the regions combined with the lobbying power of governors (CAP*LOB). The overall solution consistency is 0.897. The solution coverage, which indicates how much of the outcome is in line with the solution term, is 0.929.

The consistency of the first combination (vot*LOB) is 0.942; its coverage is 0.572. The typical uniquely covered cases (the ones that belong to only one combination) are Volgograd, Kaliningrad, and Sverdlovsk oblasts. The consistency of the second combination (CAP*LOB) is 0.880; its coverage is 0.785. The typical uniquely covered cases include Rostov Oblast, the republics of Mordovia and Tatarstan along with Krasnodar Krai (meaning Sochi). The deviant case is Krasnodar Krai (the city of Krasnodar). Four cases, Nizhniy Novgorod and Samara oblasts as well as Saint Petersburg and Moscow belong to both combinations of conditions. The next subsection reports the results of the analysis of the absence of the outcome.

6.2 The analysis of the outcome, non-selection as a World Cup venue

The analysis reveals that none of the four conditions in either presence or absence is necessary for the outcome, that is, non-selection as a World Cup venue. [Table A.8](#) reports the parameters of fit. Based on observable gaps in consistency scores, 0.95 is set as a threshold for both consistency and PRI—see [Table A.9](#) for the truth table. The parsimonious solution formula is selected for substantive interpretation and is reported in [Table 3](#) below.¹⁶

Table 3: Parsimonious solution formula, outcome non-selection as a World Cup venue

	Cons.	PRI	Raw cov.	Uniq. cov.	Typical cases
vot*lob	0.901	0.754	0.643	-	YAR MOS
Overall solution	0.901	0.754	0.643		

¹ Small letters indicate absence, * stands for logical AND.

The solution formula includes one sufficient combination of conditions, that is, the inability of regional elites to deliver high electoral results and the lack of gubernatorial lobbying power. The solution consistency is 0.901; the coverage of the solution is 0.643. The typical cases include Yaroslavl and Podol’sk in Moscow Oblast.

6.3 Robustness tests

[Wagemann and Schneider \(2015, 41\)](#) advice “to check whether changes in the calibration, in the case selection, in the raw consistency levels lead to substantively different results.” For the first alternative analysis, the set of the regions delivering high voting results has been

¹⁶See [Table A.10](#) and [Table A.11](#) for the conservative and intermediate solution formulas, respectively.

calibrated differently, namely, using the (less restrictive) median value instead of the mean value that was employed in the original analysis. The alternative conservative solution formula is more complex than the original solution as it includes three combinations—see [Table A.12](#). However, the unique coverage of the new combination (STAB*LOB) is only 0.036, which is very low and means that this combination does not really provide any additional insights. The analysis of the non-selection as a World Cup venue, yields a parsimonious solution formula that is fully identical to the one in the main analysis.

The second alternative analysis has been performed with ten cases, excluding the so-called "main pillars", that is Moscow, Saint Petersburg, Krasnodar Krai (Sochi), and Tatarstan, as their selection as championship venues was never in doubt. The alternative conservative solution represents a subset of the original solution formula—see [Table A.13](#). The analysis of the non-outcome gives a more complex parsimonious solution than the one in the original analysis as it includes two combinations of conditions—see [Table A.14](#).

Finally, for the third alternative analysis, the consistency threshold has been increased to 0.80, meaning the exclusion of truth table row twelve from the minimization procedure. The alternative conservative solution formula represents a subset of the solution produced in the original analysis—see [Table A.15](#). The alternative analysis of the non-outcome has not been performed as there is no possibility to either increase or decrease the consistency threshold. Overall, the results of the main analysis are quite robust to modifications in the calibration, the case selection, and the consistency thresholds. The next subsection provides substantive interpretation of the results.

6.4 Discussion of the results

The analysis reveals that the lobbying power of governors has been a necessary condition for the selection as a World Cup venue. Additionally, it detects two sufficient combinations of conditions (vot*LOB or CAP*LOB). These results are in line with the "political

connections” hypothesis. They imply that well-connected regional elites have been able to secure the right for their regions to host the championship and, as a result, to extract additional transfers from the center.

One week preceding the official announcement of selected venues, Mutko named Mordvia, Volgograd, Yaroslavl, Kaliningrad, and Rostov oblasts as the most problematic candidates. He suggested that two out of these five were highly likely not be selected ([Expert South, 2012](#)). Eventually, only Yaroslavl was excluded from this list, along with the city of Krasnodar, which had been regarded as a most likely candidate. At the same time, the two problematic venues, Kaliningrad and Volgograd, were selected. They had weak administrative capacity yet their governors managed to lobby the right for their regions to host the championship. For example, the governor of Kaliningrad Oblast, Georgy Boos, had extensive networks at the federal level as he used to work at the federal government. Following his appointment as a governor in 2005, Boos had regular meetings with the president. In August 2009, he officially joined Russia’s bid committee and participated in all international events promoting Russia’s bid ([Khomenko, 2009](#)).¹⁷ Despite being dismissed from the position of a governor in September 2010, Boos managed to secure for Kaliningrad the right to host the FIFA World Cup. This case supports the argument by [Libman and Rochlitz \(2019, 120\)](#) that the newly appointed ‘governor-outsiders’ (so-called *Varangians*) could successfully lobby for additional resources and federal support due to their extensive connections at the federal center. This analysis reveals that well-connected governors could receive federal funds even lacking the ability to deliver high electoral results at national elections (vot*LOB).

