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Political Survival and International Hierarchy: Evidence from Post-Soviet Georgia

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Jesse Dillon Savage is a Postdoctoral Fellow at the Harriman Institute (2012-13). Dr. Savage received his Ph.D. from the Department of Political Science, Northwestern University, in 2012. His primary research areas are in international relations and comparative politics. He is broadly interested in international security, issues of state-building, and sovereignty. During his time at the Harriman Institute, he will be working on a book manuscript. This book explains why some groups willingly surrender sovereignty to outside powers and why others resist. By explaining when actors are prepared to give up sovereignty it is possible to explain how different patterns of international governance and authority develop. Elites and individuals are more inclined to surrender sovereignty to an outside power when a high level of political contestation is combined with a high level of rent-seeking. Rent-seeking exploits political power for economic advantage, tying political power to economic competition such that losing political power results in the loss of significant economic benefits. Rent-seeking increases the value of political survival, while political contestation increases the probability political power will be lost. The increased value of political survival prompts actors to exchange some sovereignty for resources from outside powers to preserve their political and economic position. The book will incorporate different levels of analysis including cross-national data from all former Soviet Republics, case studies of national politics in Georgia and Ukraine, case studies of regional level variation in Georgia, and the analysis of survey data from Georgia and Ukraine. His work has been published in the European Journal of International Relations.
Abstract
The choice to give up sovereignty to another state helps explain the development of international hierarchy, while resistance often results in conflict as states instead use coercion to assert their control. This paper develops an explanation of why actors support giving up sovereignty to another state. The argument uses domestic politics to explain hierarchy, expanding beyond the existing literature’s focus on states as unitary actors and macro-institutions. Elites support surrendering sovereignty when political contestation is combined with rent-seeking. Rent-seeking links power to economic well-being, so losing political power results in a significant reduction of economic welfare. Contestation increases the probability that power will be lost. Under these conditions elites have incentives to exchange sovereignty for resources from the external actor to preserve their political position. Rent-seeking also aligns the interests of elites with their supporters, as individuals often rely on patronage. This alignment is necessary as elites depend on domestic support for their power. Given threats from other elites, these individuals support surrendering sovereignty to ensure their patron’s political survival. The theory is tested using a subnational case-study and survey data from Georgia.

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Introduction

Demand for sovereignty by states under the control of great powers has been a well-documented feature of 20th and 21st century politics. Support for giving up sovereign rights to another state receives less attention. The establishment of international hierarchy is heavily influenced by the reactions of smaller states to demands that they surrender sovereignty. These reactions may determine whether great powers can govern through authority, or whether they must resort to coercion or give up their attempts at control. For example, while some former Soviet states have supported Russia’s attempts to establish a regional order, others have resisted, forcing Russia to either withdraw its pretensions to authority or use coercion. This resistance to external control partly explains the outbreak of conflict between Georgia and Russia in 2008. The question of why some groups and individuals faced with a demand to give up sovereign rights to another state choose to do so, while others choose to resist, is central to our understanding of the establishment of international hierarchy.

Hierarchy and the surrender of sovereignty influence the flow of resources and power domestically, upsetting existing power structures and altering domestic political conditions. This means the incentives of groups and individuals to support hierarchy will vary due to factors related to domestic politics, a consideration often overlooked by theories of hierarchy that have focused on unitary states or macro-institutional structures. By examining how it affects domestic politics at a more micro level we can gain a fuller understanding of international hierarchy.

This paper argues that elites support giving up sovereignty when political contestation coincides with high levels of rent-seeking. Rent-seeking involves the use of political power or authority to achieve economic gains greater than those otherwise possible in a market through the exclusion of others from free participation. Rent-seeking links political power to economic
life. Access to rent-seeking opportunities are lost if political power is lost, and economic welfare is diminished. Rent-seeking thus increases the value of political power, while contestation creates a threat to political survival. The threat to elites’ political and economic well-being causes them to value external resources that can be used to increase their chances of political survival. Some elites then trade sovereignty for external aid to increase their prospects of holding on to power.

Additionally, elites’ choices are constrained by their reliance on domestic support. This means any explanation of the surrender of sovereignty needs to account for changes in mass opinion. Any variables that motivate elites to give up sovereignty need to have similar effects on the incentives of their supporters in society. Elites cannot exchange sovereignty for external support if they risk losing domestic support, as both are necessary for political survival. Rent-seeking strengthens the alignment of the interests of elites with their supporters; when affected by rent-seeking, individuals depend on patronage and protection from elites. Given threats from other elites, they will generally support surrendering sovereignty to ensure their patron’s political survival, freeing elites to give up sovereign rights.

The paper tests the argument using two types of evidence. A subnational case study from Georgia—Adjara—demonstrates the elite level process. Analysis of survey data demonstrates the individual level mechanisms and variation predicted by the theory. The Republic of Georgia provides an excellent testing ground for these issues. During Georgia’s twenty-year period of independence, Russia has tried to exert control over the country and the results have been varied. Some Georgian elites and groups have supported Russia and others have resisted, often violently. Given the destructive role that Russia has played in Georgia and the claim that Georgian leaders
have been ideologically predisposed to nationalism (Cornell 2001, 344–45), the case provides a challenging test for a theory based around material and political variables.

**International Hierarchy**

Sovereignty is not a juridical or political absolute but a set of rights that can be parcelled among states (Lake 1996; Hobson and Sharman 2005; Cooley and Spruyt 2009; Weber 2000). When completely sovereign, states rightfully decide all relevant issues unhindered by outside powers. However, these rights can be unbundled and shared among states. States can give up their right to decide an issue and allow another state to fulfill this role. For instance, a state can give up its right to independently set tariffs by joining a customs union or give up its monopoly on violence by allowing foreign military bases on its territory. If a state gives up rights to another state, then hierarchy is established.\(^1\) Hierarchy means that states subordinate themselves to the authority and rule of a dominant state.

The most common explanation for hierarchy draws from contracting theory and argues that hierarchy is an efficient solution to problems faced by states (see: Lake 1996; Weber 2000; Cooley and Spruyt 2009; Rector 2009). States give up sovereignty to lower security costs or promote economic development. These approaches treat states as unitary actors and find that hierarchy is a utility maximizing strategy. However, these approaches do not consider the effects of surrendering sovereignty on the flow of resources and power domestically. The resources and institutional changes effected by hierarchy alter the nature of domestic politics. What is efficient

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\(^1\) Hierarchy is not the only way states can give up sovereignty. Sovereignty is often redefined and rights are removed. For example, sovereign immunity is one right that has been eroded by changes in international law (see Sikkink 2012). However, rights are not always transferred from one state to another. States can also join multilateral organizations that involve giving up sovereignty. This paper is concerned with bilateral, asymmetric, hierarchical relationships.
or beneficial for one set of actors may not benefit others within the state. To explain the efficiency of hierarchy requires attention to domestic politics.

Alternatively, hierarchy has been explained through reference to culture, ideas or identity (Wendt and Friedham 1995; Hobson and Sharman 2005). Identity and beliefs play an important role in establishing responses to external demands for sovereignty, establishing limits on the extent to which actors will be prepared to trade sovereignty. However, variation exists within groups that share similar cultures or histories and responses change rapidly across time. For instance, such constructivist arguments cannot explain why Georgian President Shevardnadze would accept a Russian military officer as his Minister of Defense, and a few years later removed him from power, reclaiming that sovereign right.

