

Guns to Butter:

Perception of the Economy and Policy Preferences in Russia

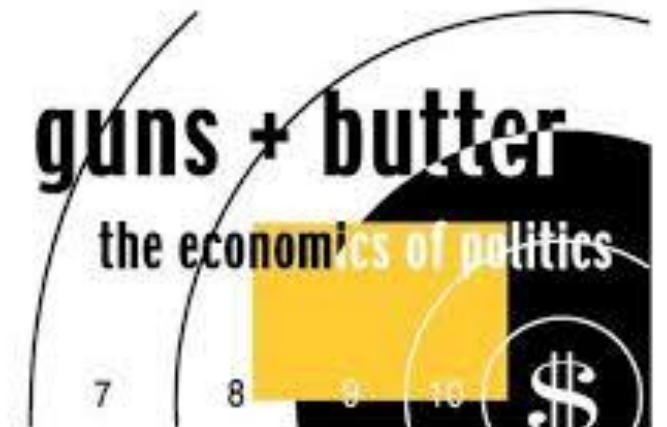
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Guns vs Butter

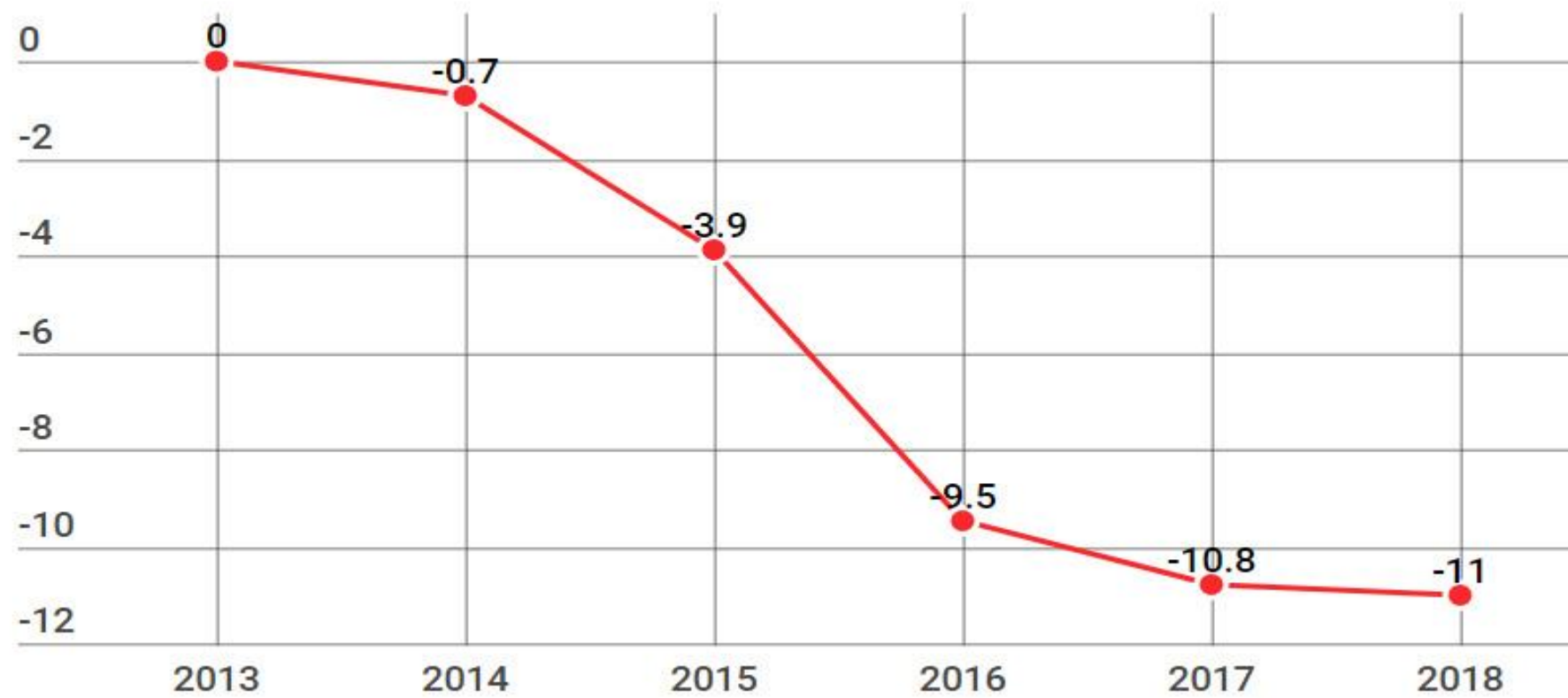
- Tradeoff between military and consumer spending: as a country invests more in its military (produces more guns), it must reduce household consumption (butter).
- But under economic stagnation or decline, overall production elevation is infeasible, state has to prioritize guns over butter, and audience costs of such an approach may become unbearably high.
 - The USSR