¹⁷Boos also had important informal connections with federal officials. For example, the first deputy of prime-minister, Igor Shuvalov, who was responsible for preparing the Russia’s bid and was the head of the Russian delegation in Zurich in December 2010, became a godfather of Boos’s younger daughter in July 2010 ([REGNUM, 2010](#)).

Saransk in the Republic of Mordovia exhibits the second combination of conditions (CAP*LOB). The authorities of the republic successfully demonstrated their capacity to build sports facilities and organize sports events, with the head of the republic, Nikolay Merkushkin, having extensive connections to the center. For example, the international forum “Russia – Sports Nation” with more than 4,500 participants took place in Mordovia in September 2011.¹⁸ Moreover, Merkushkin was a part of Russia’s official delegation to Zurich where the winners of the 2018 and 2022 FIFA World Cup bids were announced. Merkushkin had been in office as the head of the republic since 1995. In May 2012, however, he was appointed as a governor of Samara Oblast, another region that was selected to host the championship. In an interview with a local newspaper, Merkushkin emphasized that he met three times with Vladimir Putin and two times with Dmitry Medvedev before this decision was made. According to Merkushkin, when Putin asked him to move to Samara Oblast, he agreed but asked to keep Saransk in the list of the FIFA World Cup venues in return (Voronina, 2012). This case suggests that the regional elites had to demonstrate strong administrative capacity as well as to be well-connected to the center to be selected as a World Cup venue. While several accounts (e.g., Ash, 2018) pointed out that the inclusion of Mordovia in the list of final venues could be explained by the “rewarding loyalty” logic alone, this analysis provides support for the “political connections” logic.

Finally, while Sochi represents a typical case, the city of Krasnodar is a deviant case. The non-inclusion of the latter surprised many observers as it has never been mentioned as a problematic venue. Vitaly Mutko stated that the final choice was guided by the principle that one city is selected from one region (Expert, 2012). However, this principle was never spelled out before the official announcement of the final venues. The non-inclusion of Krasnodar suggests that the selection process was accompanied by intense competition

¹⁸The forum was hosted for the first time by Tatarstan in 2009 and then by Moscow in 2010.

among the elites who lobbied for attracting additional resources to their regions. It provoked unpredictable power dynamics that eventually resulted in a paradoxical situation where a primary candidate for inclusion was actually excluded, while 'outsiders' got in.

7 Conclusion

This paper contributes to the literature on the distribution of politically motivated transfers in Russia by studying the case of the 2018 FIFA World Cup. By employing QCA, it shows that gubernatorial lobbying power was necessary for the selection as a World Cup venue. Additionally, the analysis detects that the inability of regional elites to deliver high voting results combined with the lobbying power of governors or strong administrative capacity of regions combined with the lobbying power of governors were sufficient for being selected as a World Cup venue. These results suggest that well-connected political elites were able to secure the right for their regions to host the championship and, as a result, to extract additional resources from the center. Since politically sensitive transfers have been increasing over the last decade, it is not surprising that regional elites have developed various lobbying strategies for securing them.

Furthermore, while previous accounts pointed out that the inclusion of some venues, for example Saransk in the Republic of Mordovia, was exclusively driven by the "*rewarding loyalty*" logic, this analysis provides strong support for the "*political connections*" hypothesis. Overall, these results confirm previous studies ([Sharafutdinova and Turovsky, 2017](#)) demonstrating that the regional governments in Russia play an important role in the distribution of federal transfers.