More recently, domestic institutions have received attention (Gerring et al 2010; Collins 2009). While not directly addressing hierarchy, these works have focused on how institutions can affect the calculations of the dominant state or of actors within the subordinate state concerning related concepts such as integration or indirect rule. Institutions provide opportunities to establish indirect rule or create incentives to pursue or resist integration with another state. Importantly, these approaches call attention to how institutions and domestic politics shape the choices available to actors. However, they have focused on these issues at a macro a level, looking at regime type or macro-institutional configurations. Variation among states with similar regime types or macro-institutional structures means that micro variables must also influence the incentives of actors to surrender sovereignty.

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2 Related subjects have been addressed in the field of comparative politics. However, these studies do not treat the role of external actors as an object of explanation (see Bunce 1999; Solnick 1998; Brubaker 1994; Toft 2003; George 2009; Collins 2009.)
All three approaches leave variation unexplained. Cross-nationally, seemingly similar types of regimes may support giving up sovereignty while others resist. Across time, the same leader may choose to exchange sovereignty to an external actor one year, and shortly after demand these same sovereign rights back. Within states, some groups or individuals are more prepared to give up sovereign rights than others. None of the alternative explanations satisfactorily explain the observed variation in support of surrendering sovereign rights to another state.

**Domestic Politics and the Emergence of Hierarchy**

The theory presented here explains support for hierarchy or giving up sovereign rights to another state when faced with demands to give up sovereignty, and is not intended as an explanation of hierarchy itself. Actors can support giving up sovereignty in two ways. First, they can formally negotiate sovereignty with outside powers. For example, in 1995, the Georgian President signed an agreement allowing Russian military bases in Georgia for twenty-five years (Larsson 2004, 406–7), and putting Russia in charge of aspects of Georgian border security (Mark 1996, 152). A second form of support involves actors making statements, threats, mobilizing protests and engaging in other forms of political action intended to pressure other actors. Such actions increase the probability that the government will surrender sovereignty.

Support for hierarchy develops out of a multiparty relationship including: the dominant state, different groups of elites, and individuals within the subordinate state.\(^3\) Given a demand from another state to surrender sovereign rights to them, elites and individuals must weigh the

\(^3\) Because my focus is on variation within subordinate states, the interests of the external power are considered a constant.
costs and benefits of submission. Rent-seeking and political contestation explain when the benefits outweigh the costs.

Rent-seeking involves actors using political, legal, or institutional power to extract economic resources, usually by excluding others from free participation in economic relations (Khan 2001, 70-71). Rent-seeking ties political power to economic life. The important effect of rent-seeking is that loss of political power results in a loss of economic welfare.

The level of rent-seeking can vary within a state. The rule of law and open political institutions can protect individuals from rent-seeking, making it more difficult to exploit political power for economic advantage (North et al. 2009, 19; Haggard et al. 2008). The prevalence of such institutions can vary within states (Gervasoni 2010). Additionally, rent-seeking is a targeted good, not a public one, with some individuals benefiting and others not. As rent-seeking affects some actors more than others, it affects the incentives of some elites and their supporters more than others.

Political contestation occurs when actors attempt to assert control or authority over institutions controlled by others or to preserve control of institutions in the face of others’ attempts to take control of them. Political contestation can operate through formal mechanisms such as elections or informal mechanisms such as protests, threats, or the cooptation of supporters. Where political contestation is high it threatens elite political survival.

**Elites and the Surrender of Sovereignty**

Elites are individuals who, be it through formal or informal institutional roles, can regularly influence political outcomes (Higley and Burton 1989). Elites can be a unified bloc or fragmented into groups. By giving up sovereignty to an external power, elites can gain resources
in exchange. However, they lose political and cultural autonomy and risk potential exploitation. Elite incentives are strongly influenced by rent-seeking and political contestation, factors that alter both the stakes and the likelihood of losing political power.

When rent-seeking and political contestation coincide some elites may support an external demand to give up sovereignty. When rent-seeking is high, elites that lose control of or lack access to political power lose economically (Grzymala-Busse 2008), which increases the value of political survival because it directly affects the elite’s ability to extract economic resources. Loss of power means loss of rents and increased vulnerability to the rent-seeking of others. Political contestation threatens an elite’s hold on political power. Where both are present, some elite actors will surrender sovereignty, trading it for resources to aid political survival and continued access to rents. Elites will either directly give up sovereign rights or try to force other actors to behave in accordance with the dominant state’s demands.

Loss of political power does not have the same negative economic effects when rent-seeking is low. For example, in a democracy there is political contestation, but elites are institutionally constrained from exploiting their position. In the absence of rent-seeking, the threat of losing power is not sufficient incentive to risk the costs imposed by surrendering sovereignty.

Where rent-seeking is high and political contestation is low, hierarchy will be resisted. Russian influence is rejected in both highly centralized regimes such as Turkmenistan where competition is highly restricted, and where elites share access to resources cooperatively such as the relationship between the Georgian President Saakashvili and local elites in Adjara after the Rose Revolution. Giving up sovereignty can disrupt domestic power and rent-seeking, an unattractive proposition for elites who are unconcerned about losing power and access to rents.
Elite-Societal Relations and Hierarchy

In the face of domestic opposition, elites’ ability to give up sovereign rights is constrained. Elites guarantee their political position with resources, which come in part from society. Elites must consider the interests of their supporters. They cannot surrender sovereignty to gain resources from another state if they risk losing domestic support and the resources this provides. This means if an elite’s clients oppose giving up sovereignty, the cost of doing so is higher. If rent-seeking and contestation explain elite support for surrendering sovereignty, these variables must also change the preferences of individuals who are constituents of elites.

Rent-seeking alters the nature of elite-societal relations, creating close ties between elites and the individuals they rely on in society. Rent-seeking often forces individuals to depend on elite protection to secure their economic livelihood (Frye and Zhuravskaya 2000). Rent-seeking also creates opportunities for these individuals to benefit from patronage and resources from the state (Hicken 2011, 303). Individuals thus have an interest in ensuring the political survival of their patrons.4

As rent-seeking increases some individuals’ investment in the political survival of elites, rent-seeking should increase these individuals’ support for sovereignty being surrendered if they perceive a political threat from other elites. Without elite sponsors in power, individuals lose the benefits of patronage. If these individuals are threatened by other elites, they should support their

4 Clientelism and patronage are targeted goods (Hicken 2011; Keefer 2007). Some individuals are the beneficiaries or victims, while others are not. Thus access to rent-seeking and awareness will vary at an individual level even when rent-seeking is high in the aggregate.
elite patron’s choice to surrender sovereignty for the same reason elites will, doing so improves their patron’s prospects for political survival. In this way, rent-seeking and threat from other elites in the form of contestation removes a constraint on elites supporting the external actors demand for hierarchy.

**Research Design**

The argument was tested with evidence from a single state, post-Soviet Georgia. This focused approach enables direct analysis of the causal mechanisms that drive political actors to surrender sovereignty, something lacking from larger, cross-national studies done in the past (Lake 2009). By examining the interaction of a single subordinate and dominant state, the characteristics of the dominant state—Russia—can be held somewhat constant and is unlikely to be a source of variation between groups and individuals within Georgia at a given time.