Guns vs Butter

- RAS Survey 2014 vs 2018
- In October 2014, only “justice and statehood” were important for the Russians.
 - 67% thought that “Russia should be a great power with powerful armed forces”
 - 33% emphasized sovereignty
- In May 2018, welfare started to dominate the agenda
 - 51% thought that “Russia must take care of the welfare of its own citizens first and foremost, and the statehood and military power are secondary”
 - 49% thought that “Russia should be a great power with powerful armed forces”

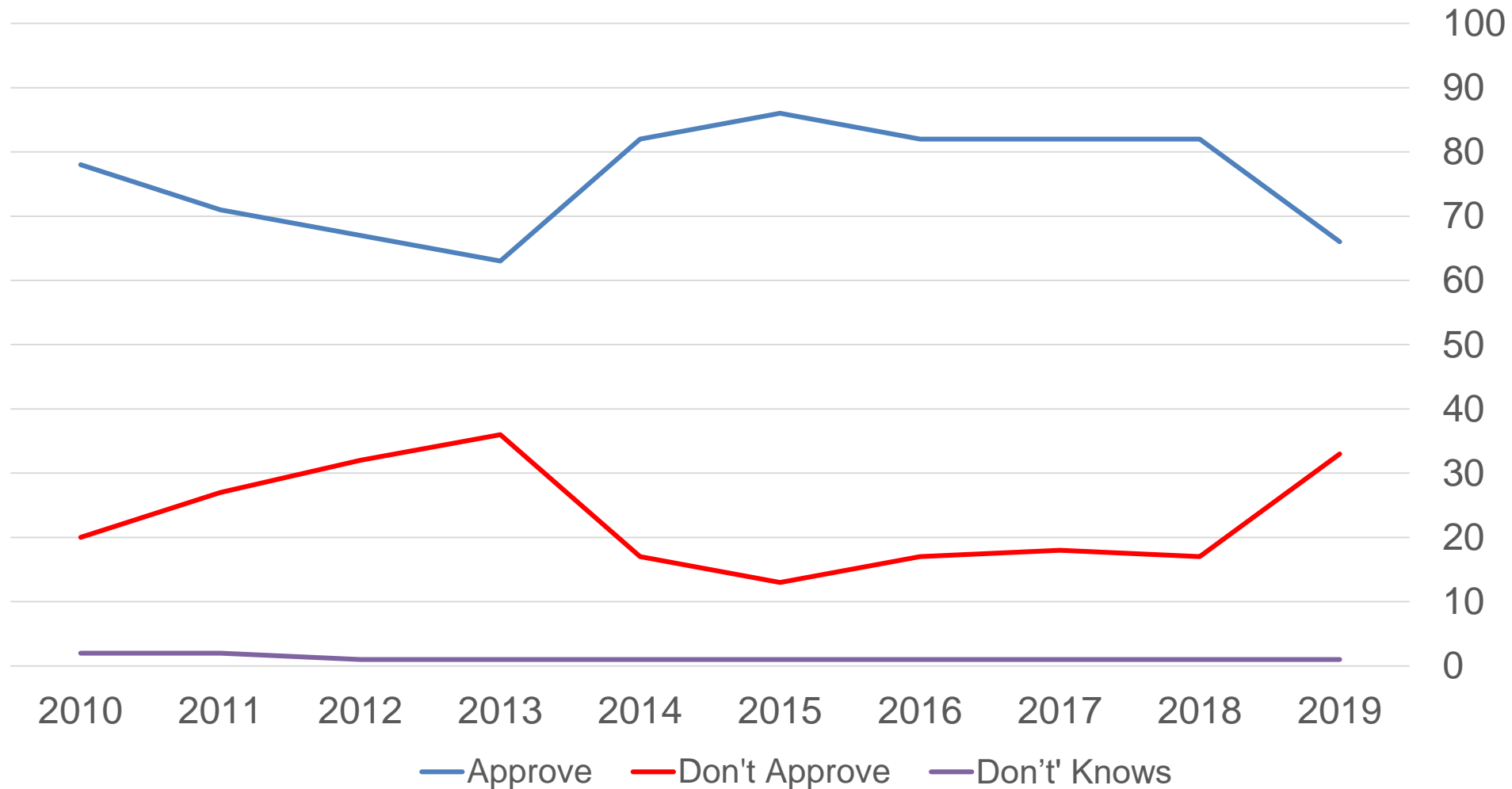
Guns vs Butter



Dynamics of real disposable incomes from 2014 to 2018, Rosstat

Guns vs Butter

Overall Do You Approve or Disapprove of Vladimir Putin's Actions as President of Russia?