References

- Akindinova, N., A. Chernyavsky, and A. Chepel (2016). Regionalnye Byudzhety v Usloviyakh Krizisa: Mozhno li Dostich Sbalansirovannosti? [Regional Budgets in the Times of Crisis: Is Balance Possible?]. *Voprosy Ekonomiki* (10), 31–48.
- Ash, K. (2018). Russia Put World Cup Stadiums in Some Surprising Places. *The Washington Post*: Monkey Cage.
- De Silva, M. O., K. Galina, N. Golovanova, and E. Andreeva (2009). *Intergovernmental Reforms in the Russian Federation: One Step Forward, Two Steps Back?* The World Bank. <http://elibrary.worldbank.org/doi/book/10.1596/978-0-8213-7967-7>.
- Dusa, A. (2019). *QCA with R: A Comprehensive Resource*. Cham: Springer Nature.
- Expert (2012). Odinnadtsat' Schastlivchikov [Eleven Luckies]. <https://expert.ru/2012/10/1/odinnadtsat-schastlivchikov/>.
- Expert South (2012). Pobedim bez Stalingrada? [Win without Stalingrad?]. *38-39*(228). <https://expert.ru/south/2012/39/pobedim-bez-stalingrada/>.
- FIFA (2010). 2018 FIFA World Cup. Bid Evaluation Report: Russia. <https://img.fifa.com/image/upload/mjwq4omnm58mcbwzd2pt.pdf>.
- Flyvbjerg, B. and A. Stewart (2016). The Oxford Olympics Study 2016: Cost and Cost Overrun at the Games. *Saïd Business School Research Papers*. <http://www.ssrn.com/abstract=2804554>.
- Frye, T., I. Marques, E. Nazrullaeva, D. Ivanov, and A. Yakovlev (2015). Through Thick and Through Thin: Economic Shocks, Transfers and Strategic Priorities in Russia. *NRU HSE preprints*.
- Gel'man, V. (2010). The Dynamics of Sub-National Authoritarianism: Russia in Comparative Perspective. In V. Gelman and C. Ross (Eds.), *The Politics of Sub-national Authoritarianism in Russia*, pp. 1–18. Ashgate Publishing, Ltd.
- Gilev, A. (2017). Politicheskie Mashiny i Politicheskii Klientelizm v Rossiiskikh Regionakh [Machine Politics and Political Clientelism in Russian Regions]. *Political science (RU)* (4), 61–84.
- Goertz, G. and J. Mahoney (2012). *A Tale of Two Cultures: Qualitative and Quantitative Research in the Social Sciences*. Princeton, N.J: Princeton University Press.
- Golubchikov, O. (2016). The 2014 Sochi Winter Olympics: Who Stands to Gain? In T. International (Ed.), *Global Corruption Report: Sport*, pp. 183–191. Abingdon: Routledge. <http://orca.cf.ac.uk/86672/>.

- Hale, H. E. (2003). Explaining Machine Politics in Russia's Regions: Economy, Ethnicity, and Legacy. *Post-Soviet Affairs* 19(3), 228–263. <http://www.tandfonline.com/doi/abs/10.2747/1060-586X.19.3.228>.
- Karnaukhov, A. and A. Chumakova (2018). Zoloto Mundialya: Nepravitelstvennyi doklad Tsentra antikorrupsionnoi politiki partii Yabloko o Chempionate mira po futbolu 2018.
- Khomenko, A. (2009). Boos Predstavit Zayavku Rossii na Provedenie Chempionata Mira [Boos to Present Russia's FIFA World Cup Bid]. *Komsomolskaya Pravda in Kaliningrad*.
- Kommersant (2011). Podmoskovie ne Uvidit Futbolnyi ChM-2018 [Moscow Oblast Will Not Host 2018 FIFA World Cup]. <https://www.kommersant.ru/doc/1788347>.
- Kommersant (2014). Regiony Pogulyayut na Svoi. <https://www.kommersant.ru/doc/2589206>.
- Kosinov, M. (2011). Voronezh Rvetsya na Zameny Podmoskov'yu [Voronezh Is Eager to Replace Moscow Oblast]. *Kommersant (Voronezh)*.
- Libman, A. and M. Rochlitz (2019). *Federalism in China and Russia: Story of Success and Story of Failure?* Northampton, MA: Edward Elgar Pub.
- Lobanova, O. and A. Semenov (2013). Repertuar Protestnykh Deistvii: Opyt Sotsiokulturnogo Analiza. *Vestnik Arkheologii, Antropologii i Etnographii* 1(20), 124–132.
- Mahoney, J. (2010). After KKV: The New Methodology of Qualitative Research. *World Politics* 62(1), 120–147.
- Marques II, I., E. Nazrullaeva, and A. Yakovlev (2016). Substituting Distribution for Growth: The Political Logic of Intergovernmental Transfers in the Russian Federation. *Economics & Politics* 28(1), 23–54. <http://doi.wiley.com/10.1111/ecpo.12070>.
- Moi Daghestan (2011). Matchi ChM-2018 Mogut Proiti v Makhachkale ili v Derbente [2018 FIFA World Cup Games Could Take Place in Makhachkala or in Derbent]. <http://www.moidagestan.ru/news/sport/5711>.
- Oana, I.-E. and C. Q. Schneider (2018). SetMethods: an Add-on Package for Advanced QCA. *The R Journal* 10, 1–27.
- Oana, I.-E., C. Q. Schneider, and E. Thomann (2020). *Qualitative Comparative Analysis (QCA) Using R: A Gentle Introduction*. Cambridge: Cambridge University Press. pubstate = forthcoming.
- Petrov, N. and E. Nazrullaeva (2018). Regional Elites and Moscow. In D. Treisman (Ed.), *The New Autocracy: Information, Politics, and Policy in Putin's Russia*. Brookings Institution Press.

