

## REGIONAL POLITICS

**THE NORTHERN CAUCASUS:  
AN ALTERNATIVE APPROACH.  
SYSTEMS ANALYSIS AND  
THE PARADOXES OF STATISTICS**

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*Introduction*

The newly established North Caucasian Federal Okrug (NCFO) is a sure sign that Moscow has finally accepted, albeit indirectly, the fact that its undifferentiated methodological and conceptual approach to the region's numerous ills was too limited to be successful. The discussion, however, went along the beaten track: "efficiency of federal investments and control over them" and "more money is needed." In other words, everything boils down to social and economic measures, larger investments, and tight-

er control over the local bureaucracy and the way the budget money is spent. Nothing has been said so far about a changed format of counterterrorist operations (CTO) and the need to take into account the local social, political, and cultural specifics. This creates a déjà vu effect: an unsystemic approach, vulgar interpretations of Marxism, and concentration on the financial and economic factors to the detriment of all other regional specifics.

A correctly identified problem, meanwhile, is half the battle. The present article does not claim

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*The article is based on some of the ideas Dr. Khalidov offers in his monograph Severny Kavkaz: chto delat? Systemny analiz, nazrevshie mery i aktualnye proekty (The Northern Caucasus: What is to be Done? Systems Analysis, Pressing Measures, and Urgent Projects), RGGEU Press, Moscow, 2010.*

an exhaustive analysis: this is an attempt to identify the factors and causes of regional instability and some of the remedies. This calls for an integral idea of the regional context and the way certain factors contribute to the present socioeconomic, cultural, educational, and political instability.

*The target of the present article* is the NCFO republics and partly the Stavropol Territory.

*The subject of my analysis* is the region's social structure, the social and political situation, and the way they contribute to the region's chronic instability.

## 1. The Law of Double Dissimilarity

The very fact that the problem of the Northern Caucasus had been on the agenda for twenty years now shows that what has been going on there was and is inadequately interpreted and addressed. Numerous methodological traps and blunders are rooted in the Soviet past, while the sum-total of systemic interconnections is pushed to the margins of any analysis.

What does such an analysis say?

It says that *the very specific social and cultural structures* (behavior, moral values, and customs) *of the local societies, the way the local elite takes shape, and the contradictions between the federal laws and the legitimate (locally accepted) legal norms are behind the problems of regional administration.*

The local social structures (with the exception of the Stavropol Territory and the Republic of North Ossetia-Alania) are very different from the rest of the country in many respects: *territorial, demographic, professional, educational, ethnic, and confessional.*

Together they create a cumulative effect which sets the region apart from the rest of Russia as an "inner abroad." The law of double dissimilarity comes into play here: the following makes the region and the "Russian" constituencies of the Russian Federation very different indeed:

***Territorial characteristics.*** In the last twenty years, the region has been displaying a vague yet detectable trend toward *de-urbanization* (and a certain increase of the rural population): today, 50 to 60 percent of the population of the three republics live in the countryside<sup>1</sup> compared to the country's average 25 to 28 percent. This means that the rural way of life predominates and is reproduced together with its traditions, personal landed plots, and employment and migration specifics. This is easily correlated with the local economic structure: a high share of those employed in agriculture and what looks like deindustrialization.

***Deindustrialization.*** In 1990-1999 industrial production in the region dropped by 4 to 5 times, twice as much as in the rest of the country. The share of industry in the gross regional product (GRP) of the North Caucasian republics is 2.2 times lower than that of agriculture. In the rest of the country industry accounts for a 5 times larger GRP share than agriculture.

The social and professional structures of the Stavropol Territory, North Ossetia and Kabardino-Balkaria (with certain reservations) can be described as more or less modern.

***The demographic situation.*** According to the 2007 figures, only several of the RF subjects (including the three Northeastern Caucasian republics) demonstrated positive dynamics of the natural population growth<sup>2</sup>; only the Tiumen Region came close to them. Between 1989 and 2002 (two population censuses), the population in Daghestan increased by about 35 percent; in Chechnia and In-

<sup>1</sup> See: *Regiony Rossii. Sotsial'no-ekonomicheskie pokazateli*, Rosstat, Moscow, 2008, p. 62; S.A. Lipina, *Chechenskaia respublika. Ekonomicheskii potentsial i strategicheskoe razvitie*, LKI Publishers, Moscow, 2007, p. 53.

<sup>2</sup> See: *Regiony Rossii. Sotsialno-ekonomicheskie pokazateli*, p. 74.

gushetia by over 50 percent<sup>3</sup>; and in Kabardino-Balkaria by 12 percent. The share of age groups below the able-bodied age (16 years) is 27 percent in Daghestan; 31 percent in Ingushetia; and 33 percent in Chechnia (16 percent in the Russian Federation).<sup>4</sup> The annual natural population growth in these three republics is about 50-55 thousand.

The other republics demonstrate a different demographic trend: in the last 10 to 15 years, the natural population growth in Kabardino-Balkaria, North Ossetia, and Karachaevo-Cherkessia has stopped or even declined.

**The ethnic context.** Patchy across the entire region, it is especially complicated in Daghestan and Karachaevo-Cherkessia (to a lesser extent in Kabardino-Balkaria), which causes open or latent rivalry over resources and administrative positions among the local oligarchs (who claim to represent their corresponding ethnic groups at the local self-administration level or the multiethnic community at the republican level). The situation is aggravated by the old grudges which go back to the Stalinist repressions and mass deportations of the 1940s, the changed administrative borders of Soviet times, the mutual territorial claims of ethnic groups, and the migration of the mountain dwellers in Daghestan to the valley.

**The confessional context.**<sup>5</sup> Re-Islamization, which has been gaining momentum in the last 20 years, is one of the region's most prominent specifics. In the three Northeastern Caucasian republics, the share of practicing Muslims (who observe the rites and follow the formal rules) is about 60 to 85 percent; in Kabardino-Balkaria and Karachaevo-Cherkessia their share is somewhat lower—between 30 and 45 percent.

Re-Islamization has been a contradictory process: there was no agreement among the parties, better described as sects, which appeared inside Islam. On the one hand, there are several generally accepted and respected traditional trends in the form of the Sufi orders (a mystical Islamic trend which venerates the sheikhs believed to be endowed with special or even supernatural abilities) supported by the local power structures and oligarchs. On the other hand, there are supporters of so-called pure Islam (the Salafis and their much more radical trend known as Wahhabis) who reject the cult of sheikhs and the local traditional interpretations of Islam. The unrelenting theological confrontation extends to the practical spheres.

There is a poorly structured group of *moderate Muslims* (well-educated and socially adjusted people) who keep away from the religious parties and have successfully blended religious traditions and everyday reality. Dissatisfied with religious tension deliberately fanned by the state and defense and security structures, these people can be seen as a potential third force. Involved in social technology, they might help defuse the ideology of extremism.

## 2. Social Structure and Types of Communities

The local social structure can be described as a combination of the *patron-client* (vertical) relations and the developed network of *the communal (civil) structures* at the local administration level.

<sup>3</sup> Calculated from the 1989 and 2002 figures and expert assessment of the outflow of Russian speakers from the Chechen Republic in the 1990s.

<sup>4</sup> See: *Regiony Rossii. Sotsialno-ekonomicheskie pokazateli*, p. 66.

<sup>5</sup> For more detail, see: E.F. Kisriev, *Islam i vlast v Daghestane*, OGI Publishers, Moscow, 2004, pp. 45-65, 94-121; D.Sh. Khalidov, "Sotsialnaia nestabilnost na Severnom Kavkaze. Model vosproizvodstva i islamskiy faktor," *Nauka. Kultura. Obshchestvo*, ISPI RAN, Moscow, No. 2, 2005, available at [http://www.ispr.ru]; A.A. Yarlykapov, *Problemy vakhkhabizma na Severnom Kavkaze*, Moscow, 2000.

The former are conducive to a corrupt and mercantile system which tears society apart. The latter brings people together into mini-civil societies at the local (village, district, settlement) level. The degree to which patron-client relations or civil principles prevail in the communities (jamaats) determines their social and political makeup.<sup>6</sup>

The following is based on Max Weber's ideal typology.

**Typology of the communities (jamaats).** The communities with civilian traditions rooted in the distant past belong to the *first*, largest type (in Daghestan and Kabardino-Balkaria, for example). As distinct from the communities based on "social hierarchy," they are more or less free from patron-client relations (conducive to corruption). Their members willingly close ranks when it comes to socially important projects; there is more democracy, while their members are described as "uzdens" (free people).