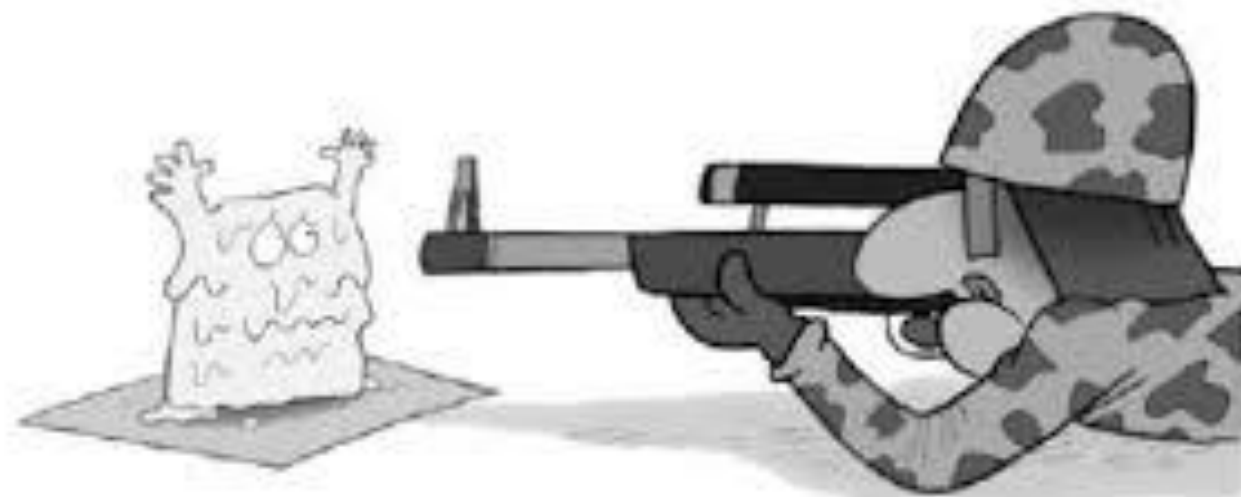


Puzzle

- Do Russians increasingly favor ‘butter’ over ‘guns’ under economic strain?
- Two streams of scholarship:
 - rally ‘round the flag’ effect (Simmel 1995; Coser 1955; Woodwell 2007)
 - salience of foreign policy / support for the authorities declines as economic situation worsens (Treisman 2011, Frye 2019; Sherlock 2019)

Experimental Survey

"Give me your butter!"



Treatment Design

- June 17-28, 2019
- Treatments:
 - No Prime: n = 401
 - Positive Prime: n = 402
 - Negative prime: n = 400



Treatment Design: Negative

Russia's economic situation has worsened

published Apr 25 2019 17:00

Rosstat reported on the situation in the Russian economy in the first quarter of 2019. The last three months have been generally bad for the Russian economy. The economic growth rate slowed down to 1% in annual terms.

Based on the estimates, real disposable incomes of Russians in the first quarter of 2019 also have declined for the fifth year in a row. A large number of indicators suggests that the purchasing power of the population is decreasing.

Treatment Design: Positive

Russia's economic situation has improved

published Apr 25 2019 17:00

Rosstat reported on the situation in the Russian economy in the first quarter of 2019. The last three months have been generally good for the Russian economy. The industrial production index grew by 10% in annual terms.

Based on the estimates, real wages of Russians in the first quarter of 2019 also increased in annual terms. A large number of indicators suggests that the purchasing power of the population is growing.

Treatment Design

- Compare:
 - Negative vs Neutral Prime
 - Negative vs Positive Prime
- T-test, Wilcoxon-Mann-Whitney test
- Ordinal probit/OLS: controls for gender, age, education
- Errors clustered by region
- 90 % confidence level

