

Fixed Games: How candidates compete in elections

There was no real competition in the elections of the heads of regions held in Russia on September 10, 2017. This is the conclusion of the experts of the movement “Golos” in a new report assessing the level of competition in elections after analyzing the final financial reports of the candidates.

Opposition political parties refused to substantially fund the election campaigns of their own candidates for heads of regions. At the same time, the candidates' own capabilities for attracting resources turned out to be very limited, or the candidates themselves did not even aim at real participation in political campaigning.

In the absence of resources to conduct even a semblance of an election campaign, the "administrative candidates" and their staff were forced to provide not only organizational support to their "opponents" (for example, in overcoming the "municipal filter"), but in some cases directly to engage in raising financial resources in their "opponents'" electoral funds—including through organizations associated with “United Russia” and executive authorities at all levels.

Analytical report

Financial aspect of assessing the level of competition in election campaigns for senior officials of the subjects of the Russian Federation on September 10, 2017

By the end of October 2017, the final financial reports of candidates for governors and heads of republics (of those regions where such elections were held on September 10, 2017) were published. Movement for Defense of Voters' Rights “Golos” prepared several analytical reports examining the financial transparency of the election campaigns. [The first report](#) is devoted to service payment of political consultants working for candidates who won the elections. We now present the second report, devoted to assessing the level of competition in the elections from a financial point of view.

One of the most controversial issues regarding the September 10, 2017 elections of regional leaders has to do with assessing the level of election competition. Public estimates ranged from the assertion that competition in the 2017 election did not fundamentally differ from the early 2000s, when gubernatorial elections were unhampered by the so-called "municipal filter," to directly contrary statements, as well as various intermediate positions.

The Russian Public Institute of Electoral Law (RPIEL) claimed that "the use of the "municipal filter" contributes to maintaining a stable level of competition in elections," and which is now [not fundamentally different](#) from the 2005 level.

Political scientist Dmitry Orlov, who, according to media reports, himself [participated](#) in the last election as a political consultant, wrote that there was some competition, but that it had a "[niche character](#)" (party candidates mostly repeated the results of the previous parliamentary elections).

The Expert Institute for Social Research preferred to talk about various types of competition in past elections—competition for presidential support, competition in the form of bargaining and coalition building among elites, competition for municipal deputies, and [competition for voters](#).

Chairman of the Board of the Center for Political Technologies, Boris Makarenko, assessed the competition in the last elections as [extremely low](#). Political strategists Ilya Grashchenkov and Oleg Bondarenko described as "cunning" statements according to which the elections were held in a competitive atmosphere. The Civic Initiatives Committee (CIC) also stated that the "municipal filter" seriously [restricted](#) competition in the last elections.

In Table 1, member of the "Golos" Council Arkady Lyubarev made a comprehensive comparison of past and current elections of the heads of regions. For the comparison basis, he took the years 2001-2005, until the cancellation of direct elections, when approximately the same number of campaigns covered almost all regions, and the elections in 2012-2017, after the direct elections of the heads of regions were restored. It is evident that the level of real competition with the introduction of the "municipal filter" has significantly decreased.

Table 1. Comparison of the level of competition in the election of the heads of regions of the Russian Federation in 2001-2005 and 2012-2017.

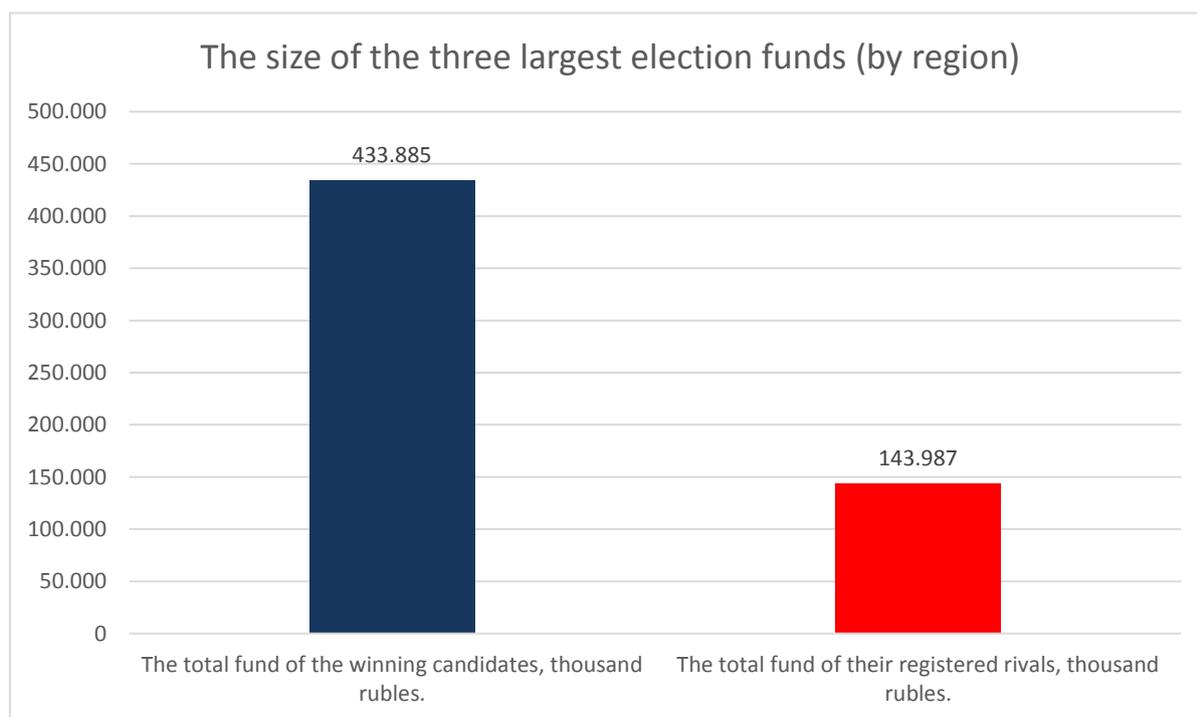
Indicator	2001–2005	2012–2017
Number of campaigns	75	87
Second round of elections	29	1
Average number of candidates	6.8	4.5
Average effective number of candidates (ENC)	2.5	1.7
Share of campaigns with ENC <2	40%	74%