Two types of evidence were used to test the argument. First, a subnational case study—Adjara—demonstrates the process at the elite level. Second, statistical analysis of survey data from Georgia demonstrates the individual level causal mechanism. The primary aim of the survey analysis is not to test the generalizability of the elite level argument but to test the individual level implications of the theory put forward in this paper. Both the quantitative and qualitative aspects of the research design test causal process observations and combined provide evidence for the argument (Seawright 2013). The cumulative effect of these different observations is increased confidence that the causal hypothesis is correct, as these different types of observation are all theoretical implications of the argument.

The case study demonstrates how contestation combined with rent-seeking causes elites to support giving up some sovereignty and that the external power provides some protection in
The Rose Revolution in 2003 caused a dramatic shift in the political landscape of Adjara, providing within-case variation on the dependent and independent variables. In the period from 1991-2004, when Abashidze ruled the region, Adjara provided support for a Russian presence in Georgia. Since 2004, Adjaran elites’ support for Russia diminished.

This dramatic shift can only be explained by considering variables that change relatively rapidly. Structures such as institutional autonomy, ethnic identity, and culture are unlikely causes as these were largely constant across the period or at the very least slow to change. However, contestation between Abashidze and the central government was rife before the Rose Revolution, after which political contestation between the region and the center diminished. While this case focuses on center-regional contestation, the theory should generalize to other forms of political contestation as well.

Contestation between the regional and central elites was measured by elite attempts to take or maintain control over political institutions. Elites using their political power to exclude others from free participation in economic life or using political power to seize economic resources illegally were used as indicators of rent-seeking. The theory predicts that in combination these two variables will lead to greater support for Russia. Lower levels of support for Russian demands in the presence of both these variables, all else being equal, would be evidence the theory was incorrect. Higher levels of support associated with a reduction in either of these variables would also be evidence against the theory. The case was also examined for mechanism observations. Evidence showing that elites relied on societal actors and that elites believed the external actor could keep them in power would support the argument. Alternatively, if these mechanisms were absent, other approaches may better explain the outcome.

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5 These are observations related to the intervening processes through which the independent variables affect the dependent variables (Mahoney 2009).
The theory requires that individual level preferences vary with type of elite-individual relation and rent-seeking. If this were not true, then elites would be constrained from adopting policies that result in reduced sovereignty, even if it was in the elites’ interest to do so. The survey analysis tested this individual-level variation. In a high rent-seeking environment individuals often rely on elite protection and patronage; if surrendering sovereignty can increase the prospects of elite political survival when contestation is high, the clients of elites that are threatened by other elites should support surrendering sovereignty. This is a general observation, and not one uniquely related to center-regional relations.

The survey data provide a causal process observation or a hoop test (see Bennett 2010). If the test fails to find differences among individuals based on different elite-societal relations and rent-seeking, there is reason to doubt the above theory. Passing a number of such tests increases the confidence in the argument (Collier 2011). The survey data allowed a number of such tests to be carried out. For example, the same individuals supporting Russia, the EU and the United States would be hard to explain through reference to ideology but is consistent with rent-seeking and political survival motivations for surrendering sovereignty – all are potential sources of resources for local actors.

Case Study: Adjara, 1991-2010

During the 1990s and early 2000s, Adjaran elites aligned themselves with Russia. After the opening of Georgian society and its economy following the Rose Revolution, Russian influence diminished, culminating with the removal of the Russian military base from Batumi in 2007. Adjara is ethnically Georgian and not secessionist, two alternative factors that could explain why groups surrender sovereignty to an outside power. The changes in relation to Russia
were accompanied by higher rather than lower levels of contestation over rent-seeking between the regional elites and the central government.

*Abashidze’s Rule and Support for Russia, 1991-2003*

During the 1990s, the ruler of Adjara, Aslan Abashidze lobbied the central government to adopt policies that reduced sovereignty. While this was consistent with Shevardnadze’s policy preferences during the early or mid-1990s, by the late 1990s or early 2000s, it conflicted with many of the positions adopted by the central government. Abashidze provided both direct and indirect support for Russian control over Georgian sovereignty throughout his rule, hindering the government’s desired policy evolution during this later period.

Directly, while Shevardnaze worked to remove Russian military forces from Georgia, Abashidze provided Russian forces with a building free of charge (Pravda 1998). Abashidze also negotiated with Russia a visa regime for the region, more flexible than that enjoyed by other Georgians. In these ways, Abashidze facilitated Russian control over aspects of Georgia sovereignty.

On numerous occasions, Abashidze also used his power to lobby on behalf of Russia. During the late 1990s he called the policies of Shevardnadze, the Georgian President, “irresponsible” in response to Shevardnadze’s criticism of the role of the Russian military in Georgia (Chernomorskaya Pressa 1998). Abashidze also expressed his support of Russian leadership when the Georgian parliament formed a committee to discuss leaving the Commonwealth of Independent States, referring to this as an “unconstructive position” (Krutikov 1997). In 1998, as Shevardnadze attempted to reassert Georgian sovereignty over its borders, Abashidze threatened to mobilize his own border guard if Russian forces were removed as
border guards (Golotyuk 1999). These actions constituted indirect support for Russian control over some areas of Georgian sovereignty.

Abashidze’s support for Russian hierarchy developed in an environment where there was both contestation with the center and high levels of rent-seeking. Abashidze was a prominent local figure in the early 1990s when Gamsakhurdia, the first president of Georgia, tasked him with restoring order to the Adjara (Fuller 1993). However, once Abashidze had disposed of his local rivals, he worked to preserve his and the region’s independence from central government control (Fuller 1993). He took control of the local military forces, declared a state of emergency and formed militias that he used to control the region (Zurcher 2007). Abashidze’s power in the region provided a base for contestation between the Georgian government and Abashidze and his supporters.

Control over the Adjara allowed Abashidze to become one of the most powerful politicians in the country, a potential successor to Shevardnadze (Fuller 1993). Abashidze competed for control over institutions with Shevardnadze. He established the political party Revival which became the second largest in the country. Despite flaws in Georgian elections, political contestation was very real. The Commission for Security and Cooperation in Europe described the 1999 parliamentary election as contested, primarily by Shevardnadze’s Citizen Union of Georgia party and Abashidze’s Revival party, as “open but bruising” (CSCE 1999). Thus Abashidze was in frequent opposition to the central government using formal avenues of political contestation.

Informal political contestation was also rife as both the central government and Adjaran elites tried to assert authority over institutions controlled by the other. In 1997, Abashidze accused Tbilisi of multiple assassination attempts (Segodnia 1997). In 1999, Adjaran elites
declared important political positions, such as the mayor of Batumi, the regional capital, to be elected officials, no longer appointed by Tbilisi (Losaberidze, Kandelaki, and Orvelashvili 2003, 309); Tbilisi and Adjara also contested control of tax and customs revenue from the region (Nodia 2005: 54). For example, in 2003, the government of Shevardnadze criticized the Adjaran government’s refusal to transfer taxes from the region to the central government budget (Kavkazskii Uzel 2003). In response, Abashidze complained that Adjara had “received [in transfers] much less from the central government than had been approved by budget documents.” (Dzhanashia 2003) Tax revenue was also a source of conflict between Adjara and the center after Saakashvili took control of Georgia in 2003 (Civil.ge 2004). These actions demonstrate elite attempts to alter control over institutions.