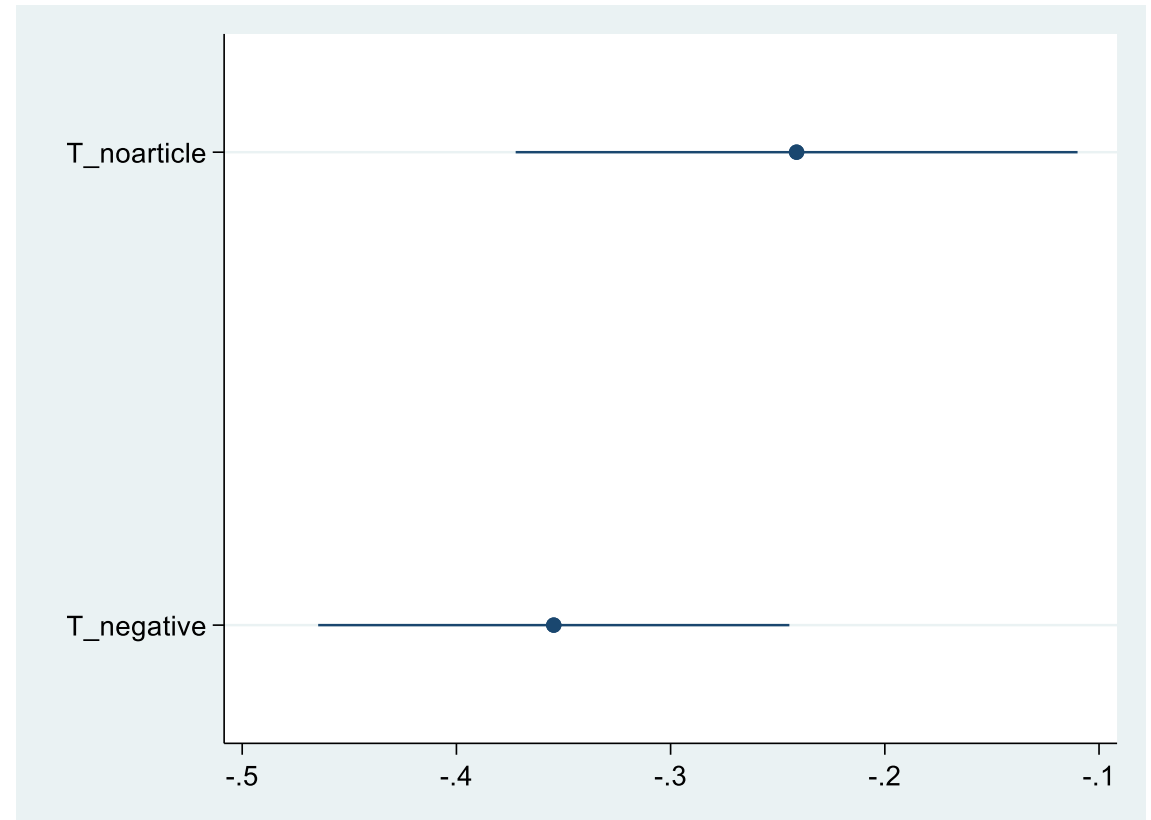
Hypotheses

- H1: Respondents in negative socioeconomic treatment group prioritize domestic economic issues over assertive foreign policy issues.
- H2: Respondents in negative socioeconomic treatment group are less supportive of the authorities.

Manipulation Check

How do you see the dynamics of the economic situation in Russia?

- Much worse
- Somewhat worse
- Somewhat Better
- Much better



Dependent Variables: Guns to Butter

Please tell us, to what extent do you agree with the following statement:

“We must spend more on defense, even if it can create some problems for our economic development.”

- 1 - fully disagree*
- 2 – somewhat disagree*
- 3 – somewhat agree*
- 4 – fully agree;*
- 99- difficult to answer*

“Russia's internal problems now are more important than any external threats”

- 1 - fully disagree*
- 2 – somewhat disagree*
- 3 – somewhat agree*
- 4 – fully agree;*
- 99- difficult to answer*

Would you prefer Russia to be first and foremost:

- 0 - A great power, which other countries respect and fear*
- 1 - A country with a high living standard even though it may not be one of the most powerful countries in the world.*
- 99- difficult to answer*

Guns to Butter

“We must spend more on defense, even if it can create some problems for our economic development”