As free people they are less prone to political consolidation and involvement in business activities, including criminal activities, which means that they are practically immune to corruption and crime. Their "patrons" are engaged in legal and, therefore, international business activities; patrons are merely the first among equals; as self-made people they are the source of pride of their communities.

Those who have climbed higher than the other "citizens" of their communities on the political or economic ladder or moved high in the spiritual and religious sphere are not involved (with few exceptions) in corruption or criminal activities.

Nepotism born from communal solidarity and close family ties is limited to charities and socially important rites (weddings, funerals, etc.). On the whole, abidance by the "law" (communal norms, customary law, and/or the Shari'a in special cases) as a civilian tradition is unconsciously manifested in this model of social behavior.

**The second type of community (jamaats).** *The communities in which behavior models are based on "social hierarchies" belong to the second type.* They are distinguished by a more pronounced "cultural economy" (when it comes to important political and economic issues) than the communities of the first type; they demonstrate a greater degree of legal nihilism, which explains their tendency toward corruption and criminal business. Their very obvious nepotism rests on the patron's resources and power; the group thrives on them, while gradually developing into a semi-criminal (or even criminal) community. For obvious reasons, no genuinely civil communities are possible in regions (republics) of this type.

Business and political success serves as the administrative resource; the patrons and their cronies accept corruption as a legal and "family" value. The lower social groups are only too willing to follow suit, which shatters the remnants of civil spirit in the members of other communities.

No longer living in their original settlements, members of both type of community mix in megapolises or large municipal centers; they belong to the same sociopolitical system of coordinates, and they are not separated geographically as is the case in Italy, where the north is civil-spirited while the south, Sicily and Naples, have preserved the "family" traditions of corruption and crime.

Even though civil-spirited members of the communities of the first type may (hypothetically) be in the majority in the state power structures, their sociocultural and political behavior patterns prevent them from setting up a more or less efficient community (their client base) for the simple reason that success needs resources and the skill to multiply them, which is impossible without corruption.

Although in the minority in the regional and municipal echelons of power, members of *the communities of the second type* are much more successful because they fill the most profitable posts. Their

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<sup>6</sup> This typology is based in the author's personal observations and expert polls as well as archive materials.

patrons waste no time: they build client pyramids of their own, transform their administrative resource into liquid financial, and create a powerful layer of the shadow economy.

*Communities of the third type* found, for example, in Daghestan within a very limited geographic area can be described as mixed, in which civil principles and “socially arranged” (“family”) structures live side by side. There are quite a few of them; they have retained not too obvious remnants of segregation: marriages between members of the two groups are few; the two groups vote differently,<sup>7</sup> etc. The socially arranged groups are much more politically consolidated.

The evolution of the three types of social organization and their impact on political culture deserve special investigation. We cannot deny, however, that since Soviet times, people from the “socially arranged” communities have been and remain fairly closely knit groups in the corridors of power in Daghestan.

In 1990, while participating in the elections to the Supreme Soviet of the R.S.F.S.R., I was amazed to discover a clearly visible socially arranged vertical with obvious corruption biases covering at least 6 to 10 districts of Daghestan; members of district communist party committees and bureaucrats of the executive structures formed a vast client base accountable to the patron, a member of the Regional C.P.S.U. Committee Bureau.

These representatives, bonded by similar social origins, were regarded by the masses as a social estate rooted in the 19th century, when they were dependent on their patrons and deprived of all rights. They were past masters when it came to mobilizing the masses for the sake of consolidated voting.

*Comparative Analysis of the North Caucasian Republics.* The social structures of Daghestan and Karachaevo-Cherkessia (and to a certain extent of Kabardino-Balkaria) differ from those in Chechnia and Ingushetia. The much more urbanized and socially much more modern community of North Ossetia stands apart from the above groups.

In Daghestan, Kabardino-Balkaria, and Karachaevo-Cherkessia, *the communities are based on territories and, therefore, belong to the 1st (civil) type*; they can be described as mini-polises with their histories and democratic traditions; clan ties play practically no role in them. There are quite a few communities of the 3rd type (a combination of civil principles and social hierarchies) in Daghestan.

The communities in Chechnia and Ingushetia are primarily territorial social units that combine the civil and partly *clan (teyp)* principles. With members of the same *teyp* scattered across different territorial communities, their clan affiliations are not all-important. In Chechnia, urbanization (which goes back to the Caucasian War of the 19th century) gradually moved the clan principle to the social and political margins even at the local level. The attempts by the Dudaev regime to revive clan solidarity and the traditional institution of *mekhk-khalk* (a structure elected by the *teyps'* annual meeting) to strengthen the Chechens' political self-organization failed.

The irrevocably changed social structure and the Chechen elders' failure to adequately respond to the challenges of the times buried the idea of revived sociopolitical traditions. No matter how hard they tried, the ignorant “political designers” failed to breathe life into the dead archaic structures. At the same time, members of the same community (*teyp* or a territorial structure) stand a much better chance of filling high administrative posts in Chechnia.

In Ingushetia, which embraced Islam much later than its neighbors and remained loyal to the Russian Empire during the Caucasian War, clan solidarity and the corresponding behavior patterns demonstrated more viability. Today, however, the clan factor is not that important. The events of 2006-2009, when the civil society of Ingushetia forced the Kremlin to replace the repub-

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<sup>7</sup> Based on the author's materials.

lic's head, demonstrated that the seats of civil society are strong enough to address republic-level issues.

***Specifics of civil activity in the Northern Caucasus.*** The local social structure affects civil activities at the municipal (village, district, township) level; it is much less obvious at the republican level (elections to the State Duma and of the RF president).

A comparative analysis has revealed that, on the whole, civil society in the Northern Caucasus is much better organized than elsewhere in the country; this is confirmed by the fairly frequent protests at the local level and the problems which trigger them (*the rules of land use and corruption in the countryside; out-of-court reprisals; mass falsification of election results*). They differ greatly from what brings people together in protest rallies in the "Russian" constituencies of the Russian Federation.

The mass protests of 2006-2009 against corruption of the local authorities in the Tabasaran, Dokuzparin, Kumtorkalin, and other districts of Daghestan and the October 2009 events in Derbent when people went into the streets to protest against the mass falsifications at the elections of the mayor serve as the best examples.

Civil society is no less active in Kabardino-Balkaria and Karachaevo-Cherkessia. In Kabardino-Balkaria, which is torn apart by disagreements over agricultural land and the land between villages, President Kanokov has to maneuver between the Kabardinian and Balkar national movements.

Chechnia is the only exception: its rigid authoritarian regime stems all signs of civil activity.

It should be said that neither Kabardino-Balkaria nor Karachaevo-Cherkessia is free from certain elements of authoritarianism: there are fewer independent media than in Daghestan and North Ossetia, while autocracy manipulates the civil sector.

Civil society is poorly consolidated at the republican level, especially when it comes to social and economic issues because of the still strong patron-client relations, which interferes with the emergence of genuine (responsible) civil society at the regional level.

The large number of local communities is responsible for *the systemic nature of corruption and mercantilism* (much more obvious here than elsewhere in Russia). No modern society can emerge amid unwritten laws that prescribe loyalty to the patron, on the one hand, and *personal responsibility* for the family, economic and social status, on the other.

The following argument preserves corruption at the regional level: each and everyone should mind his own business; we have inherited the rules of the game and are not empowered to change them. This explains the weakness of civil society at the regional level.

***The system's deformation and the shadow laws.*** The unified political and legal system imposed from above has nothing in common with the region's social and political reality and its political and economic structure. The diverse interests and contradictions are left outside the legal scope of the representative and executive power structures; they are pushed aside, while *shadow laws and customs* move to the fore. Some of the groups accept them as absolutely legitimate, which creates an illusion of universal legitimacy.

Daghestan, and Kabardino-Balkaria and Karachaevo-Cherkessia to some extent, can be described as unique: they suffer from all types of conflicts (*ethnopolitical, confessional, and territorial*), many of which remain unsettled under the present System.

The System should be adjusted (and this adjustment should be justified, which presents certain difficulties) through the rights extended by the federal status; the country's integrity, however, should remain intact.

For example, in order to function, the expert community needs *institutionalized forums of representatives of the (territorial) communities in all the republics of the region*; they and the corresponding

structures might serve as channels of sorts to help legitimize social contracts among the government, society, and business and readjust them given the Constitution and republican laws as forms of social contract are selectively applied.