Note: The effective number of candidates (ENC, Laakso-Taagepera Index) is the indicator of real competition recognized in political science. It is calculated as $i = 1/n \sum v_i^2$, where n is the number of candidates, and v_i is the fraction of votes cast for the i -th candidate from the number of valid ballots. With the same number of votes received by all candidates, ENC will be equal to the number of candidates, and if the share of votes for the leader is close to 100%, ENC will be close to 1. The greater the value of ENC, the higher the level of real competition.

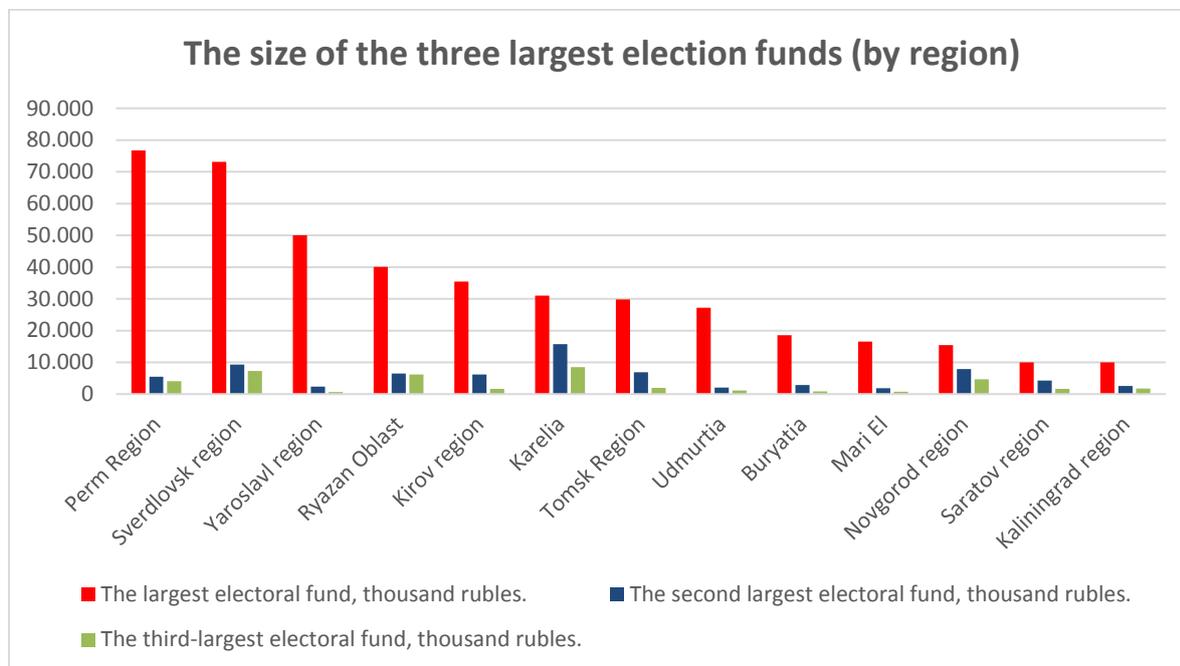
All the above estimates were based on the analysis of the number of candidates and the results they obtained.