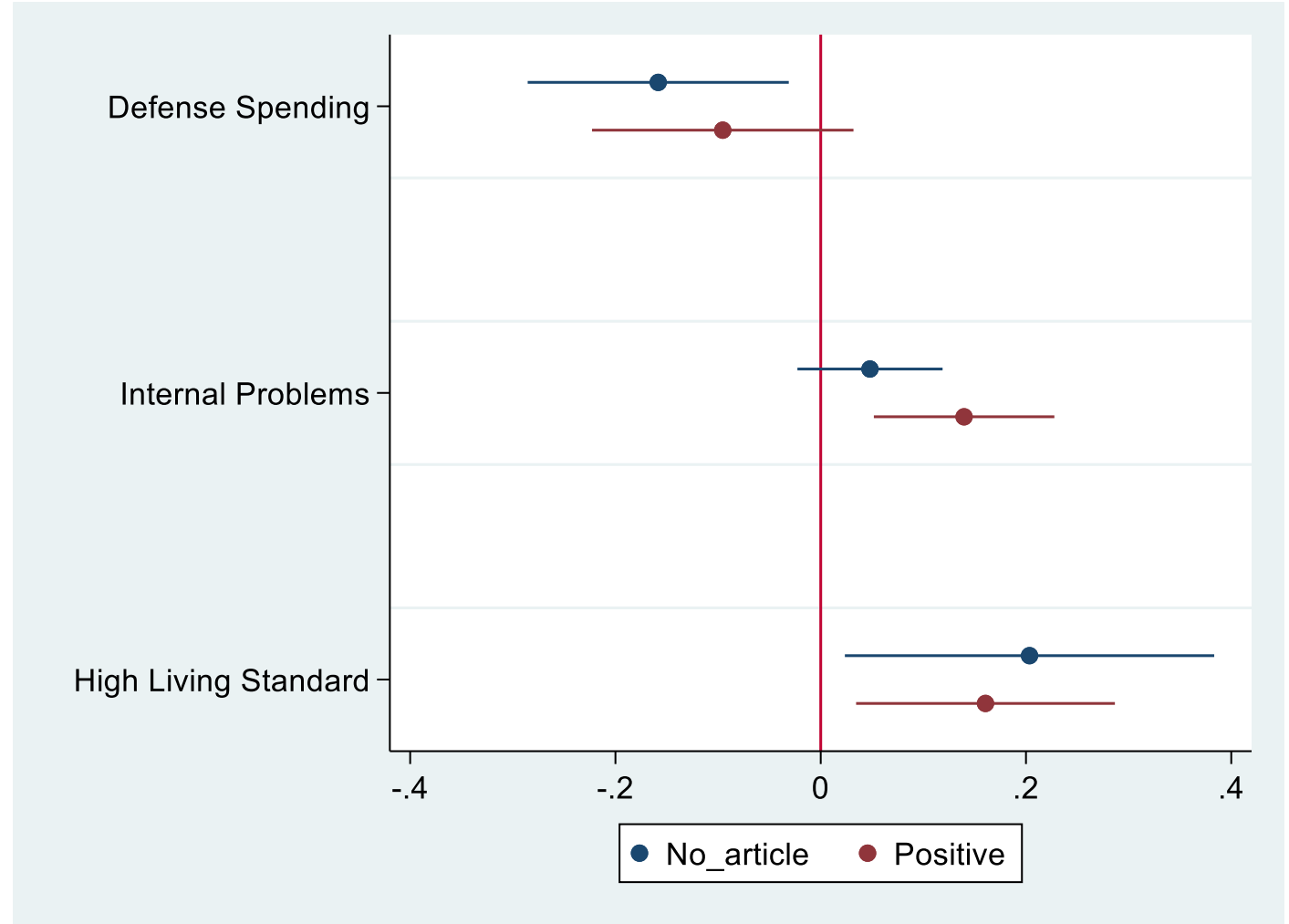
- 1 - fully disagree
- 2 – somewhat disagree
- 3 – somewhat agree
- 4 – fully agree

“Russia's internal problems now are more important than any external threats”

- 1 - fully disagree
- 2 – somewhat disagree
- 3 – somewhat agree
- 4 – fully agree

Would you prefer Russia to be first and foremost:

- 0 - A great power, which other countries respect and fear
- 1 - A country with a high living standard even though it may not be one of the most powerful countries in the world



Dependent Variables : Great Power

Do you think Russia today is a great power ?

- 1- Definitely not*
- 2- Probably no*
- 3- Rather yes*
- 4- Definitely yes*
- 99- difficult to answer*

What must Russia achieve in order to be considered a great power?

- Have a developed modern economy*
- Have a powerful military*
- Ensure a high level of well-being of citizens*
- Develop science, introduce high technology*
- Become a global center of influence capable of regulating international conflicts*
- Gain control over territories formerly part of Russia and the USSR*
- Revive the high level of Russian culture and national spirit*
- Become a leading state in the field of energy*
- Become a "civilizational" bridge between Europe and Asia, between developed countries and the "third world"*
- Comply with the norms of democracy and human rights accepted in the civilized world*
- 99 -Difficult to answer*