This is not enough to resolve the conflict between the *official and shadow* legal systems; the judicial and law-enforcement spheres suffer even more than the others; under the “soft” or even “hard” pressure of shadow businesses, the System is losing its legitimacy, while corruption continues to spread far and wide.

The alienation between the official judicial and law-enforcement structures and the masses tips the balance in favor of the alternative (traditional or Muslim) legal system, at least in some spheres of everyday life. In the three Northeastern Caucasian republics, this system is used in the sphere of family relations and land use and is sometimes also applied to the problems created by civil and criminal cases in the local courts. *Shari‘a courts are legalized in Chechnia; in Dagestan and Ingushetia they operate unofficially on a smaller scale.*

**A preliminary conclusion.** The political and economic processes underway during the past 15 to 20 years can be described as “de-industrialization,” “de-modernization,” and “criminalization,” the scope of which has far exceeded similar processes in the rest of the country.

This can be described as a “return to roots:” solidarity within the community pushes civil responsibility into the background; corruption has been legitimized, while status (a symbol) is valued higher than meaning and content (labor). This society is not consolidated; it is extremely patchy; the civil component (represented by the trade unions, parties, movements, etc.) is engulfed by the multitudinous entity of communal or oligarchic structures. The latter are rooted in common soil and blood kinship, their mobilization potential being much greater than that of the civil structures.

### 3. Social Culture and Paradoxes of Statistics

**Social culture and social security.** The region’s positive development potential is ensured by the high *quality of the human material and social sphere*, which sets it apart from the rest of the country. The local people are much more determined to succeed in business and in life in general; they are psychologically ready to accept the economic risks of a market economy. This is confirmed by statistics and sociological studies.

Table 1 testifies that the level of *social security* measured by criminal statistics (murders, robberies, banditry, rapes, etc.) is much higher in the Northern Caucasus than in the rest of the RF constituencies (many of the criminal cases deal with murders committed during subversions, terrorist acts, and counterterrorist operations).

I am convinced that this is explained by the much tighter social control and social order based on relatively strong social-cultural traditions and religious convictions; alcoholism and drug addiction are relatively rare, which explains the fairly small number of crimes caused by these social vices.

Economic crimes are as widespread here as in other regions.

The research team of the Central Economics and Mathematics Institute of the Russian Academy of Sciences obtained even more impressive descriptions of *the human and social capital* of the Northern Caucasus. The synthetic indices of the “*population quality*” and the “*quality of the social sphere*”

Table 1

Number of Registered Crimes (per 100 thousand people) by Type in 2007<sup>8</sup> and 1998<sup>9</sup>

| No. | RF and the Constituencies of NCFO | Population Size* (thous.) |         | Murders and Attempted Murders** |      | Grave Personal Injury |      | Rapes and Attempted Rapes |      | Robberies |       | Banditry |      | Economic Crimes |       |
|-----|-----------------------------------|---------------------------|---------|---------------------------------|------|-----------------------|------|---------------------------|------|-----------|-------|----------|------|-----------------|-------|
|     |                                   | 2007                      | 1998    | 2007                            | 1998 | 2007                  | 1998 | 2007                      | 1998 | 2007      | 1998  | 2007     | 1998 | 2007            | 1998  |
|     | RF as a whole                     | 142,010                   | 146,693 | 15.6                            | 20.1 | 33.3                  | 30.8 | 5.0                       | 6.1  | 208       | 152.4 | 31.9     | 26.2 | 215.4           | 172.0 |
| 1   | Republic of Daghestan             | 2,680                     | 2,121   | 6.8                             | 12.7 | 8.0                   | 6.4  | 3.0                       | 3.4  | 22.1      | 13.5  | 6.8      | 10.2 | 60.8            | 81.8  |
| 2   | Republic of Ingushetia            | 500                       | 318     | 15.5                            | 16.9 | 3.5                   | 8.2  | 0.2                       | 1.6  | 5.5       | 1.2   | 7.8      | 11.9 | 36.7            | 68.5  |
| 3   | Republic of Kabardino-Balkaria    | 890                       | 792     | 10.0                            | 12.5 | 10.3                  | 8.7  | 4.7                       | 7.2  | 59.2      | 29.4  | 12.1     | 16.6 | 105.9           | 129.3 |
| 4   | Republic of Karachaevo-Cherkessia | 427                       | 436     | 17.1                            | 17.6 | 17.6                  | 14.7 | 7.4                       | 8.7  | 50.7      | 28.6  | 19.3     | 15.1 | 130.9           | 166.2 |
| 5   | Republic of North Ossetia-Alania  | 702                       | 664     | 10.3                            | 22.4 | 10.0                  | 17.3 | 3.0                       | 3.9  | 63.6      | 34.3  | 12.8     | 40.6 | 109.4           | 153.6 |

<sup>8</sup> Calculated from *Regiony Rossii. Sotsialno-ekonomicheskie pokazateli*, p. 332.

<sup>9</sup> Calculated from *Regiony Rossii*, Vol. 2, Moscow, 1999, pp. 258-259.



Table 1 (continued)

| No.                      | RF and the Constituencies of NCFO | Population Size* (thous.) |      | Murders and Attempted Murders** |      | Grave Personal Injury |      | Rapes and Attempted Rapes |      | Robberies |      | Banditry |      | Economic Crimes |      |
|--------------------------|-----------------------------------|---------------------------|------|---------------------------------|------|-----------------------|------|---------------------------|------|-----------|------|----------|------|-----------------|------|
|                          |                                   | 2007                      | 1998 | 2007                            | 1998 | 2007                  | 1998 | 2007                      | 1998 | 2007      | 1998 | 2007     | 1998 | 2007            | 1998 |
| 6                        | Chechen Republic***               | 1,200                     | 785  | 12.4                            | —    | 3.8                   | —    | 2.0                       | —    | 2.4       | —    | 6.4      | —    | 93.7            | —    |
| 7                        | Stavropol Territory               | 2,705                     |      | 10.4                            |      | 22.0                  |      | 3.1                       |      | 76.8      |      | 21.4     |      | 294.9           |      |
| <b>NCFO Constituency</b> |                                   |                           |      |                                 |      |                       |      |                           |      |           |      |          |      |                 |      |
| 8                        | Volgograd Region                  | 2,609                     |      | 11.5                            |      | 24.4                  |      | 5.0                       |      | 155.8     |      | 21.4     |      | 301.5           |      |
| 9                        | Rostov Region                     | 4,255                     |      | 8.6                             |      | 19.5                  |      | 4.0                       |      | 153.7     |      | 25.3     |      | 254.0           |      |

\* The figures for the population size are based on the 2002 All-Russia Population Census; the 1999 figures are based on *Rossiskiy statisticheskiy ezhegodnik 1999 goda* (Moscow, 1999, pp. 54-55) and *Demograficheskiy ezhegodnik RF. Ofitsialnoe izdanie 1999 goda* (Moscow, 1999, pp. 23-25). Combined with expert assessments and extrapolation of the demographic trends as suggested by the 1979-1989 and 1989-2002 polls, the population size in some of the republics was lowered: in Daghestan to 2,500,000; in Chechnia to 1,100,000; in Ingushetia to 450,000; and in Kabardino-Balkaria to 850,000. There are reasons to believe that the population census results in these republics were overestimated by 4 to 10 percent; and in North Ossetia by about 3 percent.

\*\* The murder figures for the republics of Daghestan, Ingushetia, and Chechnia cannot be included in the general statistics because of extremist clandestine activities and terrorism.

\*\*\* The 1998 demographic figures for Chechnia are based on expert assessments.

for 2000 put the North Caucasian republics among the 10 to 15 best constituencies of the Russian Federation (see Tables 2 and 3).<sup>10</sup>

For example, longevity in Daghestan, Chechnia, Ingushetia, and Kabardino-Balkaria is still at the level of average- and highly developed European countries and is higher than the average for Russia by 7-11 years. This obviously contradicts the fairly low living standards, high figures of unemployment, and the corresponding state of the republics' economy; in these respects, the region is in one of the last places in Russia.

In 2002-2004, researchers from the RAS Central Economics and Mathematics Institute excluded the following factors from the set of indicators:

- (a) average longevity;
- (b) natural population growth;
- (c) state of the institution of family.<sup>11</sup>

If taken into account, these indicators placed Daghestan and Ingushetia among Russia's five best regions.