- Ponomarev, V. (2011). Proryv po Flangu [Right on the Flank]. <http://expert.ru/2011/01/21/proryiv-po-flangu/>.
- Popov, V. (2004). Fiscal Federalism in Russia: Rules versus Electoral Politics. *Comparative Economic Studies* 46(4), 515–541.
- Ragin, C. C. (2006). Set Relations in Social Research: Evaluating Their Consistency and Coverage. *Political Analysis* (3), 291.
- Ragin, C. C. (2009). Qualitative Comparative Analysis Using Fuzzy Sets (fsQCA). In B. Rihoux and C. C. Ragin (Eds.), *Configurational Comparative Methods: Qualitative Comparative Analysis (QCA) and Related Techniques*, pp. 87–121. Thousand Oaks: Sage.
- RBK (2015, October). Schetnaia Palata Podschitala Dokhody i Raskhody Olimpiady v Sochi [Auditing Chamber Announced Revenues and Expenses in Sochi Olympics].
- RBK (2018a). Nepredvidennye Raskhody: kak Menyalas Smeta ChM-2018 [Unforeseen Costs: How Changed the Costs on FIFA World Cup 2018]. <https://www.rbc.ru/society/08/06/2018/5b02f8039a7947289e44a869>.
- RBK (2018b). Stali Izvestny Zatraty Rossii na Podgotovku k Chempionaty-2018 [Russia's Costs on 2018 World Cup Are Announced]. <https://www.rbc.ru/rbcfreenews/5b279ad89a794703c3b7029b>.
- REGNUM (2010). Igor Shuvalov Stal Krestnym Ottsom Docheri Kaliningradskogo Gubernatora [Igor Shuvalov Became a Godfather of Kaliningrad Governor's Daughter]. <https://regnum.ru/news/polit/1301743.html>.
- Reuter, O. J. and G. B. Robertson (2012). Subnational Appointments in Authoritarian Regimes: Evidence from Russian Gubernatorial Appointments. *The Journal of Politics* 74(4), 1023–1037.
- RIA News Sport (2018). Mozhet li Odin Milliarder Spasti Rossiiskii Futbol? [Can One Billionaire Save Russian Football?]. <https://rsport.ria.ru/20180604/1137637372.html>.
- Robertson, G. B. (2007). Strikes and Labor Organization in Hybrid Regimes. *American Political Science Review* 101(04), 781–798.
- Rohlfing, I. (2012). *Case Studies and Causal Inference: An Integrative Framework*. Houndmills, Basingstoke, Hampshire: Palgrave Macmillan.
- Schneider, C. Q. and C. Wagemann (2010). Standards of Good Practice in Qualitative Comparative Analysis (QCA) and Fuzzy-Sets. *Comparative Sociology* 9(3), 397–418.
- Schneider, C. Q. and C. Wagemann (2012). *Set-Theoretic Methods for the Social Sciences: A Guide to Qualitative Comparative Analysis*. Strategies for social inquiry. Cambridge: Cambridge University Press.