Compromises between the center and the region were more indicative of informal solutions to political contestation than genuine cooperation. For instance, in return for Abashidze pulling out of the 2000 Presidential elections, Adjara was granted more autonomy (Slider 2000). Shevardnadze would not have made this concession if contestation were not an issue. Some have interpreted these moments of compromise and bargaining as signs of a client-patron relationship between Shevardnadze and Abashidze (George 2009, 141). However, the relationship was more competitive than clientelistic. Abashidze formed his own party and refused to allow CUG or other parties compete freely in the region. This behavior contrasts with Shevardnadze’s relationship with other powerful elites. For example, Levan Mamaladze, the Governor of Kvemo Kartli, was a member of CUG, Shevardnadze’s political party, and the region under his control returned very high numbers of votes to Shevardnadze and his party. This sort of relationship was clearly absent in Abashidze’s case.

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6 The time when cooperation was highest was in 2003 (Marten 2012). However, at this point, both sides were threatened by Saakashvili’s movement.
Adjara is a hub for transporting goods from Turkey into Georgia, and rent-seeking was widespread. Those who controlled the political apparatus restricted free access to the economic market; any substantial business operating in the region had to get approval from Abashidze (ICG 2004). One estimate is that customs officials could make $2000 a day through corruption (Pelkmans 2006: 180). Local elites transferred little of the taxes and customs gained to the central government. When Abashidze was removed from power he was charged with embezzling 98 million lari or roughly US$57.6 million (Civil.ge 2007; Ria Novosti 2007). By using their power to extract economic resources, elites engaged in rent-seeking.

The benefits of the relationship with Russia were clear. Political power allowed Abashidze to control rents from the region. Abashidze believed that by supporting the Russian presence in Georgia he was securing a guarantee of his continued control of the regions institutions; given that Shevardnadze shared this belief, Abashidze’s security and control of the regions institutions and accompanying rents was increased (Aves 1996: 42; Nodia, 2005: 51). The potential that Russia might support Abashidze if Shevardnadze tried to forcefully to remove him from power facilitated Abashidze’s control and material well-being.

However, the nature of Georgian-Adjarian relations changed in 2003 when Georgia underwent a regime transition, the Rose Revolution. Contestation between Adjara and the central authorities was initially exacerbated as Saakashvili attempted to reassert control over Georgia’s regions. Abashidze resisted, destroying bridges into the republic and Saakashvili mobilized the military (EurasiaNet 2004). This increase in contestation meant that the causal mechanisms—beliefs concerning external support and reliance on society—are most clearly observable during this period.
Both mechanisms played a role during the confrontation between Adjara and Saakashvili. First, society in Adjara saw changes in the rest of the country, which combined with Abashidze’s increasingly narrow distribution of benefits to Adjara society, prompted political protests (Mitchell 2004, 6). The contribution of these protests to Abashidze’s downfall shows the reliance of elites on mass support. Elites cannot only rely on external relationships. Second, during the period of confrontation, Abashidze visited Moscow multiple times seeking protection from his patron (ICG 2004). Russian politicians made comments in support of Abashidze and condemning those who were trying to overthrow him. Ultimately, Russia secured Abashidze’s safe passage to Moscow (Nodia 2005: 56). That Abashidze sought support from Russia demonstrates his perception that they could offer substantial protection.

*Diminished Support for Russia After the Rose Revolution, 2004-2010*

After the removal of Abashidze, the Georgian government transformed Adjara’s relationship with the center. The region’s autonomy was curtailed; Adjara is now governed by members of Saakashvili’s ruling UNM party, and the central government can legally appoint the leader of the region and disband the region’s parliament. Contestation between the center and the region has declined dramatically.

The Adjaran economy benefited from transfers from the center, and foreign investment and tourism increased (Kucera 2007). Saakashvili made the region a development priority of the government, and there has been cooperation between the region and the center in pursuing these aims. The elite in Adjara possess a sense of similar purpose and belief about an appropriate

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7 Author interviews with head of UNM in Adjara Gela Dekanidze; Chair of Legal Affairs, Supreme Council of Adjara Petre Zambakhidze; and Chairman Batumi City Council Giorgi Kirtadze, Batumi, August 2010.
relationship with the central government and the pursuit of development. For example, the head of the ruling United National Movement party in the region stated that “it doesn’t matter who you ask, Varshalomidze, Kirtadze, Zambakhidze or myself, we will all give you the same answers.”

Local elites see the central government as a source of opportunities, and share a common purpose with the center.

Currently, Adjaran elites are unconcerned about economic contestation with the center (George 2008). Adjara has been able to preserve, unlike other regions, a degree of formal autonomy and its own budget. While this budget is partially funded by local revenue-raising activities it is also funded by the central government. There have been accusations that a development fund set up by Saakashvili for use by certain elites in the region is being mismanaged (Turadze 2005). While rent-seeking and corruption clearly remain, contestation between Adjara and Tbilisi over these rent-seeking opportunities is low.

The lack of political contestation meant that elites in the region no longer need Russian support to maintain their economic position, and they have begun to resist Russian encroachment on Georgian sovereignty. For example, two Russian officers were arrested in Batumi for espionage (Civil.ge 2006). The negotiation and ultimate withdrawal of the Russian military base produced little response, where previously the threat its removal or discussion of withdrawing from the CIS produced an outcry from elites in the region. Russian influence has diminished since the Rose Revolution.

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8 Author interview with Gela Dekanidze, August 7 2010.
9 Author interviews with Gela Dekanidze; Chair of Legal Affairs, Supreme Council of Adjara Petre Zambakhidze; and Chairman Batumi City Council Giorgi Kirtadze, Batumi, August 2010.
10 This contrasts with Abashidze’s response to earlier proposals to remove the base and the reaction in other regions of Georgia such as Javakheti.
Early during Georgian independence, Adjaran society faced the choice of being robbed by the center or the local strong man. The choice of the local strong man came with the possibility of Russian protection in domestic contestation for elites and their clients. Following the Rose Revolution, Saakashvili presented a new opportunity to the Adjarans, who gave up support of a Russian presence and the corrupt local potentate Abashidze.

**Survey Data: Georgia 2009**

The next analysis shows that elite-societal relations influence individual level preferences regarding hierarchy consistent with the argument of the paper. I explore these issues at a national level using data from the 2009 Caucasus Barometer, a nationally representative survey excluding Abkhazia and South Ossetia. The period of this survey, shortly after the 2008 conflict with Russia, provides a hard test for an explanation based on domestic political variation. During this period anti-Russian, nationalist sentiments, and security concerns would be at their highest and thus might swamp the effects of other variables.

**Measuring the Dependent Variable: Protect from Russia**

*Protect from Russia* was the main dependent variable, capturing concern about Russian influence within the country. This question asked, “To what extent do you believe our way of life needs to be protected from Russian influences?” The potential responses were: 1) strongly disagree; 2) disagree; 3) agree; and 4) strongly agree. Those who strongly agree with this statement are more likely to want to resist Russian encroachment on Georgian sovereignty.

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11 The data and documentation are publicly available from [http://crrccenters.org/caucasusbarometer/datasets/](http://crrccenters.org/caucasusbarometer/datasets/), Caucasus Barometer 2009, Caucasus Research Resource Center, Tbilisi, Georgia
Agree was the most frequent response, while respondents were least likely to strongly disagree (Figure 1).