According to the new formula of the "population quality" index, the North Caucasian republics are in a much better position than three quarters of the regions.

Table 2

**Comparative Analysis of  
the Synthetic "Population Quality" Index for 2004<sup>12</sup>**

|     | Weights             | 0.41  | 0.395 | 0.195 | Distance | Rank |
|-----|---------------------|-------|-------|-------|----------|------|
|     |                     | Y1    | Y2    | Y3    |          |      |
| 1.  | Republic of Karelia | 3.7   | 3.195 | 1.946 | 6.871    | 69   |
| 2.  | Komi Republic       | 3.445 | 7.497 | 2.139 | 5.668    | 45   |
| 3.  | Arkhangelsk Region  | 4.31  | 4.718 | 3.324 | 5.743    | 47   |
| 4.  | Vologda Region      | 3.708 | 2.817 | 2.953 | 6.804    | 68   |
| 5.  | Murmansk Region     | 6.298 | 8.068 | 2.716 | 4.174    | 20   |
| 6.  | St. Petersburg      | 7.896 | 1.907 | 9.733 | 5.265    | 37   |
| 7.  | Leningrad Region    | 3.085 | 1.411 | 1.96  | 7.833    | 75   |
| 15. | Moscow              | 8.993 | 4.363 | 9.984 | 3.602    | 12   |
| 16. | Moscow Region       | 6.24  | 2.492 | 8.522 | 5.339    | 39   |
|     | .....               | ..... |       |       | .....    |      |

<sup>10</sup> See: S.A. Ayvasian, *Integralnye indikatory kachestva zhizni naselenia: ikh postroenie i ispolzovanie v sotsialno-ekonomicheskom upravlenii i mezhregionalnykh sopostavleniakh*, TsEMI RAN, Moscow, 2000, 117 pp. (website of TsEMI RAN).

<sup>11</sup> See: S.A. Ayvasian, *Razrabotka i analiz integralnykh indikatorov kachestva zhizni naselenia Samarskoy oblasti*, TsEMI RAN, Moscow, 2005, 124 pp. (website of TsEMI RAN).

<sup>12</sup> From the Appendix (see: S.A. Ayvasian, *Razrabotka i analiz integralnykh indikatorov kachestva zhizni naselenia Samarskoy oblasti*, pp. 63-64).

Table 2 (continued)

|     | Weights                           | 0.41  | 0.395 | 0.195 | Distance | Rank |
|-----|-----------------------------------|-------|-------|-------|----------|------|
|     |                                   | Y1    | Y2    | Y3    |          |      |
| 41. | Republic of Adigey                | 7.071 | 5.107 | 4.875 | 4.254    | 23   |
| 42. | Republic of Daghestan             | 7.928 | 8.545 | 1.99  | 3.884    | 17   |
| 43. | Republic of Kabardino-Balkaria    | 7.492 | 8.741 | 4.811 | 2.906    | 5    |
| 44. | Republic of Karachaevo-Cherkessia | 8.275 | 7.035 | 4.926 | 3.116    | 6    |
| 45. | Republic of North Ossetia-Alania  | 8.123 | 7.052 | 6.298 | 2.748    | 3    |
| 46. | Krasnodar Territory               | 7.525 | 5.395 | 3.949 | 4.245    | 22   |
| 47. | Stavropol Territory               | 7.97  | 5.409 | 5.891 | 3.648    | 14   |
| 48. | Rostov Region                     | 7.17  | 3.944 | 6.719 | 4.458    | 26   |

Y1 — an integral index calculated by comparing correlations based on the a posteriori indicators of *physical health*: mortality caused by diseases (TB, parasites, and infections) and unnatural causes, infant mortality, congenital anomalies, longevity.

Y2 — an integral index calculated by comparing correlations based on the a posteriori indicators of *physical health* (natural population growth index, death rate caused by cancer and heart failure, disability, etc.).

Y3 — an integral index calculated by comparing correlations based on the a posteriori indicators of *educational level*.

Weight — value of each of the integral  $Y_i$  indices in the formula of the “Population Quality” synthetic index; the higher the weight, the greater its contribution to the “synthetic index” used to rank the regions.

Distance — an index describing how close each of the  $Y_i$  indices is to the 10-point standard: the shorter the distance, the higher the Population Quality index.

Table 3

**Comparative Analysis of the Synthetic “Quality of the Social Sphere”  
Index for 2004<sup>13</sup> (excerpts)**

|     | Weights       | 0,245 | 0,474 | 0,153 | 0,126 | Distance | Rank |
|-----|---------------|-------|-------|-------|-------|----------|------|
|     |               | Y1    | Y2    | Y3    | Y4    |          |      |
| 15. | Moscow        | 9.17  | 8.76  | 1.958 | 6.756 | 3.485    | 5    |
| 16. | Moscow Region | 8.838 | 6.729 | 3.985 | 8.095 | 3.379    | 3    |

<sup>13</sup> From the Appendix (see: S.A. Ayvasian, *Razrabotka i analiz integralnykh indikatorov kachestva zhizni naselenia Samarskoy oblasti*, pp. 79-80).

Table 3 (continued)

|     | Weights                           | 0,245 | 0,474 | 0,153 | 0,126 | Distance | Rank |
|-----|-----------------------------------|-------|-------|-------|-------|----------|------|
|     |                                   | Y1    | Y2    | Y3    | Y4    |          |      |
| 41. | Republic of Adigey                | 2.717 | 7.52  | 5.719 | 1.565 | 5.266    | 41   |
| 42. | Republic of Daghestan             | 0.741 | 9.601 | 6.335 | 0.755 | 5.828    | 53   |
| 43. | Republic of Kabardino-Balkaria    | 0.792 | 9.37  | 7.099 | 4.727 | 5.081    | 39   |
| 44. | Republic of Karachaevo-Cherkessia | 1.53  | 7.707 | 5.693 | 1.332 | 5.695    | 50   |
| 45. | Republic of North Ossetia-Alania  | 2.13  | 9.216 | 4.995 | 3.442 | 4.977    | 36   |
| 46. | Krasnodar Territory               | 6.912 | 8.251 | 2.257 | 4.012 | 4.185    | 19   |
| 47. | Stavropol Territory               | 5.572 | 7.652 | 6.481 | 3.028 | 3.932    | 11   |
| 48. | Rostov Region                     | 6.342 | 7.3   | 3.123 | 4.743 | 4.181    | 17   |

Y1 — an integral index based on 6 a posteriori (particular) indicators of the *Social Tension* bloc.

Y2 — an integral index based on 10 a posteriori (particular) indicators of the *Social Pathology and Conditions of Labor* bloc.

Y3 — an integral index based on 3 a posteriori (particular) indicators of the *Socially Unfavorable Situation* bloc.

Y4 — an integral index based on 4 a posteriori (particular) indicators of the *Social Protection* bloc.

Since the indicators of Social Tension (Y1) are associated with unemployment, while Social Protection (Y4) is associated with the indicators of economic prosperity, the North Caucasian republics are found several ranks lower in the Quality of Social Sphere hierarchy of the RF regions. On the other hand, the Y2 (Social Pathology) and Y3 (Socially Unfavorable Situation) indices are low enough to ensure the North Caucasian republics a place among the 10 best regions of the Russian Federation.

Table 3 reveals a fairly wide gap between the Social Tension (Y1) and Social Protection (Y4) indices in the North Caucasian republics, on the one hand, and the Social Pathology (Y2) and Socially Unfavorable Situation (Y3), on the other. This is probably explained by the extent to which the population is drawn into the shadow economy with the resultant unregistered incomes and community solidarity, which alleviates socially unfavorable situations.

The fact that the North Caucasian republics are among the best constituencies of the Russian Federation testifies to the following advantages of the local lifestyle:

- *First*, criminal capitalism notwithstanding, it preserves relative social order;
- *Second*, the high degree of orientation toward success and social recognition and the high level of economic activity among the local people;

- *Third*, the presence of a relatively normal (anthropological and cultural) basis for the region's social and economic progress.

Vice-Premier Dmitry Kozak, who represented the president in the Southern Federal Okrug, and Academician Valery Tishkov, Director of the Institute of Ethnology and Anthropology, RAS, and other experts, wrote about the positive (albeit not free from certain negative trends) ethnocultural context of the region's economic potential.<sup>14</sup>

It should be said that the region is not alien to erosion of the value of knowledge and education among the young people and the corresponding orientation toward status vs. professional skills and genuine knowledge.<sup>15</sup> This lowers the level of professional ethics and labor motivation and undermines the quality of human potential; official statistics, however, based on formal criteria, present a better picture of the state of affairs in education.

