

ABSTRACT:

**TO RUSSIA WITH LOVE:
HOW SANCTIONS IMPACT ON ELECTIONS**

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Do economic sanctions succeed in weakening the support of incumbent governments? To answer this question, we focus on the sanctions imposed on Russia after 2014 and identify their effect on voting behavior in both presidential and parliamentary elections. On the economic side, the sanctions significantly hurt Russia's foreign trade, but with regional-level variation. For identification, we derive counterfactual regional-level trade flows from a full-general-equilibrium gravity model. Observed deviations from the counterfactual result from pre-determined variation in the regions' industry structure as well as their propensity to substituting trade with sanctioning countries by trade with other countries. DiD-Estimations reveal that regime support significantly increased in response to the sanctions, at the expense of voting support of communist and nationalist parties. Indeed, 39 percent of the increase in the vote shares of president Putin and his party can be explained by the sanctions' trade effects. Placebo estimations confirm the validity of our identification assumptions.