

Managers instead of governor-generals? Moscow's new tactics in the North Caucasus

Wojciech Górecki

The establishment of a separate North Caucasian Federal District in January 2010, and the nomination of Aleksandr Khloponin as the presidential plenipotentiary envoy to that district, suggest that the Kremlin is going to adjust its previous policy towards this region. It can be concluded from statements made by President Dmitry Medvedev and Prime Minister Vladimir Putin that the essence of the new tactics will be to develop the Caucasus economically, and to give top priority to such regional socio-economic problems as poverty, unemployment and corruption. The promised curb on the strong arm methods, which Moscow has used to rule the region for more than a decade, will not change the strategic goal of the central authorities, namely the stabilisation of the Caucasus region. This is becoming an especially urgent task because of the approaching Winter Olympics in Sochi (2014).

The new tactics are more likely to be successful in the west of the region (the republics of North Ossetia, Kabardino-Balkaria and Karachay-Cherkessia, located close to the 'Olympic territories'), where the socio-political situation is relatively calm. More problematic will be the 'economisation' of the Russian policy in the south-eastern Caucasus, which is characterised by a high crime rate (including terrorism), and the presence of underground militants (the republics of Dagestan, Chechnya and Ingushetia). The unequal development of the two parts of the North Caucasus may maintain and even deepen the existing division into the west of the region, which is integrated with the rest of the country, and the notoriously unstable east.

The structural problems of the Caucasus

The North Caucasus, which is of vital significance for Moscow as a frontier area, seaside located and an area through which oil and gas pipelines and north-south routes to Armenia and Iran run, is the poorest region of Russia; structural unemployment, underfunding, overpopulation (the highest population growth rate in the country) and land deficiency have posed serious problems there for a long period¹.

Residents of North Caucasian republics feel as if they are second-class citizens in Russia, marginalised and deprived of any prospects. When they go to earn money in other regions of the Russian Federation, they have to face the risk of racist attacks and harassment from militia and other law enforcement agencies. Ethnic Russians from St. Petersburg or Moscow perceive

¹ According to Rosstat, the unemployment rate reached 50.3% in Ingushetia and 33.9% in Chechnya in May 2009 (while the average rate in Russia was approximately 10%; www.gks.ru). The Finance Minister of Chechnya, Eli Isayev, stated in turn that the unemployment rate in the republic reached 45.5% on 1 December 2009 (<http://www.kavkaz-uzel.ru/articles/162869>; accessed on 24 February 2010). Alexey Malashenko, a brilliant expert in Caucasian issues, estimates that almost 90% of the incomes of Ingushetia and Chechnya's budgets come from direct subsidies from the centre; 78% in the case of Dagestan, 76% in the case of Karachay-Cherkessia and 60% in the case of North Ossetia ('Kavkaz ustal ot khaosa', *Niezavisimaya Gazeta*, 17 November 2009, http://www.ng.ru/ng_politics/2009-11-17/11_kavkaz.html; accessed on 24 February 2010). Between January and September 2009, the population growth rate reached 12.3‰ in Dagestan, 14.8‰ in Ingushetia, 23.7‰ in Chechnya and -1.7‰ in Russia as a whole (http://www.gks.ru/free_doc/2009/demo/tab111-3.xls; accessed on 24 February 2010).

this region as a kind of internal colony. This impression is reinforced by the isolation of the Caucasus; local authorities are trying to limit the number of journalists' visits (both foreign and Russian), and those few tourists as there are have to undergo numerous and burdensome checks. Researchers specialising in the region have highlighted the processes of Islamisation and de-Russification ongoing in the region. The negative trends listed above are much stronger in the east part of the region.

Organised crime has reached a great extent in the Caucasus. Underground militants, which as a rule draw on radical Islam, are active in Dagestan, Chechnya and Ingushetia. Their attacks are aimed at representatives of law enforcement agencies, state officials, representatives of

The North Caucasus is the poorest region of Russia, where structural unemployment, underfunding, overpopulation and land deficiency have posed serious problems over a long period.

the official Muslim clergy and random passers-by; kidnappings and assassinations happen quite regularly. The situation dramatically worsened in 2009².

Corruption and nepotism are very serious problems in the Caucasus. Each republic is governed by clan-based and mafia-type groups; these are alienated from their so-

cieties but tolerated by Moscow, which very rarely dismisses the head of a republic (Murat Ziazikov, who was dismissed as president of Ingushetia in autumn 2008, was an exception). These groups blackmail the central authorities making the impression that they are the only guarantors of the stability and secular nature of a given republic.