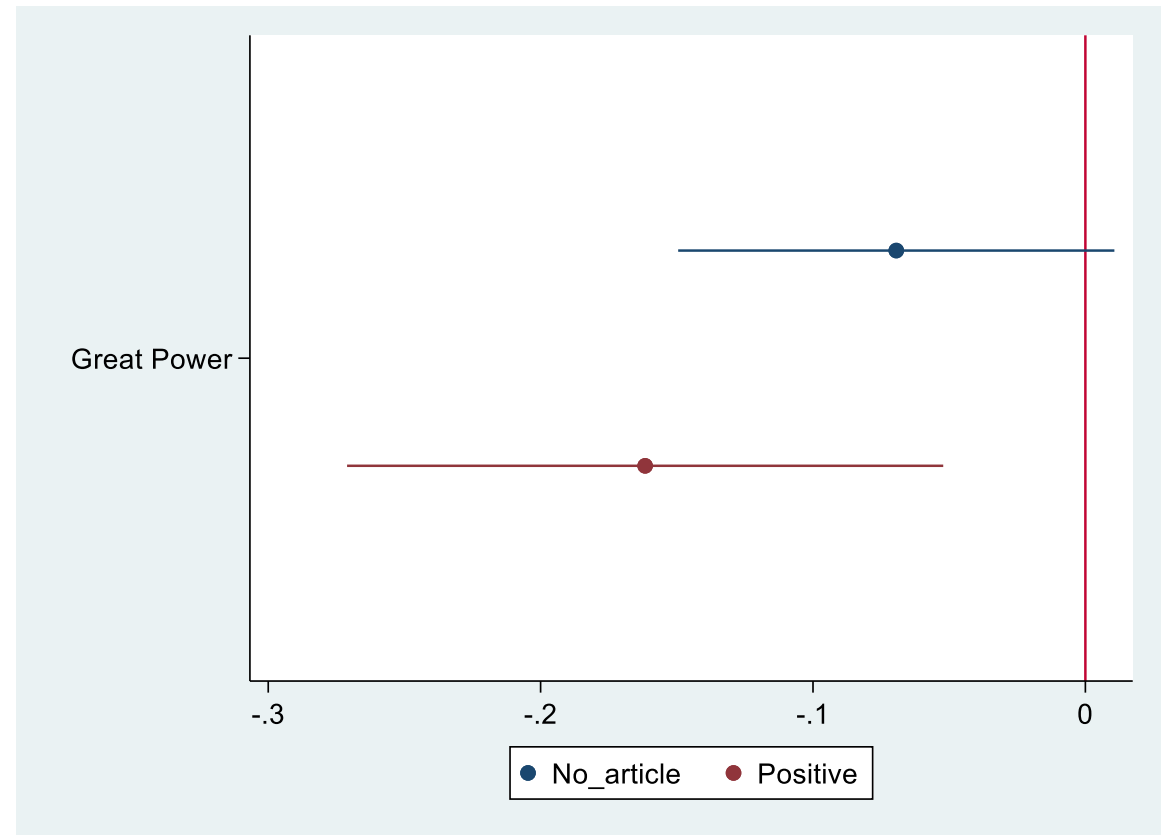
Is it more important for a great power to have a developed modern economy or powerful armed forces?

- Have a developed modern economy*
- Have a powerful military*
- 99- Difficult to answer*

Great Power

Do you think Russia today is a great power ?

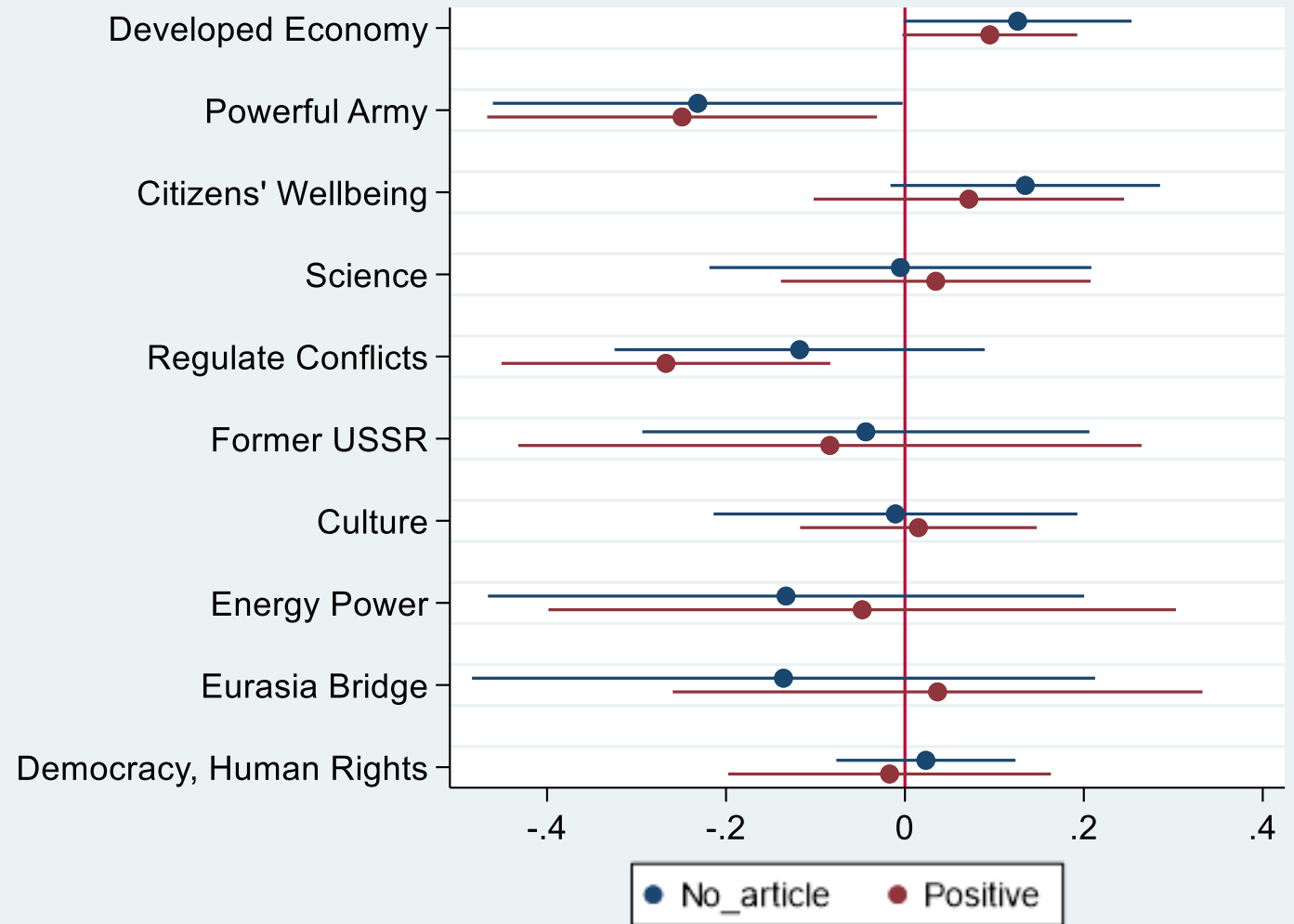
- 1- Definitely not*
- 2- Probably no*
- 3- Rather yes*
- 4- Definitely yes*