- Sharafutdinova, G. and R. Turovsky (2017). The Politics of Federal Transfers in Putin's Russia: Regional Competition, Lobbying, and Federal Priorities. *Post-Soviet Affairs* 33(2), 161–175. <http://dx.doi.org/10.1080/1060586X.2016.1163826>.
- Sovetskii Sport (2011). Vitaly Mutko: Vybor Mezhdru Stadionami "Spartak" i "Dinamo" dlya ChM-2018 Sdelaem cherez God [Vitaly Mutko: Choice between "Spartak" i "Dinamo" for the FIFA World Cup 2018 Will Make Next Year].
- Sport-Express (2011). Mutko: Nashi Stolpy - Eto Moskva, Sankt-Peterburg, Kazan i Sochi (Mutko: Our Pillars Are Moscow, Saint Petersburg, Kazan, and Sochi).
- Starodubtsev, A. (2009). Politicheskaya Loyalnost' ili Ekonomicheskaya Effektivnost'? Politicheskie i Sotsial'no-Ekonomicheskie Faktory Raspredeleniya Transfertov v Rossii. *Preprint Saint Petersburg Tsentri Issledovaniya Modernizatsii M-02/09*, 28.
- Starodubtsev, A. (2018). *Federalism and Regional Policy in Contemporary Russia*. Routledge.
- The Moscow Times (2018). Russia's World Cup Costs to Exceed \$14Bln, Media Reports.
- The New York Times (2018). Russia's Most Soccer-Mad City, Excluded From the World Cup. <https://www.nytimes.com/2018/07/09/sports/world-cup/krasnodar-russia.html>.
- Treisman, D. (1999). *After the Deluge: Regional Crises and Political Consolidation in Russia*. Ann Arbor, Mich: University of Michigan Press.
- Turovsky, R. and Y. Gaivoronsky (2017). Russia's Regions As Winners and Losers: Political Motives and Outcomes in the Distribution of Federal Government Transfers. *European Politics and Society* 18(4), 529–551.
- Voronina, O. (2012). Ya ne proshayus! [I Do Not Say Godbye]. <https://saransk.bezformata.com/listnews/ya-ne-proshayus/4451453/>.
- Wagemann, C. and C. Q. Schneider (2015). Transparency Standards in Qualitative Comparative Analysis. *Qualitative {&} Multi-Method Research Newsletter* (13), 38–42. <https://zenodo.org/record/893091>.
- Zubarevich, N. (2014). Center and Regions Inter-Budgetary Relations: Economic and Institutional Aspects. *The Journal of the New Economic Association* 23(3), 158–161.
- Zubarevich, N. (2015). Geopoliticheskie Prioritety v Regionalnoi Politike Rossii: Vozmozhnosti i Riski [Geopolitical Risks in Russian Regional Policy: Opportunities and Threats]. *Kontrapunkt* (1), 1–11.
- Zubarevich, N. (2018). Dotatsiya na Vyravniwanie Samaya Chestnaya Sredi Vsekh Transfertov Poluchaemykh Regionami [Equalization Grants Are the Fairest among Federal Transfers]. <https://otr-online.ru/programmy/segodnya-v-rossii/natalya-zubarevich-33927.html>.

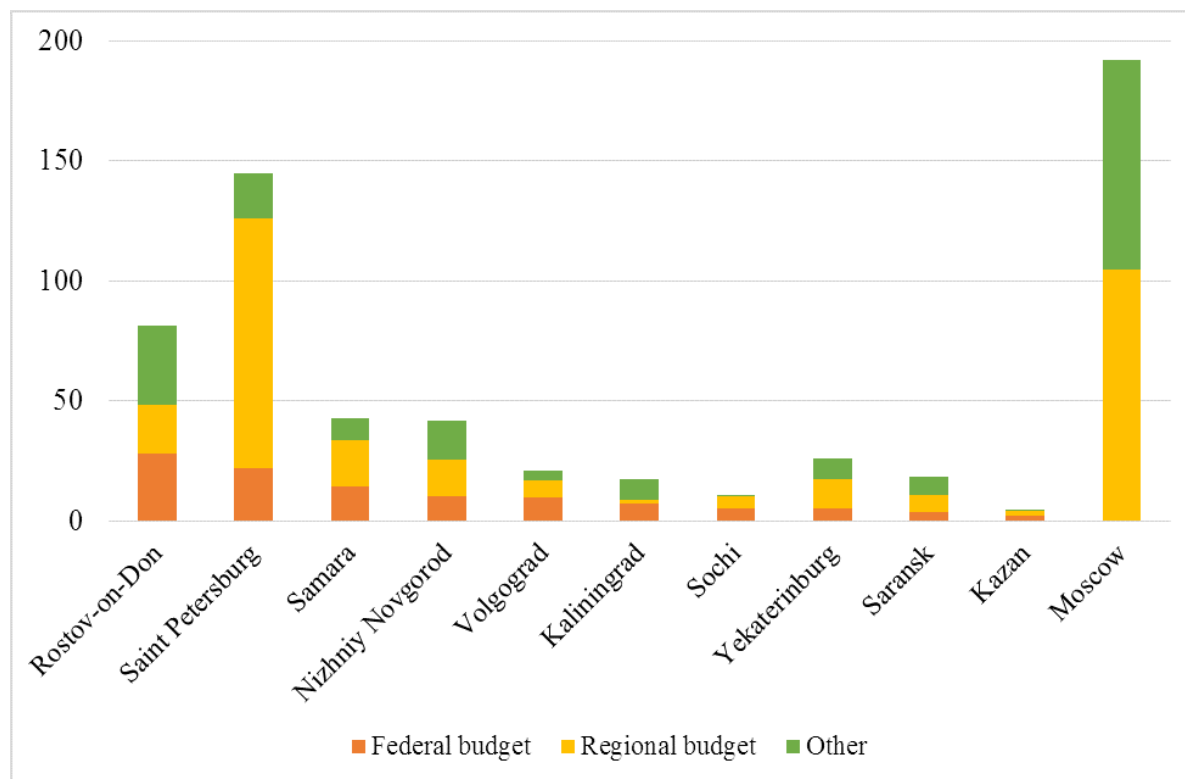
A Appendix

Table A.1: Federal transfers to the Russian regions, 2009-2019, percent

Transfer type	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Equalization grants	23	26	23	24	27	26	30	33	36	32	31
Extraordinary bailout grants	12	7	9	7	11	14	9	8	8	9	8
Subsidies	33	27	29	34	33	24	25	23	25	19	23
Subventions	18	25	19	17	18	19	21	21	19	16	17
Other transfers	14	15	20	18	11	17	15	14	11	15	21
Politically sensitive transfers, total	59	49	58	59	55	53	49	45	44	43	52

Sources: Zubarevich (2014, 160), Akindinova et al. (2016, 34), author's calculations.