The failure of the 'stick policy'

The situation as outlined above is the result of many years of neglect. No Russian government has managed to frame a coherent concept for the region's development as yet. Under the rule of Boris Yeltsin (1991–1999), Moscow's policy was reactive; it merely responded to events happening in the Caucasus itself. When Vladimir Putin took power and the 'Second Chechen War' broke out in autumn 1999, the region was controlled by force, which required heavy financial outlays and the constant presence of numerous troops. The high costs and

The high costs of governing the North Caucasus by strong arm methods, and the poor efficiency of those methods, have forced the Kremlin to adopt a more flexible policy, a sign of which is the 'Chechenisation' concept.

the lack of visible effects – persecutions of both actual and alleged terrorists and Islamists have led to a radicalisation of views, especially among young people³ – have made the Kremlin adopt a more flexible policy. The face of Moscow's policy in the Caucasus at that time was Dmitry Kozak, who was the presidential plenipotentiary envoy to the Southern Federal District in

2004–2007 (at present he is deputy prime minister). Then the idea of 'Chechenisation' was born, as part of which Chechen authorities were given more power and a broader scope of internal autonomy, were allowed to offer amnesty to former militants, and to increase the role of Islam in socio-political life. The stabilisation in Chechnya (achieved at the price of eliminating internal opposition in the republic by Ahmed Kadyrov, a policy continued by his son Ramzan) enabled the lifting of the anti-terrorist operation regime on 16 April 2009, after almost a decade of its imposition in this republic. However, at the same time, the situation was worsening in Ingushetia, North Ossetia and Dagestan. The number of terrorist attacks has also increased over the past year in Chechnya.

² According to Arkady Yedelev, deputy Russia's internal minister, the terrorist crime rate in the North Caucasus was one and a half times higher in 2009 than in 2008. 544 such crimes were recorded, including 44 in Dagestan, 41 in Ingushetia and 437 in Chechnya. (<http://www.kavkaz-uzel.ru/articles/164315>; accessed on 24 February 2010). According to the Memorial organisation, 60 terrorist acts and 128 armed clashes between militants and representatives of law enforcement agencies happened in Dagestan in 2009. 427 people, including 90 civilians, were killed or injured in Dagestan in that year (<http://www.kavkaz-uzel.ru/articles/164135>; accessed on 24 February 2010). In 2009, local introductions of 'anti-terrorist operation regimes' were announced fifteen times in Dagestan, fourteen times in Ingushetia and twelve times in Chechnya (<http://www.kavkaz-uzel.ru/articles/163994>; accessed on 24 February 2010).

³ The culmination of this was the Islamist raid on Nalchik in October 2005.

The North Caucasus: a new federal district of the Russian Federation

The awareness that the previous policy towards the region had failed has been growing among the elite in Moscow for at least several months. President Dmitry Medvedev spoke in summer 2009 of a need to create a special post for Caucasian affairs and nominate an official who would enjoy extensive competences to that post, and in his address to the Federal Assembly on 12 November he proposed to create this post as part of the government⁴.

On 19 January 2010, President Medvedev signed a decree ordering the splitting of the North Caucasian Federal District from the Southern Federal District. The new district

⁴ <http://www.kavkaz-uzel.ru/articles/161886>; accessed on 24 February 2010.

The creation of the North Caucasian Federal District and the nomination of Aleksandr Khloponin as the presidential plenipotentiary envoy suggest that the Kremlin intends to revise its previous policy towards this region.

consists of seven administrative units, so-called subjects of the Russian Federation; Dagestan, Chechnya, Ingushetia, North Ossetia, Kabardino-Balkaria, Karachay-Cherkessia and the Stavropol krai. The Southern Federal District still contains Adygea, the Krasnodar krai (where Sochi is located), Kalmykia and the Astrakhan, Volgograd and Rostov oblasts.

The task of the presidential plenipotentiary envoy to the new district was entrusted to the 45-year-old economist Aleksandr Khloponin, a former governor of the Krasnoyarsk krai in Siberia. He has the reputation of a skilful manager (in the past, he was a business partner of such Russian potentates as Vladimir Potanin and Mikhail Prokhorov, and he also worked in the banking sector) and has good contacts with the highest-ranking Russian military officers (he himself has the rank of colonel)⁵. At the same time, he was nominated deputy prime minister in the central government (Khloponin represents both the president and the prime minister in the Caucasus, and has the power to bring motions to dismiss the heads of the republics)⁶. Moscow's Caucasian policy was additionally reinforced when Dmitry Kozak was delegated to help Khloponin (according to Prime Minister Vladimir Putin's decision, Kozak will replace Khloponin when the latter is absent)⁷.

⁵ Anna Alekseyeva, 'Aleksandr Khloponin stal polkovnikom.' *Komsomolskaya Pravda*, 10 July 2008 See: <http://www.kp.ru/print/article/24127/347891/>; accessed on 26 February 2010.