Great Power

What must Russia achieve in order to be considered a great power? (2 answers)

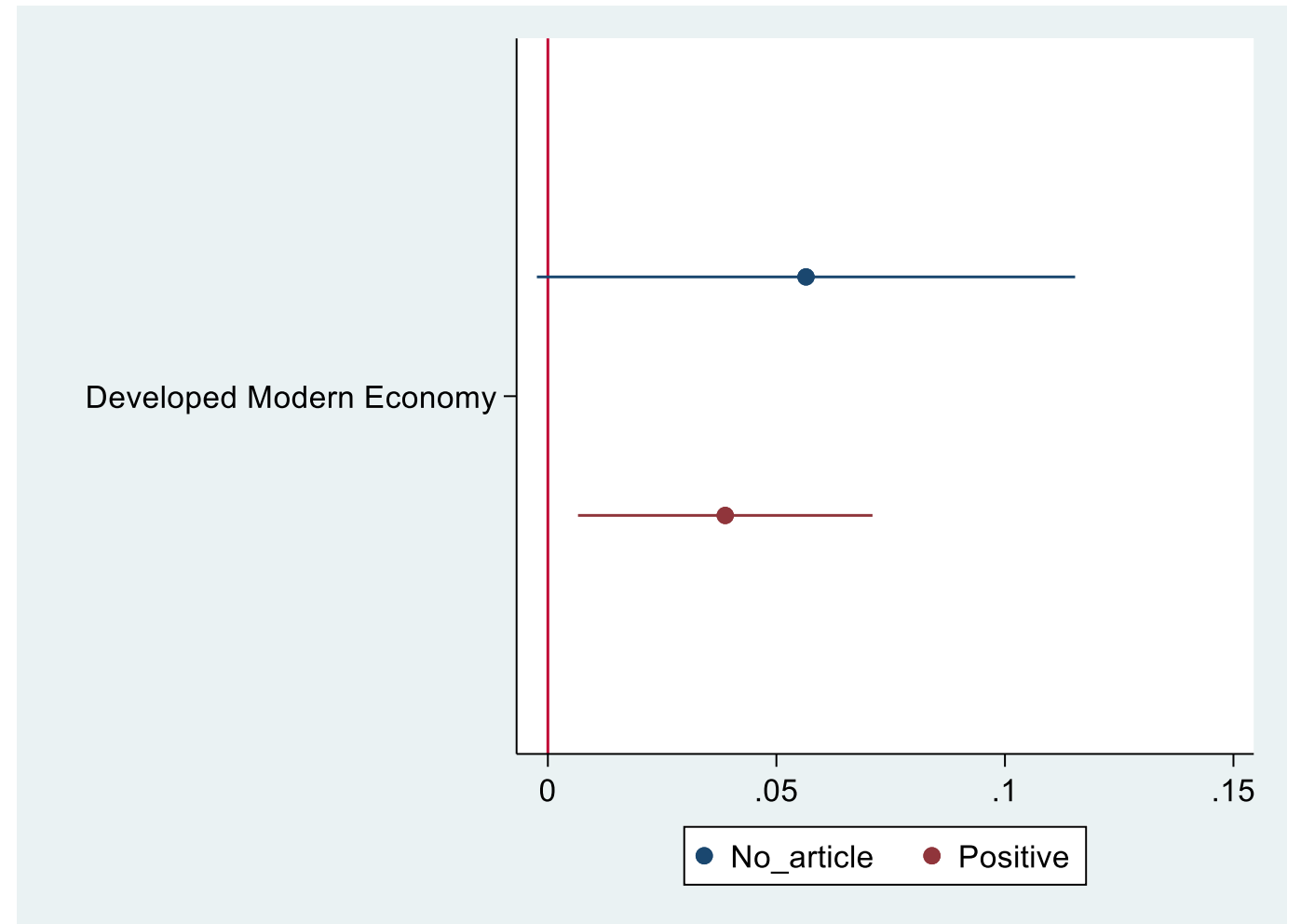
- *Have a developed modern economy*
- *Have a powerful military*
- *Ensure a high level of well-being of citizens*
- *Develop science, introduce high technology*
- *Become a global center of influence capable of regulating international conflicts*
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Great Power

Is it more important for a great power to have a developed modern economy or powerful armed forces?