This variable is strongly related to the outcome of interest as giving up sovereignty would entail a large amount of Russian influence. At a minimum, this variable could be used to falsify my argument if the individuals predicted to support surrendering sovereignty want to resist Russian influence. Conversely, passing this test should increase confidence that the argument is correct. However, a stronger claim can be made. This variable will directly measure the outcome of interest. Russia, the former imperial metropole, has helped breakaway regions of Georgia, and has made many other impositions on Georgia sovereignty. It is unlikely that individuals could compartmentalize a question concerning Russian influence from Russia’s historical role in the country.

Figure 1 Frequency of Dependent Variable
Measuring the Independent Variables: Elite-Societal Relations and the Rule of Law

The theory argues that individuals in society constrain elites. However, a connection to one set of elites and threat from others combined with rent-seeking should cause individuals to support giving up sovereignty, removing this constraint on elites. The argument is a conditional one so an interaction term was used. *Elite-Societal Relations* and *Rule of Law* measure if respondents perceive their interests are represented by some elites and threatened by others and the extent of rent-seeking.

Rent-seeking should influence attitudes toward sovereignty only if individuals are represented by one set of elites and threatened by others. The Elite-Societal Relations variable measures these different types of connections to elites. This variable was constructed using responses to two questions. The questions asked the respondent to rate their trust in elites. They were first asked to rate their trust in local government and then in the executive. The respondents rated their trust on a scale of 1 (fully distrust) to 5 (fully trust). Using these variables I constructed a variable with four categories: 1) *Trust Local Officials*, those who trust local government and distrust the executive; 2) *Trust Executive*, those who trust the executive and not local government; 3) *Trust Neither*, those who distrust both; 4) *Trust Both*, those who trust local government and the executive. An individual was coded as trusting an elite if their response was above 3. Different combinations of trust reflect different relationships with elites.

A large literature has developed in sociology concerning trust (Luhmann 1979; Tsai and Ghosal 1998; Möllering 2005; Hardin 2006). Trust develops out of continued interaction and measures a relationship between individuals that can be understood as “encapsulated interest” (Hardin 2006: 18-20). Empirically, studies in a diverse set of contexts such as South East Asia, Latin America and Central Asia have shown that those who are part of patronage networks have
higher levels of trust for their patrons (Scott 1974; Auyero 1999; Hierman 2010). These findings demonstrate that trust is related to informal political relationships that are the basis of political interaction and contestation. Furthermore, trust is correlated with partisan attitudes. Individuals claim higher levels of trust when members of their political party are in power in a variety of contexts such as in the US (Citrin 1974; Keele 2005), Western Europe (Listhaug 1995), the Baltic States (Lühiste 2006); and political trust is correlated with forms of partisanship in other post-communist countries (Rose and Mishler 1998).

Trust also enables political mobilization. Tilly has shown how trust networks have been both important sources of opposition to government and resources for government to mobilize. “Trust networks… consist of ramified interpersonal connections within which people set valued, consequential, long-term resources and enterprises at risk to the malfeasance of others” (Tilly 2004: 5). Trust networks allow anti- and pro-state mobilizations to develop. Elites are able to mobilize societal actors by creating belief in a common set of interests and motivating individuals to share resources.

Trust measures an individual’s belief that an elite represents their interests and their fear of those they distrust. Further, if elites are able to mobilize society, they will mobilize individuals that trust them rather than distrust them. Individuals expect something from those they trust and fear the actions of those they do not. An individual who trusts only local officials feels represented by the local officials and threatened by the executive. The reverse is also true. An individual that trusts neither feels their interests are potentially threatened by both sets of elites but that their interests are represented by neither set of elites. An individual who trusts both has no perception of threat. Contestation is driven by competing interests and creates a sense of
threat. This variable should proxy for the conditions that characterize individual level responses to contestation.\textsuperscript{12}

Rule of Law measures perceptions that the country is governed by the rule of law. It asked whether the respondent agreed that “The country is governed by the Rule of Law?” The rule of law has been used to measure rent-seeking and clientelism in other studies, (Keefer 2007). Low rule of law provides elites opportunities to target goods to clients and exploit others. Low rule of law allows elites to use power for personal economic gain (Frye and Zhuravskaya 2000; Alt and Lassen 2003; Slinko et al. 2005; Fisman and Gatti 2002; Haggard et al. 2008). Limited rule of law forces businesses to rely on patronage and protection, further increasing rent-seeking (Frye and Zhuravskaya 2000). In contrast, high rule of law reduces rent-seeking by limiting the ability of elites to use power arbitrarily (North et al. 2009).

If individuals believe that the rule of law is limited, then they will believe that rent-seeking is prevalent. Rent-seeking and clientelism are targeted or club goods, meaning awareness of them and their effects will vary at an individual level. As some individuals are excluded or included in rent-seeking processes, some will be more affected by rent-seeking than others. This explains the variation of individual level perceptions.

Those that Trust Local Officials or Trust Executive will not want to resist Russian influence if they believe that Rule of Law is low. An individual who trusts local officials and distrusts the executive perceives a difference between local and central elites, is more closely connected to local elites, and fears the central government’s policies or intentions. They are also invested in the survival of local elites because of rent-seeking and thus will support Russian influence.

\textsuperscript{12} If anything, using political trust to proxy for these relationships is likely to underestimate the level of threat associated with political contestation, as a result estimated effects will be conservative.
involvement to aid their political survival. The reverse is true for those who trust the executive. Lower levels of Rule of Law will reduce the probability of agreeing with Protect from Russia (see table 1 for a summary of predicted effects).

*Table 1. Predicted effects of the interaction*

<table>
<thead>
<tr>
<th></th>
<th>Rule of Law</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
</tr>
<tr>
<td>Trust Local Officials</td>
<td>Agree with Protect from Russia</td>
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<td></td>
<td></td>
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<tr>
<td>Trust Executive</td>
<td>Agree with Protect from Russia</td>
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<td></td>
<td></td>
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<tr>
<td>Trust Both</td>
<td>Disagree with Protect from Russia</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Trust Neither</td>
<td>Disagree with Protect from Russia</td>
</tr>
</tbody>
</table>

Lack of trust could be associated with a belief that the respondent will be exploited through corruption, suggesting that trust and Rule of Law measure the same concept. However, trust does not mean the trusted party is honest, only that they represent the interests of the one that trusts. For example, members of criminal groups can have high levels of trust despite knowledge that those they are trusting are criminals. Empirically, if these variables measure the same concept there would be an additive or substitutive effect. Those who Trust Both and have a
high belief in the Rule of Law and those that Trust Neither and have a low belief in the Rule of Law would fall into the extremes. If the variable has an effect, the largest observed differences would be between such individuals. This paper predicts that these individuals should behave in a similar manner.

Accountability was used as a second measure of attitudes toward rent-seeking. Accountability asked whether “High officials are punished for their unlawful actions.” The responses ranged from strongly disagree, disagree, agree to strongly agree. This also measures the extent to which officials can take advantage of their position for gain and arbitrarily use their power to benefit themselves and their clients.