The creation of the new federal district and Khloponin's nomination were accompanied by important declarations from Dmitry Medvedev and Vladimir Putin. The Russian president said during a meeting with journalists on 24 January that the Caucasus should be governed with economic methods, and not forceful ones ("Here a manager and not a dictator is needed. The era of governors-general belongs to the past"). Among the tasks assigned to the plenipotentiary, the president mentioned bringing socio-economic ratios up to the average

⁶ The combination of the functions of presidential plenipotentiary in a federal district and of the deputy prime minister was a novelty in Russian practice. To make that possible, the State Duma adopted amendments to two laws 'On the government of the Russian Federation' and "On the state civil service of the Russian Federation' on 22 January 2010, as proposed by the president.

⁷ Khloponin will report to the prime minister on economic issues and to the president on political issues (http://www.gazeta.ru/politics/2010/01/19_a_3313638.shtml; accessed on 24 February 2010).

⁸ <http://www.kavkaz-uzel.ru/articles/164609>; accessed on 24 February 2010.

⁹ <http://www.kavkaz-uzel.ru/articles/164584>; accessed on 24 February 2010.

Statements made by President Dmitry Medvedev and Prime Minister Vladimir Putin indicate that the essence of the new tactic towards the region will be the economic development of the Caucasus and a decrease in the use of force.

Russian level, the development of a friendly climate for investments, the creation of new jobs, the reducing the unemployment rate, the combating crime and ensuring the safety of the district's residents⁸. Prime Minister Vladimir Putin made a similar statement during the consultations with the heads of the North Caucasian regions on 23 January⁹.

It is noteworthy that both the president and the prime minister have focused almost entirely on economic and social issues, putting aside the issues of security, combating terrorism and Islamic fundamentalism, removing the consequences of military conflicts and wars and strengthening the border between Georgia and Azerbaijan, which had predominated in each official statement concerning the Caucasus until recently. This gradation of Caucasian problems indicates that at the moment Moscow is ready to offer this region more 'carrot', including investments, which is expected to contribute to the improvement of living standards

and the attractiveness of the Caucasus to tourists and entrepreneurs. However, Moscow's strategic goals in the North Caucasus, namely the elimination of decentralist tendencies, the integration of the region with the rest of the country, full control of the region, and (last but not least) using it as a bridgehead that may facilitate the restoration of Russian influence in the South Caucasus, have not changed. The stability of the region is vital for Moscow.

The new president of Dagestan

The 'new Caucasian tactics' have been used on the occasion of the replacement of the president of Dagestan. The term in office of the previous head of the republic, Mukhu Aliev, expired on 20 February. President Dmitry Medvedev was supposed to choose his successor from among five candidates presented by United Russia, the dominant party in Dagestan's parliament. Before the decision was made, numerous attacks and murders were committed

The declaration by the new president of Dagestan that "it is possible and necessary to negotiate with people who have taken up arms" also suggests the curb on the force methods in politics in the Caucasus.

and 'black PR' had been used against some candidates in Dagestan; it seems likely that this was the work of the Avar clans which have been competing for power (as many as four Avars were among the candidates; Avars constitute the largest ethnic group in Dagestan, the second being the Dargins). Medvedev chose Magomedislam Magomedov, an ethnic Dargin, a member of the

local parliament and the son of Magomedali Magomedov; the latter has been a senior official in Dagestan since the late 1980s (he was the chairman of the State Council, the most senior position in Dagestan, between 1994 and 2006; the post of the president was introduced there in 2006). The nomination was a compromise; Magomedov reconciles the conflicting Avars in some ways, and the fact that he comes from an influential family which has long been present in Dagestani politics guarantees him the support base necessary to rule the republic.

In one of his first speeches, the new leader of Dagestan said: "It is possible and necessary to negotiate with people who have taken up arms"¹⁰, which also suggests that forceful methods will no longer be used in politics in the Caucasus.

¹⁰ Orkhan Jemal, 'Magomed Salam!', *Russkiy Newsweek*, no. 8, 15-21 February 2010.

The 'Height 5642' concept

As part of the 'economisation' of the policy towards the North Caucasus, Aleksandr Khloponin presented the guidelines for the concept entitled 'Height 5642' at the beginning of February 2010. This name, which refers to the Caucasus's highest mountain, Mount Elbrus, defines

The concept of building sport and tourist resorts would enable stable jobs to be offered for the local population (at first as builders on construction sites, and then as service personnel).

a comprehensive and at present very general programme for developing tourism and winter sports in the south-western Caucasus. The detailed programme should be ready next year, and its implementation will take between five and seven years.