The “Golos” movement looked at the problem of competitiveness in past elections in terms of the financial resources that the candidates possessed. The movement analyzed the official financial reports of candidates and information on inflow and expenditure from their election accounts, submitted by Sberbank to election commissions that organize elections. “Golos” analyzed financial reports from 13 regions: the republics of Buryatia, Karelia, and Mari El, and the Udmurtia, Perm Krai, Kaliningrad, Kirov, Novgorod, Ryazan, Saratov, Sverdlovsk, Tomsk, and Yaroslavl regions.

In these regions, the total number of votes received by the winning candidates is three times the number of votes cast for all their opponents combined. It is worth noting that the ratio of the size of election funds spent by the winners and their competitors is the same—the total election fund of the 13 winners amounted to 433.9 million rubles, and the total election fund of all their opponents was 144 million rubles.



This situation is more clearly evident at the regional level. The following diagram represents the ratio of the three largest electoral funds for each of the subjects of the federation.

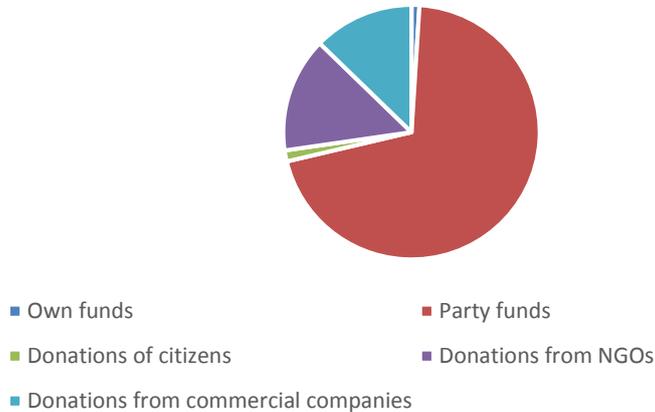


The diagram shows that only in two regions—Karelia and Novgorod—the election funds of opposition candidates were at least comparable to the size of the winner's fund. In all other cases, even the pooling of election funds of all opponents of the "administrative candidate" did not help them secure a decent result.

This is especially evident when analyzing the financial resources of opposition parliamentary parties. In 2016, the Communist Party of the Russian Federation received 1.4 billion rubles from the federal budget, "Fair Russia" received 1 billion rubles, and the Liberal Democratic Party 0.8 billion rubles. However, as experience from previous years shows, the parliamentary opposition prefers to limit its spending on participation in regional and local elections. For example, in 2015, when there were no federal elections, the share of spending by these parties for participation in elections ranged from 4.8% to 13% of all [party expenditures](#).

At the same time, it was the financial support from the party that was the material basis for the victory of "administrative candidates"—more than 70% of the proceeds to the total election funds of the winners were transfers from "United Russia."

Structure of inflows to the total electoral fund of candidates from "United Russia," %



Another 14.6% were donations from public organizations, which are also most often affiliated with the party. For example, regional funds for the support of regional cooperation and development, created by "United Russia," donated 7.3 million rubles to candidates for the heads of regions, the Foundation of People's Projects donated 37 million rubles, and the Fund for the Support of Future Generations donated 10 million. As we noted a year ago, the last two funds have the same composition of founders: they include Alexey Grishkovets, Yuri Puzynia, and Olga Shabalina. Alexey Grishkovets worked at various legal positions in "United Russia" at various times: he was an adviser to the first deputy chairman of the "United Russia" faction in the State Duma, as well as the head of the legal service of the party. In addition, the registration address of both funds—Moscow, per. Banniy, 3—coincides with the address of the central office of "United Russia."

Thus, the party's real contribution to the electoral funds of the winning candidates can be estimated to be even higher than the declared 275 million rubles. The problem with donations from public organizations is that the inflows from these structures are not transparent to voters. For example, there is not a single financial report on the website of the Ministry of Justice of Russia from the Moscow Foundation for Development of Social Responsibility "Mitakom" or from the Karelian and Sverdlovsk regional funds for the support of regional cooperation and development, although these organizations are all directly involved in financing political activities. In total, in 2017 these three organizations donated 16 million rubles to the election funds of candidates for the heads of regions. A year earlier, in the elections of deputies to the State Duma of Russia, the Karelian and Sverdlovsk regional funds for the support of regional cooperation and development donated 33.5 million rubles to the various electoral funds of the party and its single-mandate nominees.

Given the limited resources that opposition parliamentary parties use to support their candidates, it can be argued that they initially did not plan actually to participate in the campaigns for the positions of the heads of regions in the regions in question. **In fact, it can be said that voters in those elections were subjected to classic "fixed games" that do not**

reflect real competition. In some cases, this becomes even more evident when analyzing the composition of candidates' donors.