Control Variables

Ethnic identity was included as a control as conflicts between certain ethnic groups and the majority have helped loosen ties of minorities to Georgian sovereignty. For example, Armenians in Georgia see their deprived position as a result of political decisions (Government of Georgia 2008: 68). This variable also helped control for arguments based on culture.

Age was included as older people lived under the Soviet Union and could be more sympathetic to Russia. Income controlled for the fact that wealthier individuals may be affected more by corrupt elites. Education was included as it has been found to be correlated with level of nationalism (Coenders and Scheepers 2003). Sex was also included; the patriarchal structures of Georgia mean gender differences may play a role.

Friends with Russian controlled for prejudice, which could increase resistance to Russian influence. A dummy variable measured if the respondent disapproved of being friends with a

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13 The variable categories were Georgian, Armenian, Azeri, Russian and Other Caucasus Ethnicity.
Russian. *Family in Local Government* and *Family in National Government* measure if the individual has family working for local or national governments. Family in government increases access to rents and might be related to the outcome.

**Analysis**

An ordered logistic regression was used to estimate the effect of the interaction between Elite-Societal Relations and Rule of Law on Protect from Russia. Without an interaction term, the model found no relationship between Elite-Societal Relations or Rule of Law and Protect from Russia (Model 1). The interaction between Rule of Law and Elite-Societal Relations was then included to test the proposed theory (Model 2). In this model, the Rule of Law variable shows the effect of changes in Rule of Law for the Trust Local Officials category. The analysis found a significant relationship between the interaction term of Elite-Societal Relations and the Rule of Law and the dependent variable (see table 3). Substituting Accountability for Rule of Law (Models 3 and 4) gave similar results.

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14 Robust standard errors are not appropriate for models such as these (see Freedman 2006). However, results are robust to their use.
Table 3. Protect from Russia (standard errors reported in parentheses).

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>1 Protect from Russia</th>
<th>2 Protect from Russia</th>
<th>3 Protect from Russia</th>
<th>4 Protect from Russia</th>
<th>5 Protect from Russia</th>
<th>6 Protect from Russia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rule of Law</td>
<td>0.110 (0.07)</td>
<td>0.444*** (0.193)</td>
<td>-0.242** (0.107)</td>
<td>-0.631** (0.310)</td>
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<td>Accountability</td>
<td></td>
<td>0.203*** (0.070)</td>
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<tr>
<td>Connections</td>
<td></td>
<td>0.551** (0.197)</td>
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<tr>
<td>Trust Executive</td>
<td>0.088 (0.289)</td>
<td>-0.454 (0.999)</td>
<td>0.012 (0.1061)</td>
<td>0.069 (0.246)</td>
<td>0.007 (0.183)</td>
<td>0.233 (0.317)</td>
</tr>
<tr>
<td>Trust Both</td>
<td>-0.060 (0.212)</td>
<td>0.841 (0.765)</td>
<td>-0.114 (0.781)</td>
<td>0.826 (0.183)</td>
<td>0.105 (0.183)</td>
<td>0.007 (0.183)</td>
</tr>
<tr>
<td>Trust Neither</td>
<td>-0.290 (0.192)</td>
<td>0.758 (0.564)</td>
<td>-0.826 (0.191)</td>
<td>0.906 (0.611)</td>
<td>-0.225 (0.167)</td>
<td>0.450** (0.217)</td>
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<td>Rule of Law x Trust Executive</td>
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<tr>
<td>Rule of Law x Trust Both</td>
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<tr>
<td>Rule of Law x Trust Neither</td>
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<tr>
<td>Accountability x Trust Executive</td>
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<tr>
<td>Accountability x Trust Both</td>
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</tr>
<tr>
<td>Accountability x Trust Neither</td>
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<td></td>
</tr>
<tr>
<td>Age</td>
<td>0.003 (0.004)</td>
<td>0.003 (0.004)</td>
<td>0.003 (0.004)</td>
<td>0.003 (0.004)</td>
<td>0.003 (0.004)</td>
<td>0.003 (0.004)</td>
</tr>
<tr>
<td>Income</td>
<td>0.027 (0.027)</td>
<td>0.031 (0.045)</td>
<td>0.027 (0.044)</td>
<td>0.030 (0.044)</td>
<td>0.008 (0.040)</td>
<td>0.006 (0.040)</td>
</tr>
<tr>
<td>Education</td>
<td>0.008 (0.021)</td>
<td>0.004 (0.021)</td>
<td>-0.005 (0.020)</td>
<td>-0.007 (0.020)</td>
<td>-0.013 (0.018)</td>
<td>-0.014 (0.018)</td>
</tr>
<tr>
<td>Sex</td>
<td>-0.165 (0.122)</td>
<td>-0.170 (0.122)</td>
<td>-0.201* (0.120)</td>
<td>-0.209* (0.120)</td>
<td>0.097 (0.108)</td>
<td>-0.119 (0.109)</td>
</tr>
<tr>
<td>Friends with Russian</td>
<td>0.479** (0.157)</td>
<td>0.448*** (0.158)</td>
<td>0.580*** (0.156)</td>
<td>0.605*** (0.157)</td>
<td>0.598*** (0.140)</td>
<td>0.598*** (0.140)</td>
</tr>
<tr>
<td>Family in Local</td>
<td>-0.033 (0.222)</td>
<td>-0.028 (0.224)</td>
<td>0.058 (0.216)</td>
<td>-0.066 (0.217)</td>
<td>-0.118 (0.188)</td>
<td>0.122 (0.189)</td>
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<tr>
<td>Government</td>
<td>-0.328 (0.350)</td>
<td>-0.349 (0.351)</td>
<td>-0.244 (0.324)</td>
<td>-0.259 (0.326)</td>
<td>-0.369 (0.293)</td>
<td>-0.355 (0.294)</td>
</tr>
<tr>
<td>Cut 2</td>
<td>-1.753*** (0.434)</td>
<td>1.02* (0.63)</td>
<td>-1.761*** (0.429)</td>
<td>-0.826 (0.677)</td>
<td>-2.443*** (0.383)</td>
<td>-2.613** (0.400)</td>
</tr>
<tr>
<td>Cut 3</td>
<td>-0.184 (0.427)</td>
<td>-0.56 (0.62)</td>
<td>-0.207 (0.422)</td>
<td>0.730 (0.673)</td>
<td>-0.905* (0.375)</td>
<td>-1.075*** (0.392)</td>
</tr>
<tr>
<td>Cut 4</td>
<td>1.277*** (0.428)</td>
<td>2.01*** (0.63)</td>
<td>1.301*** (0.424)</td>
<td>2.245*** (0.677)</td>
<td>0.647 (0.374)</td>
<td>0.480 (0.390)</td>
</tr>
<tr>
<td>N</td>
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<td>968</td>
<td>1006</td>
<td>1006</td>
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<td>AIC</td>
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<td>2625</td>
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<td>3274</td>
<td>3277</td>
</tr>
</tbody>
</table>

Significance ***.01, **.05, *.1, from two tailed significance
Rule of Law or Accountability shows effect for Trust Local category in models with interactions.
The coefficients of interaction terms in models with limited dependent variables are difficult to interpret as straightforward marginal effects. The marginal effect can vary depending on the level of the independent variable because it is conditional on the value of other variables in the model (Ai and Norton 2003). To aid interpretation, I calculated predicted probabilities for different levels of the interaction using simulation (Imai et al 2007). Control variables were set to their mean or mode and the level of the independent variables was varied.

