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*A strip of land situated between the Mediterranean and the Black Seas, the post-Soviet Caucasus embarked on a painful identity quest at the turn of the third millennium. This – still ongoing – quest involves several daunting choices: between Moscow, Washington and Brussels, between oil and democratic values, and between feudal realities and revolutionary ideals. Throughout the last decade, the Yerevan-based Caucasus Institute has been conducting in-depth research of the conflicting and often subtle trends in the regions' politics. This volume contains a selection of research papers published by the Caucasus Institute since 2001 in Armenian, Russian and English, which best represent the challenges faced by this varied region at this crucial stage of development.*

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## ELITES AND KICK-BACKS: A SKETCH FROM THE NORTHERN CAUCASUS IN 2008<sup>1</sup>

*By Sergey Arutyunov<sup>2</sup>*

I would like to start by pointing out that for 25 years, I have led the Caucasus Department at the Institute of Ethnology and Anthropology of the Russian Academy of Sciences. Before 1990, our work mainly consisted of research into ethnological, ethnographical and academic issues, but for the past 20 years, we have had to pay more attention to monitoring ethno-political relations. This is unpleasant, but true. One can use various methods for monitoring but for an ethnographer, the key methods are observation, participant observation and interviewing. Those are the methods we rely on in our work, but I have to admit that it is getting harder to conduct research, as there are obstacles to participant observation, and just observation is only yielding superficial data. You cannot go in-depth as long as you are just an observer, plus, it is becoming more difficult to find respondents: people are unwilling to speak, to be interviewed, and so on. We will do our best to overcome these obstacles, but so far they are there, and getting worse.

The North Caucasus holds a special place in the socio-political and economic systems of the Russian Federation. The Russian Federation is ruled by neither Prime Minister Putin nor President Medvedev, who may have good intentions which they sometimes think they fulfil, but in reality, most of the time these intentions lose momentum while descending the power vertical, and get reduced to zero by the time they reach its bottom.

The Russian Federation is governed by what is incorrectly called “the elite.” In fact, the elite of the Russian Federation consists of people like me. This is also true for Georgia, Armenia and other small countries where the elites are first and foremost the artists, scholars, painters, writers, etc. Some experts use the term “anti-elites,” there is also a more neutral term, “the establishment.” The Russian Federation is,

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therefore, ruled by its corporate establishment. I will not look at the components of this establishment here; they are evident to most people. The central government takes advantage of the North Caucasus, relying on the local establishments in its regions and republics.

I will not look at Stavropolsky kray, a bleak region that has its own interests and distinguishing features but it is of little significance. I will not look at Krasnodarsky Kray either. Krasnodarsky Kray is an enormous region, quite fascinating in terms of its ethnic composition, and in terms of its social groups and orientations which are now gaining particular importance. I believe the recent elections of the Mayor of Sochi to have been of key importance. The inefficient and ill-thought out plan to conduct the winter Olympic Games in a city with a subtropical climate never looked very realistic, and became totally absurd with the unfolding global financial crisis which no one could have predicted at the time when the decision was being made in Guatemala. Nevertheless, the preparation process is clearly underway, and while its result is not really important, the process *per se* is. The process grants special standing to Krasnodarsky Kray, the Sochi regions and all neighbouring territories including Abkhazia; it also dictates specific economic and social developments and changes.

That is why this paper will only focus on the republics of the North Caucasus. Each of them has a powerful shadow economy. All of these regions have their own natural economies; though they could produce more if they tried harder, at least they provide local populations with food, and even sell some agricultural goods to the wider market. The Russian establishment does not care about this food production; what matters is that the North Caucasus is overall a subsidized region, and that suits both local and central establishments. The mechanism is quite simple: the bulk of the tax money collected in the region (according to guidelines, it should not be over 50 percent but now it amounts to between 60-70 percent) goes to the central government. This is not important, because the actual amount of taxes collected is meagre, the regions cannot collect any more. The central government's subsidies are much larger; some of the money is stolen on the way but this is not crucial. The key procedure is as follows: once the subsidy gets to the region, part of it goes back to the central government in the form of kickbacks, and the rest is split between local actors. Some of the smaller cuts eventually reach deprived social groups that include relatives and clientele of the people from the establishment. The situation suits everyone, even those who are below the lowest level of the middle class.

There is certainly an immense gap between the officially registered income of various social groups, according to which the North Caucasus is one of the poor-

est regions of Russia, and the reality. In reality, it is one of the wealthiest Russian regions, because the standard of living of an average villager in the North Caucasus is much higher than that of any villager in Central Russia, definitely higher than that of a villager in Yakutia or Buryatia. The key question is thus the *modus operandi* of the local establishment functions. To what degree is the local establishment consolidated or the opposite, dispersed?