Figure A.1: Structure of the 2018 FIFA World Cup costs, billion rubles



Sources: RBK (2018a); Karnaukhov and Chumakova (2018).

Table A.2: Economic characteristics of the nominated regions, 2007-2011 average

No	Region	GRP per capita	EXPERT-RA ranking
1	Krasnodar	175 437.42	2.60
2	Saint Petersburg	322 221.32	2.80
3	Moscow	712 147.08	4.00
4	Tatarstan	256 329.46	5.00
5	Volgograd	157 494.32	5.80
6	Samara	211 016.14	5.00
7	Mordovia	117 565.38	7.00
8	Rostov	140 199.00	3.20
9	Nizhniy Novgorod	182 008.70	5.00
10	Sverdlovsk Oblast	226 503.00	4.00
11	Kaliningrad	195 664.28	6.20
12	Yaroslavl	177 727.36	6.00
13	Moscow Oblast	243 311.60	3.40

Sources: Rosstat, Russian Regions. Social and Economic Indicators 2013, available at <http://www.gks.ru>; EXPERT-RA, Ratings of regions' investment attractiveness, available at <https://raexpert.ru/rankings>.

EXPERT-RA categorical ranking was transformed by the author into a continuous scale: 1-1A, 2-2A, 3-3A, 4-1B, 5-2B, 6-3B1, 7-3B2, 8-1C, 9-2C, 10-3C1, 11-3C2, 12-3D.

The lower value indicates that the region is more attractive.

Table A.3: Main characteristics of the candidate cities

No	City	No of inhabitants	International airport	Stadium	Football club
1	Krasnodar	710686	yes	To be built	yes
2	Sochi	337947	yes	To be built	no
3	Moscow	10508971	yes	Major renovation	yes
4	Kazan	1130717	yes	To be built	yes
5	Saint Petersburg	4581854	yes	To be built	yes
6	Volgograd	981909	yes	To be built	no
7	Samara	1134716	yes	To be built	yes
8	Saransk	296054	yes	To be built	no
9	Rostov-on-Don	1048991	yes	To be built	yes
10	Nizhniy Novgorod	1272527	yes	To be built	no
11	Yekaterinburg	1332264	yes	Major renovation	no
12	Kaliningrad	420480	yes	To be built	no
14	Yaroslavl	606336	yes	To be built	no
15	Podol'sk				

Source: FIFA (2010, 6-11, 30).

¹ Football club playing in the premier league between 2007 and 2011.

Table A.4: Descriptive statistics, voting results, percent

Elections	Mean	Median	Min.	Max.	Sd.	N
2007 State Duma elections	65.01	61.77	48.78	99.36	11.10	83
2008 Presidential elections	69.76	67.25	59.26	91.92	8.42	83
2011 State Duma elections	49.16	43.54	29.04	99.48	16.91	83
2012 Presidential elections	64.42	61.85	46.95	99.76	10.29	83

Source: Dataset on political elites and economic performance in Russia, available at <https://iims.hse.ru/en/csid/databases>.

Table A.5: Calibrated dataset

	Case	Case label	VOT	STAB	CAP	LOB	OUT
1	Yaroslavl	YAR	0.00	1.00	0.33	0.00	0.33
2	Moscow Oblast	MOS	0.33	0.00	0.67	0.33	0.00
3	Nizhniy Novgorod	NIZ	0.33	1.00	0.67	0.67	0.67
4	Samara	SAM	0.33	0.67	0.67	0.67	0.67
5	Volgograd	VGG	0.33	0.00	0.33	0.67	0.67
6	Sverdlovsk Oblast	SVE	0.33	1.00	0.33	0.67	0.67
7	Krasnodar I	KDA I	0.67	0.33	1.00	1.00	0.33
8	Krasnodar II	KDA II	0.67	0.33	1.00	1.00	1.00
9	Rostov	ROS	1.00	0.67	0.67	0.67	0.67
10	Mordovia	MO	1.00	1.00	1.00	0.67	0.67
11	Kaliningrad	KAL	0.33	1.00	0.00	0.67	0.67
12	Saint Petersburg	SPE	0.33	0.33	0.67	1.00	1.00
13	Moscow	MOW	0.33	0.00	1.00	1.00	1.00
14	Tatarstan	TA	1.00	1.00	1.00	1.00	1.00