The results are consistent with the theory. When an individual trusts only local officials and they strongly disagree that the country is governed by the rule of law the predicted probability of them strongly agreeing that Russian influence should be resisted is 21% (32% agree); when they strongly agree that the country is governed by the rule of law it is 50% (31% agree). Separate simulations estimating the first difference of those who strongly agree with Rule of Law and those that strongly disagree estimated a 28% (3%-48%, CI 95%) difference in predicted probabilities of strongly agreeing with the Protect from Russia statement (see figure 2). For individuals who trust only local officials, the predicted probability of strongly agreeing with Protect from Russia increases as belief in Rule of Law increases.

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15 95% confidence intervals were calculated using results from simulations, they represent 2.5 percentile and 97.5 percentiles of estimates from 10000 simulations.
Figure 2. Trust Local Category: difference in predicted probabilities of a) strongly agree b) agree c) disagree d) strongly disagree with Protect from Russia as value of Rule of Law moves from Strongly Disagree with Rule of Law to other values of Rule of Law variable (lines through points represent 95% confidence intervals, first differences calculated using Zelig with control variables set to their mean or mode).

The predicted effects are larger for those who trust only the executive (Figure 2). The predicted probability of strongly agreeing with Protect from Russia for those that strongly disagree that the country is governed by the rule of law is 21% (30% disagree) increasing to 58% (27% agree) when they strongly agree the country is governed by the rule of law. Simulations of first differences showed a 38% (-.8%-66%, CI 95%) difference between those who strongly disagree and strongly agree with Rule of Law (see Figure 3).  

16 While this first difference is just short of significant at the 5% level, it is significant at the 10% (3%-62%, CI 90%). For this category the differences in predicted probabilities between strongly
For individuals that trust both local officials and the executive or distrust both, there is no substantive change. Simulations show no statistically significant changes with an increase in belief in Rule of Law (see figure 4.) For those who trust both, the probability of strongly agreeing (or agreeing) that Russian influence should be resisted is 27% (35%) for those who strongly disagree that the country is governed by the rule of law, and 37% (35%) for those who strongly agree that that the country is governed by the rule of law. The predicted probabilities vary only slightly.

disagree with Rule of Law and disagree and strongly disagree and agree are significant at the 5% level (see figure 4).
Figure 4. Trust Both Category: difference in predicted probabilities of a) strongly agree b) agree c) disagree d) strongly disagree with Protect from Russia as value of Rule of Law moves from Strongly Disagree with Rule of Law to other values of Rule of Law variable (lines through points represent 95% confidence intervals, first differences calculated using Zelig with control variables set to their mean or mode).

For Trust Neither there is no change in the predicted probabilities (Figure 5). There is a 36-35% predicted probability of agreeing and a 29-28% chance of strongly agreeing with the Protect from Russia statement, regardless of the value of Rule of Law. There is no change based on the respondent’s belief about the rule of law.¹⁷

¹⁷ The results for the Trust neither category combined with disagreement with Rule of Law are very similar to Trust Both combined with agreement with Rule of Law. This indicates the measures of trust and Rule of law are capturing different phenomena.
Figure 5. Trust Neither Category: difference in predicted probabilities of a) strongly agree b) agree c) disagree d) strongly disagree with Protect from Russia as value of Rule of Law moves from Strongly Disagree with Rule of Law to other values of Rule of Law variable (lines through points represent 95% confidence intervals, first differences calculated using Zelig with control variables set to their mean or mode).

Additional tests

Alternative measures of the variables were also considered. Connections, a measure of rent-seeking, asked respondents what was the most important factor in finding a job. If the respondent selected “connections” this indicated that they believe that non-market factors are crucial aspects of the economy. The type of connections was not specified, and hence could mean non-political connections such as friends or family, but it is likely that it will measure some aspect of rent-seeking. The interaction was significant and in the predicted direction for the Trust Local category (Model 6).
Other measures of support for hierarchy substituted the dependent variable in additional models. CIS asked respondents if “Georgia should focus on closer cooperation with the Commonwealth of Independent States (CIS), because that is where we belong” or “Georgia should pursue closer cooperation with the European Union (EU), because this will help us develop in the right direction.” Russia has reduced Georgian sovereignty and control over its territory in the post-Soviet era; support for the CIS was an indication of support for a higher level of hierarchy than support for the EU. The effect for the interaction between Rule of Law and Trust Local category was significant at the 5% level in a logistic regression (Model 7), supporting the hypothesis. The Accountability variable (Model 8) was not significant, possibly because Cooperate with CIS was a less direct measure of support for hierarchy than Protect From Russia. The EU could play a role similar to that of Russia for improving an individual’s prospects for political survival, representing a milder alternate form of hierarchy.

*Territorial Integrity* asked respondents to name the most important issue facing Georgia. The territorial integrity of the country was one option. Territorial integrity is connected to issues of sovereignty and Russia’s role in the country. The government at the time viewed the breakaway regions as Russian proxies. Unencumbered control over a given territory forms part of the definition of the state going back to Weber (1958). Believing territorial integrity is the most important issue in Georgia demonstrates a rejection of Russia’s role in reducing Georgia’s sovereignty. Logistic regression models (9 and 10) produced significant interactions with Rule of Law and Accountability for the Trust Executive category. The probability of claiming territorial

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18 Only the three major ethnic groups were used for the Ethnic Identity variable because of separation.
integrity the most important issue facing Georgia was higher for those who believe that the rule of law is widespread and that high officials are punished for their crimes.

There are other powerful international actors who have played a role in Georgia’s politics, notably the United States and the EU. Both of these powers are potential sources of external resources with different normative agendas and identities than Russia, thus the political survival argument for hierarchy would be strongly supported if the same variables explained resistance to all three. Ordered logistic regressions were run using Protect from USA and Protect from EU as dependent variables. The question was similar to Protect from Russia, asking if whether the country should be protected from US or EU influence.\(^{20}\)

This analysis largely supported the hypothesis. In the case of the U.S., the Elite Societal Relations interacted with Rule of Law did not produce a significant effect but did when interacted with Accountability (Models 11 and 12). Both variables interacted with Elite-Societal Relations were significantly correlated with a lower probability that those that trust local officials believe that EU influence should be resisted.\(^{21}\)

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\(^{20}\) *Friends with American* and *Friends with German* replaced Friends with Russian.