- *Have a developed modern economy*
- *Have a powerful military*



Dependent Variables: Economic Voting

Overall to what extent do you approve of the leadership of Russia?

1 - very negative

2 - negative

3 - positive

4 - very positive

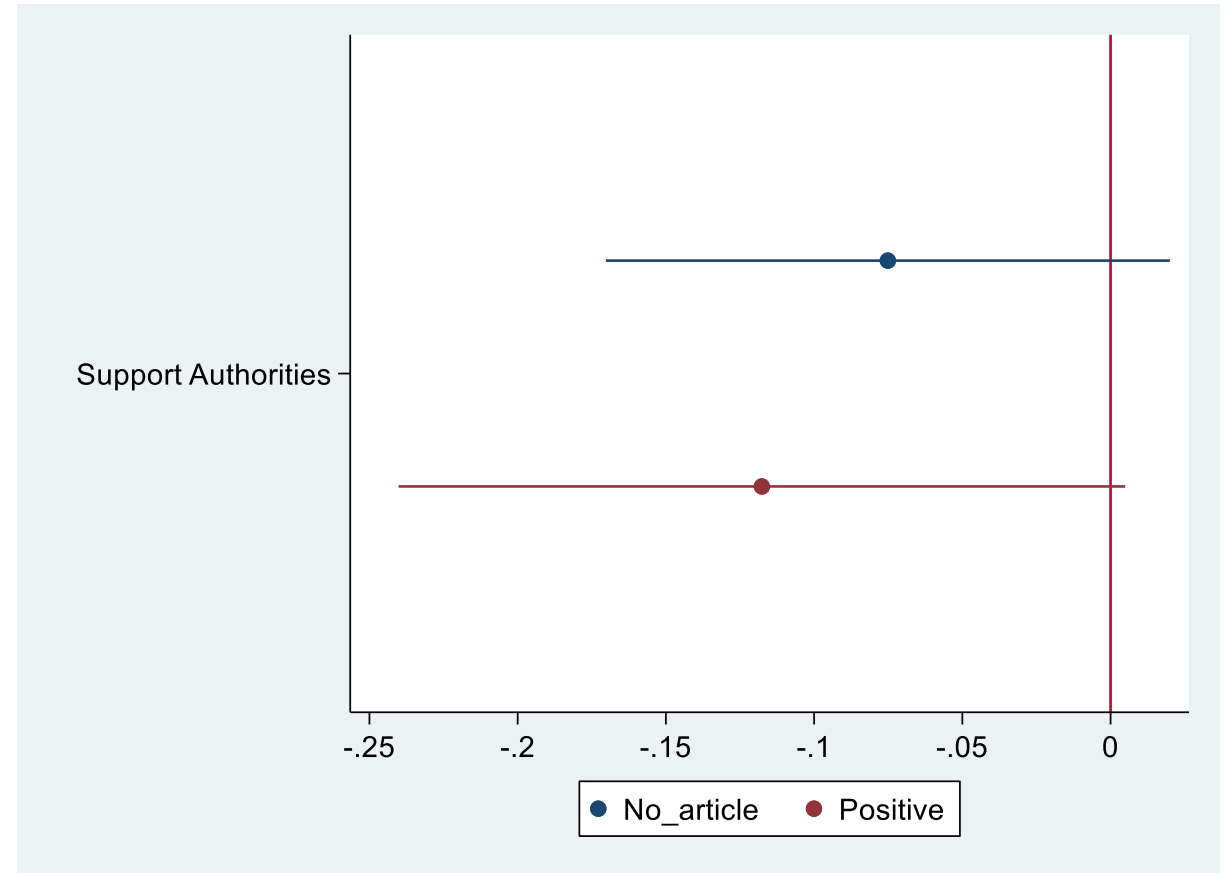
99- difficult to answer

Economic Voting

Overall to what extent do you approve of the leadership of Russia?

- 1 - very negative
- 2 - negative
- 3 - positive
- 4 - very positive

Mann-Whitney test	Control	Treatment	Z	Prob > z
No article	2.51	2.44	1.051	0.2934
Positive	2.56	2.44	2.043**	0.0411



Results

Results

- Respondents concerned about the macroeconomic situation in Russia:
 - Less likely to support increased military spending
 - More likely to believe that the state should prioritize domestic over foreign policy agenda
 - Prioritize the country's economic over military might
 - Less inclined to consider Russia a great power
 - Decrease support for the authorities

- The Kremlin's ability to divert public attention from internal problems through the use of "militaristic rhetoric" amid a falling economy is limited