**Statistical paradoxes and modernization.** *The Northern Caucasus displays some of the features typical of Africa, Europe, and the Far East at one and the same time, which can be described as its statistical paradox.* The socioeconomic and some of the social-cultural indicators (the birth rate, family traditions, the level of corruption, and the shadow economy) relate it to Africa (the Third World countries), while the level of enterprising activities, civil spirit (at the local level), orientation toward social success, education, and average longevity bring it closer to the average-developed countries of Europe and the Far East.

This paradox is easily explained by the social-cultural structures still extant in Korea, China, or Malaysia with strong communal traditions and the cult of ancient rites.

Just as in the Northern Caucasus, these societies accept the imperative of "saving face" as a social norm, which contains a set of criteria applied to the image of an "ideal man" (son, father) [*junzi* (an "ideal man"), a term coined by Confucius, means a social rather than a family position: a socially active person]. *The minimum social standard for one's family* (private house, enough money to follow the commonly shared moral obligations, which is much higher than the official subsistence minimum) is regarded as an absolute must.

*It is extremely important to blend traditions and social-cultural "capital" with modernity and requirements of market economy and political democracy; this has been done in the Far East and Southeast Asia.* These countries have accumulated vast experience in this sphere and know how to bring together modernity and traditions in the economy, as well as the norms inherited from the past and the latest technologies.<sup>16</sup>

Social and economic success is achieved where traditions are respected, while modernization is not abused for the sake of "*an imitational model of capitalism*". Their economic policies left the family enterprises and village communities intact together with the traditional lifestyle in the countryside: this experience should be studied and applied with the necessary regional readjustments.

*Modernization should combine, in the best possible way, the local cultural and social specifics with economic innovations and market institutions;* the new rules of the game can help remove numerous artificial obstacles and should, therefore, be seen as fair and acceptable.

<sup>14</sup> For more detail, see: S.A. Lipina, *Respubliki Severnogo Kavkaza: Prioritety razvitiya APK*, LKI Press, Moscow, 2008, pp. 238-239; M.M. Magomedov, F.I. Mirzabalaeva, "Vzaimosviaz komponentov Indeksa razvitiya chelovecheskogo potentsiala," in: *Regionalnye aspekty sotsialnoy politiki*, ISEI DNTs RAN, DGU, Makhachkala, Issue 3, 2001, pp. 71-74 (comparative analysis of the RF constituencies by the Human Potential Development Index).

<sup>15</sup> See: A.B. Jalilov, "Sotsializatsia daghestanskoy molodezhi v svete problem obrazovania," in: *Regionalnye aspekty sotsialnoy politiki*, Issue 3, pp. 89-97.

<sup>16</sup> For more detail, see: N.M. Bragina, "Novaia rol sel'skogo khoziaystva (Vozmozhnosti ispolzovania iaponskoy modeli dlia reshenia proizvodstvennoy problemy v razvivaiushchikhsia stranakh)," in: *Razvivaiushchiesia strany: poisk rezervov rosta*, IMEMO RAN, Moscow, 1990, pp. 165-204; idem, "Melkoe promyshlennoe proizvodstvo v netraditsionnoy industrializatsii," in: *Razvivaiushchiesia strany: poisk rezervov rosta*, pp. 242-243.

## 4. The Region is Much More “African” than “European”

*Statistics and realities.* The employment, per capita income, and average wage figures put the North Caucasian republics among the least prosperous constituencies of the Russian Federation. At the same time, the retail trade and consumption statistics push them to 2nd and/or 3rd rank in the hierarchy of the RF constituencies. This very adequately reflects the situation in most of the mountainous regions.

A more critical approach reveals a different picture: official figures either ignore (or distort) the incomes in the shadow economy and the incomes produced by private households and farms.

On the other hand, *social differentiation* in the region is much more pronounced than throughout the country as a whole: there is a wide gap between the small group of the very rich (top bureaucracy, local oligarchs, and big business) and the dire poverty of the rest. The decile coefficient (the gap between the top 10 percent of the richest and bottom 10 percent of the poorest people) is much higher (about 22-25) than the country's average (15);<sup>17</sup> some experts insist on a share of 35-40.

Such societies are marked by a much higher level of corruption, shadow economy, and unemployment; their state machine is much weaker, while the amount of taxes and other fees collected is very small. *Corruption and the shadow economy are inseparable; they trigger social differentiation and injustice; collected taxes tend to diminish while the budget can hardly cope with its social obligations; popular discontent grows and destabilizes the System.*

Federal subsidies and grants defuse social tension to a certain extent; on the other hand, they stir up rivalry among the local oligarchic structures over resources and hence terror against the upper echelon.

Some of the ethnopsychological and cultural factors, however, prevent things from going to the extreme.

While still under Soviet power, people from the Northern Caucasus demonstrated high social and territorial mobility: on the whole, the local societies are much more eager to go into business. The share of those involved in private businesses (including individual entrepreneurs) is 2.5-3.0 times higher than in Russia as a whole. In 2007, for example, the share of business-created incomes in the monetary income of the population of the North Caucasian republics was 2.0-2.5 times higher than Russia's average (10 percent in the Russian Federation; 24 percent in Daghestan and North Ossetia-Alania, and about 20 percent in Ingushetia, Kabardino-Balkaria, and Karachaevo-Cherkessia).<sup>18</sup>

*Shadow justice, quality of administration, and regional security.* *Shadow justice* has acquired much greater weight in the NCFO than in the rest of the country; it has deformed official justice, distorted economic and political relations, and boosted the shadow economy.

In the mid-1990s, the scope of the shadow economy across Russia was close to that in Eastern Europe and Latin America (the Second World countries), as well as in average-developed Asian and African Third World countries.<sup>19</sup> *A comparative analysis of the RF constituencies in terms of the degree to which the shadow economy was developed in 1995-1998 revealed that the North Caucasian republics filled the top lines on the list.*<sup>20</sup>

<sup>17</sup> Based on expert assessments and figures quoted in *Regiony Rossii. Sotsialno-ekonomicheskie pokazateli*, pp. 165, 174.

<sup>18</sup> See: *Regiony Rossii. Sotsialno-ekonomicheskie pokazateli*, p. 165.

<sup>19</sup> See Tables 3 and 4 in Yu.V. Latov's "Ekonomika tenevaya," available at [[http://www.krugosvet.ru/enc/gumanitarnye\\_nauki/ekonomika\\_i\\_pravo/EKONOMIKA\\_TENEVAYA.html](http://www.krugosvet.ru/enc/gumanitarnye_nauki/ekonomika_i_pravo/EKONOMIKA_TENEVAYA.html)]; idem, *Ekonomika vne zakona. Ocherki po teorii i istorii tenevoy ekonomiki*, MONF, Moscow, 2001.

<sup>20</sup> See: Spetsialny doklad (4 kvartal 1997) ekspertov Rossiiskogo-evropeiskogo tsentra ekonomicheskoy politiki: Sergeia Nikolaenko (MEMO RAN), Yaroslava Lissovovika i Rory MacFarquhar, "Tenevaia ekonomika v rossiyskikh re-

Together with the Krasnodar and Stavropol territories, they belong to the 10 regions with most developed shadow economies; they produced 50 to 75 percent of GRP of the RF constituencies.<sup>21</sup>

The level of collected taxes and fees, assessed in percentage of GRP, the lowest in the country, is an indirect indicator that this is a grave problem (only Tyva and some of the autonomous okrugs are even worse).

The correlation with the economic structure and employment is obvious; here I stress the obvious correlation between the shadow economy, organized crime, and corruption and the scope of poverty, social differentiation, the weak administration mechanism, and political and economic terror. They all come from the uncompromising rivalry among the oligarchic syndicates. This has been confirmed by the studies carried out by the World Bank<sup>22</sup>; research staff of the famous Institute for Liberty and Democracy (Peru),<sup>23</sup> etc.

In the last 4 to 5 years, the situation has somewhat improved (in Daghestan, North Ossetia, and Kabardino-Balkaria); in 2006-2008, these republics collected nearly 3.5 times more taxes and fees and lowered their dependence on the Center.