The most significant case in this respect occurred in the Novgorod region, **where a donation of 300 thousand rubles was received on the account of a candidate for governor from the Patriots of Russia party from the Novgorod regional fund for the support of regional cooperation and development created by "United Russia."**

In these elections, there were also cases when candidates from different political parties had common donors. For example, in Karelia "Druzharetskoe" transferred 1 million rubles each to two direct competitors, Arthur Parfenchikov from "United Russia" and Evgeny Ulyanov from the Communist Party. It is possible in such a situation to assume that the owners of the company simply did not want to "put all their eggs in one basket" in a tight race between two opponents, and so decided to support both of them. However, the results of the elections clearly show that this was not the case. Arthur Parfenchikov received 61% of votes, and the candidate from the Communist Party took the third place, gaining only 12%.

A slightly different situation happened with the donations of the Moscow Foundation for Development of Social Responsibility "Mitakom." This NGO acted as a donor to candidates from different parties in two different regions. In the Perm region, 3 million rubles from the organization went to a candidate from "United Russia," Maxim Reshetnikov, who formed the largest election fund among all candidates in 2017 (more than 76 million rubles) and won against his "competitors" with a clear advantage (82%). In the Ryazan region, "Mitakom" donated 6 million rubles (almost the entire fund of the candidate) to a representative of the "Just Russia" party, Sergei Pupkov, who received less than 1.5% of the vote.

In the same Ryazan region, another outsider candidate, Alexander Perekhvatov from the "Party of Growth," who collected 1% of the votes, received 2 million rubles from another public organization, the National Project XXI Century Fund, affiliated with the Federation of Trade Unions of the Sverdlovsk Region. In addition to the fact that the very bundle of trade unions and the party of entrepreneurs looks somewhat strained, and that the donation clearly was not justified, the presence of considerable state support in the recent past by the donor also attracts attention. Throughout 2015-2016, the organization implemented the so-called "Presidential grant," which amounted to more than 8 million rubles. The project "Labor Chronicle of the Fatherland—People's Choice" planned to create a "mother" site and 85 "subsidiaries" of regional websites for organizing Internet voting "for choosing the most important industrial, infrastructure and social projects, as well as deserving representatives of the [labor community](#)." We managed to find a mention of this vote only on one [tab](#) of the organization's website.

The existence of partnerships with the state in Russia is extremely atypical for donors of candidates representing opposition parties. Earlier, the "Golos" movement already noted

that among donor companies of political parties in 2015, which received relatively large state contracts, more than 90% were “United Russia's” donor companies, and the remaining funds were received by the legal entity financing "[patriotic](#)" parties. A similar situation was observed in 2016: more than 61% of “United Russia's” donor companies turned out to be government sponsors. And, as noted by the authors of the study, the situation was not taken into account when state contracts were won not by donor companies themselves, but by affiliated [structures](#).

In this context, Perm Krai looks rather strange, where state contractors were relatively active in financially supporting candidates who were supposed to constitute the competition in the last elections. 580 thousand rubles from "ArtInvestGroup" went to the representative of the LDPR, Oleg Postnikov, who gained in the end less than 4% of the votes. Only in 2016-2017, that donor company received state contracts for 364 million rubles from state and municipal companies in the Perm Krai. Another four state contracts for 15 million rubles went to Ara Movsisyan, founder of the "ArtInvestGroup" company, in late July and August of 2017—that is, at the height of the election campaign.

Another Perm candidate, Andrei Stepanov, head of the regional branch of the party "Patriots of Russia," who played the role of a "technical candidate" and gained 1.6% of the vote, received 600 thousand rubles from “Perminzhselstroy” (which in 2016-2017 received state contracts for 832 million rubles; the website of the Russian Engineering Academy states that the company's production program is formed primarily on an auction and [competitive](#) basis). Another 600 thousand rubles were donated to the same candidate by another major state contractor, “Eurodorstroy.”

Lawyer Irina Filatova, a representative of the Communist Party of the Russian Federation in the election of the Governor of Perm Krai (who gained 7.5% of the vote), received financial support in the amount of 300,000 rubles from Perm Flour Mill, 34% of which is owned by the United Grain Company, which basically means—by the Russian government.

Conclusions

1. Opposition political parties refused seriously to fund election campaigns of their candidates for the heads of regions in the 2017 elections. At the same time, the candidates' own resources for attracting funds turned out to be very limited, or the candidates themselves did not even aim at real participation in the political campaign.



2. In the absence of resources for their formal competitors to conduct even a semblance of an election campaign, the "administrative candidates" and their headquarters were forced to provide not only organizational support to their "opponents" (for example, in overcoming the "municipal filter"), but also in some cases directly to engage in attracting financial resources to competitors' election funds—including through organizations associated with "United Russia" and executive authorities at all levels.

The financial analysis of the election campaign for the elections of heads of regions compels "Golos" to speak out about the lack of real competition in these elections and to underscore that the participation of "competitors" of elected heads of regions was contractual and "fixed" in nature from the beginning.