As a result of the implementation of 'Height 5642', four sport and holiday resort centres

of the highest standards will be created: Mamison in North Ossetia, Prielbrusie in Kabardino-Balkaria, Arkhyz in Karachay-Cherkessia and Lago-Naki in Adygea (the latter located in the neighbouring Southern Federal District). The overall project cost will reach between 12 and 14 billion US dollars. Work will be coordinated by a specially established state-controlled company (it will also administer the infrastructure in Sochi when the Olym-

pics end there). According to *Russkiy Newsweek*, the author of this idea is Ahmed Bilalov, a businessman and sports activist and former deputy to the State Duma, who built the Gornaya Karusel sport and tourist complex in Krasnaya Polana near Sochi, where the Olympic games will take place¹¹.

The concept proposed by Aleksandr Khloponin would enable full-time jobs to be guaranteed for the local population (first at the time of building the resorts, and later in offering services there), and would thus alleviate the problem of unemployment in the western part of the region (which has a relatively better economic and social situation than the eastern part).

Attempted forecast

By defining the North Caucasus as a separate federal district, Moscow has admitted that this is a specific region which differs from the rest of the country and needs special attention (Professor Alexei Malashenko has noted that this is the only of the eight Russian districts to have been created on the basis of ethnic and religious criteria¹²). Additional reasons behind the creation of this district could be the fear that Ramzan Kadyrov could become too independent from Moscow (it seems that Khloponin will be better able to control him than the southern district's plenipotentiary, who has his office in Rostov-on-Don; this was the jurisdiction which covered Chechnya until recently) and the approaching Olympic games – Sochi is now in a different district than the most unstable north-eastern Caucasian republics, which may also have a psychological and propaganda effect (suggesting that 'Sochi is not the Caucasus' because the Caucasus is associated with terrorism and religious fundamentalism).

If Moscow has in fact adopted a new tactic towards the North Caucasus – and much seems to indicate that – attempts to boycott or even sabotage it may be expected from those circles which are satisfied with the *status quo*. In the first order, these may be law enforcement agencies, which have been exploiting the permanent instability to prove their own indispensability. According to many commentators, representatives of law enforcement agencies could be responsible for the increased number of attacks in Chechnya after the lifting of the anti-terrorist operation regime; they contented this decision partly for financial reasons, because the soldiers and officers no longer received their so-called combat benefits. It cannot be ruled out that Aleksandr Khloponin, who has good contacts among the commanders of Russian armed forces, is expected to guarantee that the Defence Ministry will maintain its influence. A threat to the 'new tactics' may also be posed by local authorities, which fear that they could lose control over the distribution of funds sent from Moscow to the Caucasus. It seems that the nomination of Khloponin and equipping him with very extensive competences is aimed above all at reinforcing his position in his dealings with the Caucasian elites (these competences, considering their scope, do indeed recall the powers of a governor-generals, despite President Medvedev's declarations).

It cannot be ruled out that the newly-created North Caucasian Federal District will be developed on a double-track basis; benefit from the 'new tactics' will go to its western part, where investments will flow in (the implementation of some elements of the 'Height 5642' concept seems likely) and the living standards will rise, while the eastern part will remain unstable, and thus become increasingly isolated from the rest of the country.

The success of the new policy largely depends on the central authorities' readiness to open up to those circles which have hitherto been excluded and disregarded, namely activists from non-governmental organisations, moderate Islamists and human rights activists. In many cases, they are natural allies for Moscow because they have declared their activity within the limits set by applicable law, respect the secular nature of the state and its territorial integrity, but disagree with local authorities and representatives of the official Muslim clergy. However, at present the local authorities (which in practice means a group of the most-trusted individuals) are the only partners for Moscow in the individual republics. ■

¹¹ Nadezhda Ivanickaya, Yulia Taratua, 'Lyzhi i Stechkin stoyat', *Russkiy Newsweek*, no. 8 15-21 February 2010. The website of the Gornaya Karusel resort is at <http://gornaya-karusel.ru/>; accessed on 24 February 2010.

¹² <http://www.kavkaz-uzel.ru/articles/164427>; accessed on 24 February 2010.

APPENDIX

ADMINISTRATIVE DIVISION OF THE NORTH CAUCASUS



Abbreviations: N. O. - North Ossetia; S. O. - South Ossetia; ING. - Ingushetia



Centre for Eastern Studies
Koszykowa 6A,
00-564 Warszawa
e-mail: info@osw.waw.pl

The Centre for Eastern Studies (CES) was established in 1990. CES is financed from the budget. The Centre monitors and analyses the political, economic and social situation in Russia, Central and Eastern European countries, the Balkans, the Caucasus and the Central Asia.

CES focuses on the key political, economic and security issues, such as internal situations and stability of the mentioned countries, the systems of power, relations between political centres, foreign policies, issues related to NATO and EU enlargement, energy supply security, existing and potential conflicts, among other issues.

© Copyright by OSW

Editors: Katarzyna Petczyńska-Nałęcz
Anna Łabuszewska
Translation: Jadwiga Rogoża
Co-operation: Jim Todd
DTP: Wojciech Mańkowski