*The tax potential, however, has not been fully tapped for the following reasons: massive tax evasion of small and medium businesses; pressure of the local oligarchs on the more or less corrupt fiscal structures.*

**Corruption and the federal factor.** The federal Center is largely responsible for corruption, nepotism, and the related persistent traditions typical of the Third World countries.

The most influential local politicians have federal patrons driven by mercantilism and the interests of their common businesses that thrive on the administrative resource.

Expert assessments and studies give an idea of the extent of Moscow's negative effect,<sup>24</sup> which is largely responsible for the reproduced archaic personnel policy and corruption in the region.

Early in the 2000s, the Center *consolidated* power and formulated a clear and consistent North Caucasian policy; it should be said, however, that the present level of consolidation and consistency is still inadequate.

Not infrequently the media and defense and security structures provoke alienation from the government and Russia as a whole, thus preventing potential integration and fanning social (ethnic and confessional) tension. Monitoring of what is being done to maintain law and order, execution of the CTO regime in the region, and a content analysis of the federal media have confirmed the above.

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gionakh," in: *Obzor ekonomiki Rossii. Osnovnye tendentsii razvitiia. 1997, IV* (Russian translation of "The Shadow Economy in Russia's Regions," *Russian Economic Trends*, No. 4, 1997), Moscow, 1998, available at [http://www.budgetrf.ru/Publications/Magazines/recep/1997/4/rcpb199740000unec/rcpb199740000unec000.htm]; I.G. Kosikov, L.S. Kosikova, "'Tenevaia' ekonomika v zhizni Severnogo Kavkaza," in: *Severny Kavkaz: Sotsialno-ekonomicheskii spravochnik*, Moscow, 1999.

<sup>21</sup> About 70 percent of the gross regional product in Daghestan is produced by the shadow economy (according to information of the Commission of the South Federal Okrug headed by A. Pochinok in 2005).

<sup>22</sup> Calculated from: L.G. Stotsky, A. WoldeMariam, "Tax Effort in Sub-Saharan Africa," IME, Washington, 1997, p. 6, in: *On the Least Developed Countries Report* by UNCTAD, New York, 1997.

<sup>23</sup> For more detail, see: H. de Soto, *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*, Basic Books, 2000. Chapter Four, "The Mystery of Political Awareness," pp. 69-104; idem, *The Other Path: The Invisible Revolution in the Third World*, Basic Books, New York, 1989.

<sup>24</sup> See: "Otchet Schetnoi palaty Rossii po rezultatam proverki ispolnenia budzheta RD v 1995-1997 godakh i v 2000-m—1-e polugodie 2001 goda," in: *Sborniki otchetov SP RF. Gosduma, 1998 i 2002*; Postanovlenie Gosdumy FS RF "O situatsii v Respublike Daghestan" ot 15 sentiabria 1999 goda; "Schetnaia palata schitaet gosinvestitsii v Chechne neeffektivnymi" (from: *Otchet SP RF po rezultatam proverki biudzhetykh raskhodov v ChR—2009*).

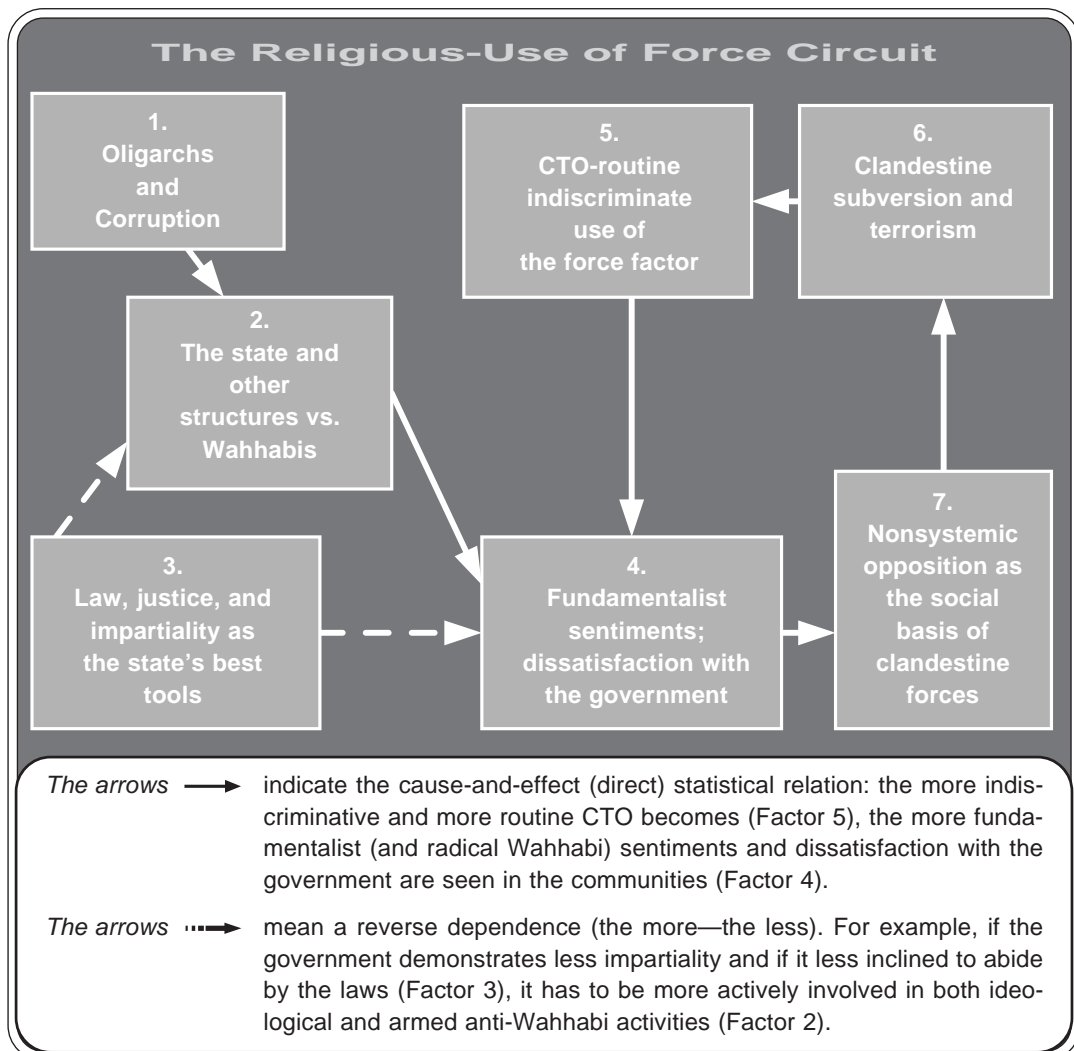
## 5. Instability Reproduction

- **The first circuit** is created by the following factors and conditions: *the inner confessional conflict—a quest for “meaning and justice” in an alternative ideology which swells the ranks of the nonsystemic opposition—inadequate antiterrorist and antiextremist efforts of the law-enforcement and defense and security structures—legitimacy of extremist clandestine activities in the eyes of certain population groups* (see Fig. 1).

So far, despite the obviously dramatic tension, the gravity of the inner-confessional conflict remains underestimated. Meanwhile, it is better described as *a crawling civil war with*

Figure 1

Instability Reproduction and  
the Impact of  
Extremist Clandestine Activities





*clear religious undertones*,<sup>25</sup> which brings to mind the conflict between the Catholics and Protestants of the Late Middle Ages.

It should be said (without going too far into the past and the roots of the conflict) that this seemingly purely theological disagreement is of practical importance for a large number of the faithful in terms of all sorts of religious procedures and the quest for the meaning of religious fervor and Islamic identity. The Salafi and the Sufi, two branches of official Islam which cannot agree on the above, are widening the gap between their followers.

In the 1990s, the practices of the so-called Wahhabis (the most radical of the Salafi trends) created suspicions that their political ambitions stretched far beyond the religious limits; this placed all Salafis—moderate (law-abiding) and potential radicals—in the category of unreliable elements or even potential extremists.

The state, or rather the law-enforcement and defense and security structures, armed itself with the method of “preventive elimination (neutralization)” of all suspicious elements without preliminary operative investigation.

The CTO methods and practice used in the Middle East to address different strategic tasks were indiscriminately borrowed, which never integrated the majority and isolated the minority as expected: they sowed alienation and fanned tension.