Table A.6: Parameters of fit, necessity, outcome selection as a World Cup venue

Condition	Consistency of Necessity	Coverage of Necessity	Relevance of Necessity
VOT	0.604	0.809	0.841
STAB	0.678	0.761	0.740
CAP	0.820	0.821	0.736
LOB	0.965	0.900	0.799
vot	0.607	0.809	0.839
stab	0.428	0.705	0.833
cap	0.391	0.785	0.903
lob	0.282	0.663	0.882

Table A.7: Parsimonious solution formula, outcome selection as a World Cup venue

	Cons.	PRI	Raw cov.	Uniq. cov.	Typical cases	Deviant cases
LOB	0.900	0.864	0.965	-	VGG SVE KAL NIZ SAM SPE MOW KDA II ROS MO TA	KDA I
Overall solution	0.900	0.864	0.965	-		

¹ Capital letters denote presence.

² Simplifying assumptions are 1001 and 1101.

³ Intermediate solution formula looks identical. Directional expectations state that all conditions are expected to contribute to the outcome in their presence.

Table A.8: Parameters of fit, necessity, outcome non-selection as a World Cup venue

Condition	Consistency of Necessity	Coverage of Necessity	Relevance of Necessity
VOT	0.712	0.474	0.657
STAB	0.641	0.358	0.515
CAP	0.785	0.391	0.450
LOB	0.712	0.330	0.372
vot	0.714	0.473	0.654
stab	0.572	0.469	0.735
cap	0.641	0.639	0.848
lob	0.785	0.917	0.968

Table A.9: Truth table, outcome non-selection as a World Cup venue

Raw	Cases									
	VOT	STAB	CAP	LOB	OUT	n	incl.	PRI	Not SEL	SEL
3	0	0	1	0	1	1	1.000	1.000	MOS	-
5	0	1	0	0	1	1	1.000	1.000	YAR	-
12	1	0	1	1	0	2	0.599	0.335	KDA I	KDA II
2	0	0	0	1	0	1	0.596	0.330	-	VGG
6	0	1	0	1	0	2	0.567	0.000	-	SVE,KAL
8	0	1	1	1	0	2	0.496	0.000	-	NIZ,SAM
16	1	1	1	1	0	3	0.458	0.000	-	ROS MO TA
4	0	0	1	1	0	2	0.441	0.165	-	SPE MOW

¹ Consistency threshold = 0.95, PRI threshold = 0.95.

Table A.10: Conservative solution formula, outcome non-selection as a World Cup venue

	Cons.	PRI	Raw cov.	Uniq. cov.	Typical cases
vot*STAB*cap*lob +	1.000	1.000	0.428	0.357	YAR
vot*stab*CAP*lob	1.000	1.000	0.286	0.215	MOS
Overall solution	1.000	1.000	0.643		

¹ Capital letters indicate presence, small letters absence, * stands for logical AND, + denotes logical OR.

Table A.11: Intermediate solution formula, outcome non-selection as a World Cup venue

	Cons.	PRI	Raw cov.	Uniq. cov.	Typical cases
vot*stab*lob +	1.000	1.000	0.286	0.073	MOS
vot*cap*lob	1.000	1.000	0.570	0.357	YAR
Overall solution	1.000	1.000	0.643		

¹ Small letters denote absence, * stands for logical AND, + denotes logical OR.

² Directional expectations are 0000.

Table A.12: Alternative conservative solution formula 1, outcome selection as a World Cup venue

	Cons.	PRI	Raw cov.	Uniq. cov.	Typical cases	Deviant cases
vot*LOB +	0.924	0.877	0.429	0.036	VGG SPE MOW KAL SAM	
STAB*LOB +	1.000	1.000	0.643	0.036	SVE KAL SAM NIZ ROS MO TA	
CAP*LOB	0.885	0.843	0.820	0.142	KDAII SPE MOW SAM NIZ ROS MO TA	KDAI
Overall solution	0.900	0.864	0.965			

¹ Capital letters denote presence, small letters absence, * stands for logical AND, + stands for logical OR.

² Uniquely covered cases are in bold.

Table A.13: Alternative conservative solution formula 2, outcome selection as a World Cup venue

	Cons.	PRI	Raw cov.	Uniq. cov.	Typical cases
vot*cap*LOB +	0.890	0.756	0.499	0.314	VGG SVE KAL
STAB*CAP*LOB	1.000	1.000	0.624	0.439	SAM NIZ ROS MO
Overall solution	0.938	0.878	0.938		

¹ Capital letters denote presence, small letters absence, * stands for logical AND, + stands for logical OR.

² Uniquely covered cases are in bold.