\(^{21}\) For the Trust Executive category, the interaction predicted a lower probability of wanting to resist Russia, contrary to theoretical predictions. This might be explained by the demands concerning governance that the EU could make on the central government.
Table 4. Additional Tests

<table>
<thead>
<tr>
<th>Variables</th>
<th>7 CIS</th>
<th>8 CIS</th>
<th>9 Territorial Integrity</th>
<th>10 Territorial Integrity</th>
<th>11 Protect from USA</th>
<th>12 Protect from USA</th>
<th>13 Protect from EU</th>
<th>14 Protect from EU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rule of Law</td>
<td>-0.449** (0.227)</td>
<td>-0.069 (0.294)</td>
<td>0.169 (0.191)</td>
<td>0.391** (0.188)</td>
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<tr>
<td>Accountability</td>
<td>(0.008 (0.218)</td>
<td>-0.031 (0.275)</td>
<td>0.524** (0.18)</td>
<td>0.541** (0.186)</td>
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</tr>
<tr>
<td>Trust Executive</td>
<td>-1.094 (1.218)</td>
<td>-1.508 (1.382)</td>
<td>2.117 (1.541)</td>
<td>-3.866** (1.901)</td>
<td>0.359 (1.008)</td>
<td>0.645 (1.060)</td>
<td>3.120*** (1.040)</td>
<td>1.607 (1.099)</td>
</tr>
<tr>
<td>Trust Both</td>
<td>-1.680* (0.900)</td>
<td>-2.141** (0.711)</td>
<td>-0.058 (0.850)</td>
<td>-0.617 (0.854)</td>
<td>0.100 (0.777)</td>
<td>1.241* (0.759)</td>
<td>0.729 (0.771)</td>
<td>1.683** (0.764)</td>
</tr>
<tr>
<td>Rule of Law x Trust Executive</td>
<td>0.439 (0.439)</td>
<td>0.988* (0.520)</td>
<td>-0.264 (0.360)</td>
<td>-1.247*** (0.372)</td>
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<tr>
<td>Trust Executive</td>
<td>0.317 (0.527)</td>
<td>0.044 (0.401)</td>
<td>-0.202 (0.262)</td>
<td>-0.354 (0.261)</td>
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<tr>
<td>Rule of Law x Trust Both</td>
<td>0.428 (0.261)</td>
<td>0.226 (0.324)</td>
<td>-0.334 (0.215)</td>
<td>-0.608** (0.214)</td>
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<tr>
<td>Accountability x Trust Executive</td>
<td>0.593 (0.439)</td>
<td>1.368** (0.579)</td>
<td>-0.343 (0.354)</td>
<td>-0.658* (0.367)</td>
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<tr>
<td>Accountability x Trust Both</td>
<td>0.542* (0.323)</td>
<td>0.135 (0.389)</td>
<td>-0.629** (0.249)</td>
<td>-0.651** (0.249)</td>
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<tr>
<td>Accountability x Trust Neither</td>
<td>0.117 (0.249)</td>
<td>... (0.306)</td>
<td>-0.183 (0.205)</td>
<td>-0.597*** (0.206)</td>
<td>-0.508* (0.206)</td>
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<tr>
<td>Rule of Law or Accountability shows effect for Trust Local category in models with interactions (all control variables included)</td>
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</table>

Discussion

The paper explains why some actors willingly choose to surrender sovereignty to another state. Rent-seeking and contestation create incentives for elites to give up sovereign rights to an external actor. Counter-intuitively, by increasing the value of political power, rent-seeking makes elites more prepared to trade some of it away in the belief that external support will allow them to hold onto power. Rent-seeking also creates a close relationship between elites and their constituents. This means that when rent-seeking is high, individual preferences vary depending on the relationship of individuals with elites. This individual level variation removes a potential constraint on elites choosing to give up sovereignty to another state.
The case study demonstrated that political contestation and high level of rent-seeking drove elites to seek outside protection. Elites traded sovereignty for support from an external power. The case study also demonstrated the important role of societal actors. Abashidze built a political party and militias and was finally overthrown when Adjaran society defected to Saakashvili.

The survey data showed individual level preferences vary. This individual level variation is necessary to remove a constraint on elites trading away sovereignty. Individuals connected to elites who perceive rent-seeking and a threat from other groups were more supportive of surrendering sovereignty than individuals who did not perceive contestation or rent-seeking. That this held in a country as anti-Russian as Georgia, shortly after a violent conflict with the outside state, demonstrates the power of political contestation and institutions in driving attitudes toward sovereignty.

The analysis revealed a substantive and robust correlation between the interaction of the measures of rent-seeking and Elite-Societal Relations and attitudes toward sovereignty. In all but two models (model 8 and 11), one of the contestation categories was significantly correlated with attitudes toward sovereignty conditional on changes in the measures of rent-seeking. Elite societal relations and rent-seeking are associated with reduced desire to resist giving up sovereign rights.

In the past, Russia has fomented disorder in Georgia, reducing the country’s territorial control and promoting corruption. Russia has not supplied order in return for authority, but a means of political survival in the absence of true order.\textsuperscript{22} Those who perceived political

\textsuperscript{22} This analysis rules out explanations based solely on beliefs or culture. Despite very different identities and historical relationships with Georgia, the interaction term was associated with a greater willingness to surrender sovereignty to these three actors.
contestation and rent-seeking are less likely to want to resist Russia. Given that the same variables are associated with an increased willingness to support the EU or the US, this cannot be attributed to the particular nature of Russian hierarchy.

While focusing on micro or regional level variation, the evidence is consistent with macro-outcomes and national level variation. Russia’s influence over the Georgian state was highest when contestation over rent-seeking was highest. During the 1990s, Shevardnadze agreed to join the CIS, agreed to an appointment of a Russian military officer as his Minister of Defense, and signed agreements to host Russian military installations when threats to his political survival were particularly high. Shevardnadze was threatened by break-away regions, possible secession by others, threats from uprisings by supporters of former president Zviad Gamsakhurdia in Mingrelia, and threats from warlords like Ioseliani. As these threats diminished, so too did Shevardnadze’s willingness to give up sovereignty to Russia.

The evidence and argument of the paper explain the decline of Russian control in Georgia over time. During a time when Russia has become stronger and more expansive, its control in Georgia has lessened. An explanation based on changes in domestic politics is consistent with this observation. Resistance constrains the external power’s control. Georgian institutions changed such that contestation and rent-seeking have diminished, reducing elites’ incentives to give up sovereignty.

Conclusion

The paper demonstrated that domestic politics is important for the establishment of

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23 Russia’s changed characteristics may have alienated Georgians and contributed to a backlash, reducing Russian influence. However, Russia was conciliatory toward Georgia following the Rose Revolution, yet Tbilisi pursued an aggressively anti-Russian policy (Tsygankov 2012: 708).
hierarchy. Domestic institutions and politics determine whether elites are willing to surrender sovereignty to another state. This influences how international order develops. Where great powers confront other states with high levels of contestation and rent-seeking, they will be able to construct order characterized by high levels of hierarchy if they choose. Where these variables are absent, they will either have to withdraw, resulting in international orders based around the principle of anarchy, or great powers will rely on coercion if they want to establish control. Different types of international order will develop based on the characteristics of the smaller states.

External control of sovereignty is sometimes seen as a means of promoting domestic order and development (Fearon and Laitin 2004; Krasner 2004). However, the findings of this paper imply the interests of elites and society place limits on how effective hierarchy and shared sovereignty can be for institution-building and political and economic development. If hierarchy requires local support to function successfully and this support comes from actors determined to preserve their rent-seeking opportunities, the ability of hierarchy to replace rent-seeking and dysfunctional institutions will be constrained.

While it has become common to see hierarchy as potentially beneficial for the development of the subordinate state, the findings here imply that the effect may not necessarily be positive. Removing sovereignty from actors through the establishment of institutions like “Charter Cities” might not promote development if the actors willing to support giving up sovereignty are inspired by a desire to maintain access to rents.24 Empowering local actors invested in improving political and economic institutions within a fully sovereign state may aid development more than taking sovereignty away.

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24See http://chartercities.org/ for Romer’s charter cities proposal.
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