Let us move from west to east, as usual. In Adygeya, the overall situation is positive. Tkhakushinov is the president, the power is mainly in the hands of ethnic Adygs; the same applies to the police. There are many reasons behind the desire of Krasnodarsky Kray to annex Adygeya; one is to expand the territory of Krasnodar across the bridge. They have built a wonderful bridge, but on one side, there is a big city, and on the other, there is Adygeya, a different republic and it is impossible to sail there. In 1985, the question was raised about annexing parts of Adygeya to Krasnodarsky kray, as an expert, I managed to convince the authorities to renounce the idea, and it has not been discussed since. The relationship between the Krasnodarsky Kray and the Adygeya establishments is more or less normal. The fact that the establishment of Adygeya consists of ethnic Adygs does not invoke protest among the Russian part of the population, which is at the lower level of the social ladder but gets on with Adygs, although those are a minority, comprising 25 percent of the republic's population.

The situation is much worse in Karachay-Cherkessia. The local establishment is not consolidated. Karachay have their own ethnic interests which they manifest through exercising *Karachay power*, Cherkess used to exercise *Cherekess power* which they have lost, and though they still retain influence in economy, they feel deprived. There is a Russian minority balancing among these two power centres, the weakening Cherkess one and burgeoning Karachay. The Russian minority is trying to get its share of the pie. There are also Abazin and Nogay minorities which are few in numbers (23,000 Abazins and 12,000 Nogays), attempting to get some "crumbs" of the pie. There is a competition between different ethnic groups trying to acquire as much as possible; the establishment is not consolidated. The quality and quantity of the "crumbs" from budget subsidies and transfers from the centre which reach the general public are decreasing due to the competition within the establishment, and it distresses the general public. Disapproval is voiced differently by different groups. The central government or Russia's top establishment is also unhappy, because, due to poor consolidation of the local elite, kickbacks are decreasing. The central establishment would like the local elite to be consolidated, because in this

case, kickbacks will increase, the doling out of the money will be done more neatly, and everyone will be happier.

In neighbouring Kabardino-Balkaria, the situation is close to ideal. Kabardins exercise full *Kabardin power*. Arsen Kanokov, a powerful and intelligent leader, has managed to consolidate the Kabardin elite. Initially, Balkarians complained that they had been expelled to Siberia and Kazakhstan, later they complained that they were returned to the wrong place, then they complained about the distribution of official posts. Now they complain that they are made redundant earlier and employed later. There are many complaints coming from Balkarians, some of them are substantiated and some of them not, but the top of Balkarian establishment does get some decent posts in the local government agencies. I am not aware of the situation below that level. I believe some of their complaints are justified and some are not, and their complaining may well be out of proportion with reality; however, it does not cause much trouble. In Kabardino-Balkaria, as everywhere in the North Caucasus, the Russian population gets gradually driven out; representatives of Russian traditions and interests in the establishment are leaving. Arsen Kanokov normalised relations with the remaining Russian minority in the republic. Muslims are treated better than under Kokov, when policemen kicked pregnant devout Muslim women in the abdomen “so she doesn’t give birth to a Wahhabi.” This does not happen anymore. Islam has never had deep roots there. Overall, Kanokov quite successfully rules the republic.

North Ossetia is next on the map. North Ossetia is special and we won’t look at it in great detail. North Ossetia has to deal with a territorial dispute with Ingushetia regarding the Prigorodny region, which has been occupied by Ossetians; it also ambivalent and very complicated relations with South Ossetia. In fact, the Ossetian-Ingush conflict, alongside the memory of Beslan and some other things, is what consolidates the society here. There are no significant contradictions between Ossetians and the Russian minority; rather, there are misunderstandings between two sub-ethnic groups of Ossetians, the *Irons* (pronounced ee-rons) autochthonous to North Ossetia and the *Kudars* who have migrated from South Ossetia in large numbers. There are not many people left in South Ossetia now, and as to the Ossetian population of the rest of Georgia, including on the right coast of Kura in the Gori region, in the Pankisi Gorge and Kakhetiya, all of them migrated to North Ossetia a long time ago, and this upsets the North Ossetians. However, it does not affect the establishment.

Ingushetiya comes next. President Zyazikov has entirely failed to execute the central government’s orders. He has let Ingushetia fall into neglect. He is not a bad

person and was a capable policeman, but he lacks managerial skills. He allowed blood feuds to develop, and under his rule, many nasty occurrences happened including the shootings of several Russian teachers; given that Ingushetia only had a handful of Russian teachers to start with, this was a shame. Since it has become more difficult for insurgents to operate in Chechnya, Ingushetia is like a holiday resort for them. Yunus-bek Yevkurov, the new governor of Ingushetia, does not have a background in law enforcement, but he is a smart army officer, like all army officers from the Caucasus: it runs in their blood. At the moment, he does not have many supporters in the republic, and the situation is chaotic, with many clans fighting against each other, constant shootings and massacres. The clans are ethnic Ingush: there are practically no non-Ingush people left in the republic. Yevkurov summons the clan leaders and says, like a Soviet cartoon character, Leopold the Cat, “guys, let us all be friends.” The “guys” are reluctant to become friends, but nevertheless, Yevkurov somehow manages to persuade them. He has facilitated the reconciliation of 70 family clans: they stopped their blood feuds, paid some of the damages, apologized and showed their repentance. There are 200 more clans left to be reconciled. Yevkurov will eventually succeed in reconciling them, if he has enough time. So his appeal, “guys, let’s be friends,” does work somehow.