Hundreds of young men unrelated to terrorist activities disappeared without trace after night searches by “death squads” when federal troops stormed apartments and houses, etc. The relevant statistics are very bitter indeed.<sup>26</sup>

In the absence of a differentiated approach to the faithful, all of them were regarded as potential terrorists; this did nothing to improve the situation. Unjustified arrests and maltreatment of prisoners merely increased the number of clandestine structures and added vigor to their resolve. The nonsystemic opposition received new members while the extremist clandestine structures became more or less widely accepted.

In each of the republics, the nonsystemic opposition, which attracts Salafis, their supporters, and members of tariqat (Sufi) trends left outside the system of spiritual administrations, boasts at least tens of thousands of members.

It seems that its numerical strength in Ingushetia has somewhat declined, while in Dagestan and Chechnia its ranks have increased; in Kabardino-Balkaria and Karachaevo-Cherkessia, its numbers are much smaller than elsewhere in the Northern Caucasus.

■ ***The second instability circuit*** is caused by **the ideologically tinged “quest for meaning and justice” among certain groups of the youth.**

There are two types of young men involved:

- (1) fairly educated and politically active and
- (2) energetic passionaries and/or sub-passionaries (Lev Gumilev’s term) seeking “self-assertion.”

There are no poor or unemployed among the members of the first group: they are obviously driven by a combination of various factors (lack of moral restraints and the extremely destructive propaganda which spares nothing, including God, in which social injustice and

<sup>25</sup> For more detail, see: V. Akaev, “Sufism i vahhabism na Severnom Kavkaze,” *Issledovania po prikladnoy i neotlozhnoy etnologii*, No. 127, Moscow, 1999; D.Sh. Khalidov, “Sotsialnaia nestabilnost na Severnom Kavkaze...”; A.A. Yarlykapov, op. cit.

<sup>26</sup> See: “Kommentarii k Dokladu “Situatsia na Severnom Kavkaze. Osen 2007 g.-vesna 2008 g.” Pravozashchitnogo tsentra “Memorial” [www.kavkaz.memo.ru], 19 April, 2008.

lies serve as the background) and the general background better described as an impasse and the quest for the meaning of life.

The second group, plagued by social problems and lack of future, is involved for psychological reasons.

Indeed, the insistent propaganda easily found on extremist websites, personal contacts with members of the nonsystemic opposition, and all sorts of “educational groups” can gradually warp the ideas about the world, at least in some young minds. Such people abandon their peaceful life for the sake of clandestine extremist activities. In fact, they might be driven to extremes by the obvious and persistent attention of the law-enforcement structures in the form of shadowing, unjustified arrests, etc.

I leave the role of foreign support of clandestine activity outside the scope of this article. All types of racket have become one of the habitual “fund-raising” activities of terrorists. Local big businesses and rich bureaucrats pay a sort of “rebel tax;” this has been established beyond doubt in Daghestan, Ingushetia, and Kabardino-Balkaria.

- *The third instability circuit* is caused by **the local oligarchic groups** (see Fig. 2).

Figure 2

**Instability Reproduction and  
the Role of Corruption and Oligarchs**

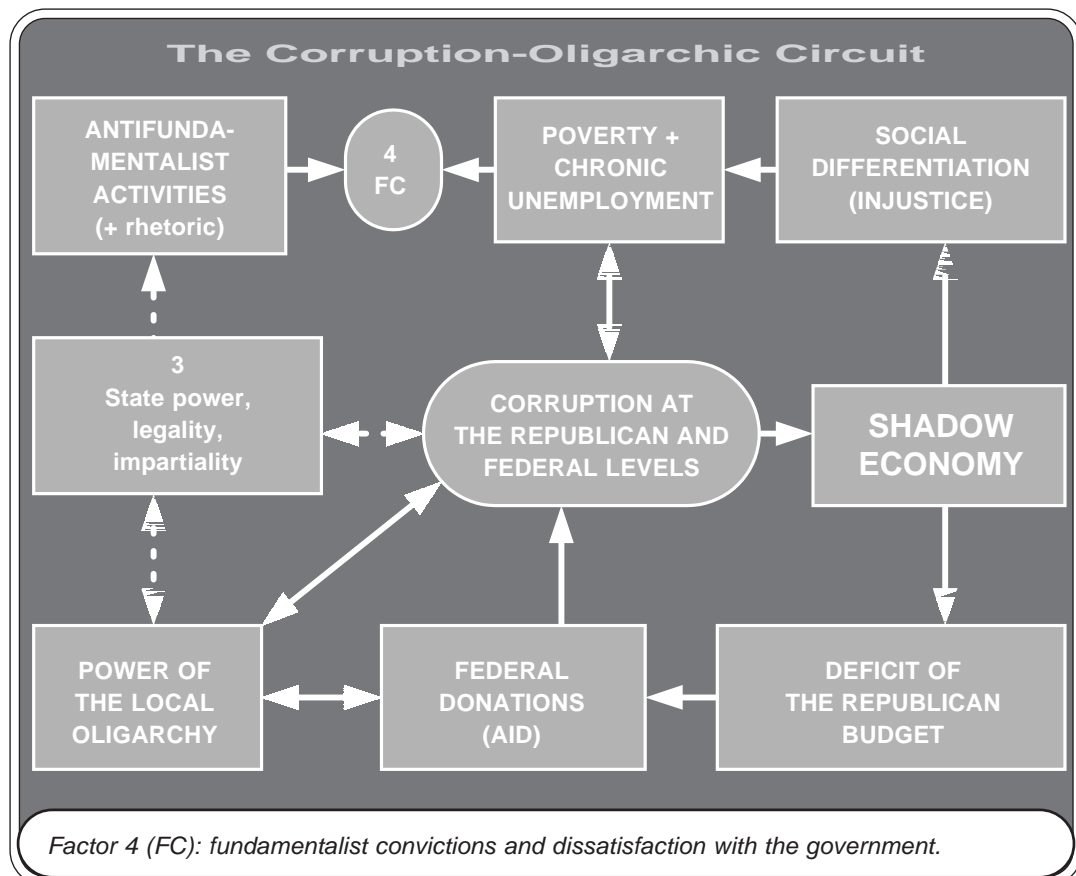


Table 4

**Importance of the Instability Circuits and  
the Factors behind Them**

| No. | Instability Circuits in the Republics   | Importance by 5-Point Scale | Influence Entities and Their Role  | The Role of Civil Structures and Traditional Structures   | Remedies  |
|-----|---|-----------------------------|--|---|---|
| 1   | The 1st and 2nd circuits: extremist clandestine structures; inner-confessional conflict and the CTO methods   | “5”                         | Federal Center (very important); republican authorities (important); external (foreign) centers (noticeable) | Important role. The jamaats, intellectuals, public leaders and students should also be involved | <ul style="list-style-type: none"> <li>—critical analysis of the CTO methods;</li> <li>—the state should become the arbiter of the inner-confessional conflict;</li> <li>—a mechanism of permanent dialog and conciliation of conflicting religious trends should be set up;</li> <li>—propaganda among the young people;</li> <li>—counter-propaganda</li> </ul>                               |
| 2   | 3rd circuit: redistributing syndicates and the local oligarchs as instability source (corruption, injustice, criminalization of political and economic relations) | “4”                         | Federal Center (very high); republican authorities (very high)   | Important role. The jamaats, public leaders, and intelligentsia should also be involved         | <ul style="list-style-type: none"> <li>—greater role of local self-administrations and traditional civil structures;</li> <li>—republican congresses of the communities and new <i>social contracts</i>;</li> <li>—testing of <i>anticorruption</i> laws in the local republics;</li> <li>—antioligarchic measures carried out by the Federal Center;</li> <li>—new personnel policy</li> </ul> |
| 3   | 4th circuit: conflicts between the local communities and government (strong clans at the local self-administration level)   | “2”                         | Federal Center (insignificant) Republican authorities (very high)  | Very high role. The jamaats, public leaders, and intelligentsia should also be involved         | <ul style="list-style-type: none"> <li>—greater role of local self-administrations and traditional civil structures;</li> <li>—republican congresses of the communities and new <i>social contracts</i>;</li> <li>—land-related disputes should be settled according to local conditions</li> </ul>   |

In some cases, this comes to the surface as a power struggle and rivalry over resources at the republican level. As a rule, this challenge is caused by what the mayors of the republics' capitals (sometimes of large cities as well) are doing.

In other cases, it is manifested by a struggle over administrative positions at the local self-administration level.

It should be said that the conflict of interests and power struggle lacks symmetry: while the heads of the republics rely on the official power system and the law, the ambitious local oligarchs pin their hopes on the shadow power structures and dubious legitimacy and draw on informal, including psychological, resources.