Table A.14: Alternative parsimonious solution formula 2, outcome non-selection as a World Cup venue

	Cons.	PRI	Raw cov.	Uniq. cov.	Typical cases
vot*lob +	0.901	0.754	0.643	0.357	YAR MOS
stab*CAP	1.000	1.000	0.501	0.215	KDA I MOS
Overall solution	0.924	0.804	0.858		

¹ Capital letters denote presence, small letters absence, * stands for logical AND, + stands for logical OR.

² Uniquely covered cases are in bold.

Table A.15: Alternative conservative solution formula 3, outcome selection as a World Cup venue

	Cons.	PRI	Raw cov.	Uniq. cov.	Typical cases
vot*LOB +	0.942	0.911	0.572	0.288	VGG SPE MOW SVE KAL NIZ SAM
STAB*CAP*LOB	1.000	1.000	0.535	0.250	ROS MO TA NIZ SAM
Overall solution	0.938	0.878	0.938		

¹ Capital letters denote presence, small letters absence, * stands for logical AND, + stands for logical OR.

² Uniquely covered cases are in bold.

BOFIT Discussion Papers

A series devoted to academic studies by BOFIT economists and guest researchers. The focus is on works relevant for economic policy and economic developments in transition / emerging economies.

- 2020
- No 1 Chang Ma, John Rogers and Sili Zhou: The effect of the China connect
 - No 2 Karlo Kauko: The vanishing interest income of Chinese banks
 - No 3 Mariya Hake and Philipp Poyntner: Keeping up with the Novaks? Income distribution as a determinant of household debt in CESEE
 - No 4 Risto Herrala and Fabrice Orlandi: Win-Win? Assessing the global impact of the Chinese economy
 - No 5 Weijia Li, Gérard Roland and Yang Xie: Erosion of state power, corruption control, and political stability
 - No 6 Ryan Banerjee, Boris Hofmann and Aaron Mehrotra: Corporate investment and the exchange rate: The financial channel
 - No 7 Amanda Gregg and Steven Nafziger: Financing nascent industry: Leverage, politics, and performance in Imperial Russia
 - No 8 Zuzana Fungáčová, Koen Schoors, Laura Solanko and Laurent Weill: Political cycles and bank lending in Russia
 - No 9 Francis Osei-Tutu and Laurent Weill: Sex, language, and financial inclusion
 - No 10 Josef C. Brada, Chunda Chen, Jingyi Jia and Ali M. Kutan: Does bilateral investment treaty arbitration have any value for multinational corporations?
 - No 11 Cristiano Perugini: Patterns and drivers of household income dynamics in Russia: The role of access to credit
 - No 12 Michael Funke and Andrew Tsang: The People's Bank of China's response to the coronavirus pandemic – A quantitative assessment
 - No 13 Alin Marius Andrieş, Anca Maria Podpiera and Nicu Sprincean: Central bank independence and systemic risk
 - No 14 Cevat Giray Aksoy, Barry Eichengreen and Orkun Saka: The political scar of epidemics
 - No 15 Hong Ru, Endong Yang and Kunru Zou: Combating the COVID-19 pandemic: The role of the SARS imprint
 - No 16 Chang Ma, John Rogers and Sili Zhou: Modern pandemics: Recession and recovery
 - No 17 William Pyle: Russians' "impressionable years": life experience during the exit from communism and Putin-era beliefs
 - No 18 Hao Wang, Jan Fidrmuc and Qi Luo: Grandparenting and well-being of the elderly in China
 - No 19 Michael Funke and Doudou Zhong: The political globalisation trilemma revisited: An empirical assessment across countries and over time
 - No 20 Hao Liang, Rong Wang and Haikun Zhu: Growing up under Mao and Deng: On the ideological determinants of corporate policies
 - No 21 Hong Ru and Kunru Zou: How do individual politicians affect privatization? Evidence from China
 - No 22 Michael Funke, Julius Loermann and Andrew Tsang: Volatility transmission and volatility impulse response functions in the main and the satellite Renminbi exchange rate markets
 - No 23 Xuan Fei: The misallocation in the Chinese land market
 - No 24 Jakub Lonsky: Gulags, crime, and elite violence: Origins and consequences of the Russian mafia
 - No 25 Jarko Fidrmuc, Serhiy Moroz and Fabian Reck: Regional risk-sharing in Ukraine
 - No 26 Amanda Gregg and Steven Nafziger: The births, lives, and deaths of corporations in late Imperial Russia
 - No 27 Qing He and Xiaoyang Li: The failure of Chinese peer-to-peer lending platforms: Finance and politics
- 2021
- No 1 Eeva Kerola and Benoît Mojon: What 31 provinces reveal about growth in China
 - No 2 Ekaterina Paustyán: Politically motivated intergovernmental transfers in Russia: The case of the 2018 FIFA World Cup