Now to Chechnya; it is a perfect example. Ramzan Kadyrov has managed to turn the ruling establishment into a monolith, with his own clan at the top, and the rest of the clans marching in line. Those whom he has failed to reign in, were either murdered, as the Yamadaev brothers (some of them were killed in St Petersburg, others in the United Arab Emirates, and Baysarov was shot on Leninsky prospect right under the windows of my daughter’s flat) or expelled from Chechnya. Thus, everything is settled in Chechnya: the federal centre provides the republic with considerable subsidies, which are duly kicked back or split locally in a very organised manner. What matters most is that some of the money is doled out for the building new houses, schools and hospitals, and some reaches individuals and families. Before Ramzan Kadyrov came to power, the general public got nothing, all was absorbed in the splitting; now people get their cuts of the cake.

Dagestan is the last republic on our route. Not long ago, under Magomedali Magomedov, some form of a consensus was built in the republic. The local establishment consists not only of Avars, Dargins, Lakhs, Kumyks, Lezgins but also several groups within the Avar establishment, where each group has its own interests. This means that a group’s flag does not always match an ethnic group’s one, they match within a jamaat. Every individual can count on the support of the jamaat they belong to. Members of the jamaat are somewhere in the mountains, and the



businessman stays in Makhachkala making a living running petrol stations, tobacco shops or any other businesses. He is supported by his jamaat, which, should the need arise, will protect him, including by beating somebody up with a truncheon. Truncheons are widely used, and not only truncheons, explosives are used as well. Every businessman has his own small army, or brigade, squadron or at least a platoon, so they are assessed on how many rifles they have. Guria Murklinskaya, an excellent journalist from Dagestan, has described it perfectly: "in territorial subjects with complicated multiethnic composition such as Dagestan, distribution of public funds increasingly boils down to criminal-political ethnic clans sorting things out between themselves." She reports about Islamic and pseudo-Islamic segments of the networks existing in Dagestan. For example, large funds in the form of donations or even budgetary aid are channelled to Islamic institutions, mosques and schools. But only a share of the funds is allocated to the promotion of religious practices, the largest share goes to the development of shadow elements of these structures, including Wahhabis and Murids. There are also bodies that organize combat training and recruitment. The existence of these mini-armies is explained by the Wahabbi threat, although they do not take part in the real fight against armed extremists. However, most businessmen and leaders of ethnic clans financially support and help sustain an illegal armed group of their ethnic nationality. Various ethnic groups are incapable of setting up functioning opposition parties, due to the absence of either charismatic leaders or a unifying idea. Instead, on the political arena, double-faced politicians pretend to be Murids or almost-Wahabbi from a particular ethnic background. The so-called war on Wahabbism and terror resembles a puppet show, in which the puppets on the two hands of one actor fight each other in public. The difference is that the weapons and the bloodshed are real; besides, most of the players, including rank and file law enforcement officers and Wahhabis, are unaware in which show they are playing and who is using them. Magomedali Magomedov was able to somehow cope but Mukhu Aliev will not. Mukhu Aliev also says "guys, let's be friends!", but as opposed to Ingushetia, in Dagestan no one pays attention to his words, and everything stays the same. Consequently, the situation is the worst in Dagestan, and continues to deteriorate in comparison to other North Caucasian republics.

The trends described above developed in 2008 and are still unfolding. The year 2008 was marked by the following two events: the Five-Day Russian-Georgian War and the outbreak of the global financial crisis. The majority of the population in the North Caucasus sympathized with the Ossetians during the Five-day war. Adygs, Kabardins and Cherkess have traditionally supported the Abkhaz due to shared

ethnic origin and sympathy with their struggle for independence against “Georgian imperial power,” in quotes or without quotes, as one prefers. Only the Ingush sympathised with Georgia, because they view Ossetians as the most evil abusers, invaders and oppressors in the North Caucasus. This was the difference. The war did not affect Chechnya or Daghestan; they barely noticed it. Some Chechen army officers, including Yamadaev, a decorated Hero of Russia, fought in Ossetia against Georgia very well. Yamadaev was awarded the title of hero a while ago, and later he was awarded with a bullet, unless of course he is in hiding and a dummy is lying in his grave. And finally, the global crisis: generally speaking, if you are at the bottom, there is nowhere to fall. The crisis merely enhanced, exacerbated and complicated the already complex trends that prevailed in the North Caucasus in 2008.