*On many occasions, the republican authorities are powerless in the face of the "paralysis" of certain branches (the judicial and law-enforcing) caused by the shadow sector. According to the expert community, this is behind many of the unsolved terrorist acts.*

The mercantilist system associated with the "redistributing syndicates" provokes latent terror and intimidation as levers in the struggle for power and resources. As a rule, the alliances and coalitions formed in the course of this struggle have nothing to do with programs and principles: they fall apart as quickly as they appear.

At the regional level, *the official party system has nothing to do with political reality and the political struggle*: local influential oligarchs are at daggers drawn, but not infrequently they belong to the same party; this means that the republican heads and other official leaders need informal coalitions to preserve their official statuses.

- ***The fourth instability circuit*** is created by **the conflict between the local communities and government at the self-administration level**. As a rule, destabilization begins at the local level in the form of blocking off federal highways by indignant communities or mass protest rallies, which move instability to the republican level.

These developments are not infrequent in the republics with developed democratic traditions (Daghestan, Kabardino-Balkaria, and Karachaevo-Cherkessia); they are mostly caused by power abuse at the local (district) level (embezzlement, corruption, and violations of the land-use laws).

In recent years, elections, which cause open collisions between influential clans or between the republican authorities and the opposition, trigger vehement conflicts.

Adequate administration can transform the institutions of traditional democracy (jamaats) into an instrument of struggle for a fairer social order free from corruption and other negative phenomena. *The Federal Law on the Basic Principles of Local Self-Administration, likewise, should be introduced in its entirety in the Northern Caucasus to prevent the local oligarchs from becoming another important instrument.*

## 6. Monitoring the Seats of Ethnic Tension

- ***The fifth instability circuit*** is caused by **the ethnically tinged conflicts over land, power resources, and ethnic equality**.

There are nine seats of ethnic tension in the region.

Three of them are found in *Daghestan*, mainly in the Khasaviurt zone. Some of the local people (the Lezghians and Kumyks) are obviously displeased with the way power is distributed at the republican level and/or in the key Caspian areas.

Formal adherence to the principle of proportional representation of the ethnic communities in the echelons of power does not guarantee stability. This was amply confirmed by the October 2009 events in Derbent triggered by the municipal elections; therefore the actual distribution of power does not guarantee ethnopolitical balance.

The recent trend toward unification of some of the RF constituencies revived *the border issue between Chechnia and Ingushetia*; the Prigorodny District of North Ossetia remains high on the list of priorities among the Ingushes. In *Kabardino-Balkaria*, the municipal reform exacerbated the disagreements between *the Kabardinian and Balkarian communities* over land; the conflict between the Karachais and Circassians has not come out into the open. Serious conflicts between the Cossack, Armenian, Nogai, and Daghestani communities might flare up in the *Stavropol Territory*.

Most of the above ethnic problems are rooted in the authoritarian-bureaucratic activities of Soviet power in the 1930-1950s when the borders between the RF constituencies or the Soviet republics were drawn arbitrarily, while entire nationalities and ethnic groups were repressed and deported.

Some of the problems call for the state's close attention and active cooperation of public organizations and the traditional structures of people's democracy and peacemaking; others should be monitored and roads to agreement actively sought.

*The region has accumulated vast experience in conciliatory procedures; the state should draw upon it by adding more power to the municipalities and traditional structures.*

***The lessons of Russian and foreign experience.*** The situation in the NCFO is unique: none of the other countries or regions has a similar assortment of problems to be addressed in one and the same place and at one and the same time.

India, Spain, Switzerland, and some other countries, however, have had their share of conflict settlement.

A concise analysis<sup>27</sup> of the experience accumulated in Russia and abroad shows:

- An authoritarian approach brings a short-term respite; the conflicts are driven deeper only to revive as soon as the state and its grip weaken, albeit insignificantly. Extremist movements appear. This explains why polyethnic states and regions proceed from *coalition (multicomponent) rather than civil (one man-one vote) democracy*. This approach allows *the ethnic (or ethnic-confessional) segments represented in the power structures to express their opinions*. The degree of centralization depends on the level of the nation's political culture: in India, for example, power in the polyethnic states and districts is more centralized than in Europe.
- *Conflicts of any type, be they ethnopolitical, ethnoterritorial, or any other, are not completely resolved*. Conflict settlement is a process in which the state should act together with the civil and traditional structures. If neglected (because the state has become weary of the unending discussions), this cooperation might be replaced with more radical measures.
- The ethnic and ethnoconfessional elements in any society *should be proportionally represented in all the power structures*; violation might stir any of the ethnic "parties" into action. This rule is faithfully observed in the West (Canada and Belgium) and the East (Lebanon and India).

To neutralize the impact of ethnic (or ethnoconfessional) factors on decision-making at the state level, *the role of municipalities should be upgraded*. This is done in Switzerland and Malaysia; the

<sup>27</sup> For more detail, see: Collection of articles *Etmos i politika: khrestomatia*, Compiled by A.A. Prasauskas, URAO Publishers, Moscow, 2000, pp. 116-128, 161-165, 190-200.

communities demonstrate more pragmatism when it comes to land use, rational distribution of incomes, and encouraging businesses which, normally being international structures, are better suited to neutralize ethnic problems.

**Conclusion.** The republics with complex polyethnic societies should opt for a coalition (multi-component) democracy; in practice, this takes the form of a political system in which all the ethnic groups are represented in more or less adequate proportions in the power structures (this is true of Daghestan, Kabardino-Balkaria, and Karachaevo-Cherkessia). The coordinating mechanism has not been oiled enough, which causes mutual claims.

To neutralize the negative effect of the greater role of the ethnic factor, the republican authorities should (and have the right) to enhance the role of the local (representative) structures of self-administration up to and including institutionalization of the republican congresses of the communities.

## 7. The Institution of Plenipotentiary Representation in the NCFO: Lessons of History and Basic Principles

Despite the deep-cutting modernization carried out in the last 100 to 150 years in the country and the region, certain aspects of foreign and Russian (including prerevolutionary) experience can and should be taken into account in the document related to the Institution of the President's Plenipotentiary Representation in the NCFO and the activities of the president's special representative.

The Caucasian vicegerency which existed in the 19th-early 20th centuries with its center in Tiflis can be described as a historical analogue of *the Institution of the President's Plenipotentiary Representation in the NCFO*, which lived through several stages, the key ones being:

- The initial stage (up to the 1840s), during which the Caucasian vicegerency operated under the strict control of St. Petersburg and had no autonomy. The negative experience of the long Caucasian War forced the Center to somewhat readjust its approach. Under General M. Vorontsov (the 1840s) and General A. Baryatinskiy (the 1850s), the regions acquired much more autonomy, which made it possible to fully tap the generals' outstanding abilities and neutralize the intrigues of ill-wishers and inadequate suggestions coming from the imperial government (from foreign and finance ministers, etc.).<sup>28</sup>
- The success in the Northeastern Caucasus, where the war ended in August 1859, was achieved by *the best possible combination of social and moral factors and the use of force*, as well as maximum attention to the local specifics and respect for religion and folk traditions. The enemy (represented by imam Shamil, his naibs and supporters) was treated with due respect, while no one was accused of what he had done in the past. Those who went over to Russia's side (naibs, ulemas, and murids, or even communities) were encouraged to resume peaceful ac-

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<sup>28</sup> For more detail, see: V.V. Degoev, "Tri silueta Kavkazskoy voyny: A.P. Yermolov, M.S. Vorontsov, A.I. Baryatinskiy," in: *Bolshaya igra na Kavkaze: istoriya i sovremennost*, Russkaya panorama, Moscow, 2001, pp. 156-204.

tivities by being rendered material assistance and given posts in the regional (Daghestan and the Terek region) and local power structures. This fairly quickly undermined the social basis of resistance of the mountain dwellers.

- The laws were flexibly applied: the commissions for conflicts (and amnesties) set up by Prince Baryatinskiy consisted of a vicegerent representative, a kadi (a Muslim judge), and respected members of the local communities. They can be described as the foundation stone of *the military-popular administration* that survived until the 1917 February Revolution and helped to resolve conflicts and prevent antistate actions. The adat (the local customary law) was mainly used to settle conflicts; Muslim laws were drawn up in a limited number of cases, while imperial law was practically never applied. Not infrequently, the decisions contradicted imperial law; elections at the community level, in the jamaats, followed the habitual pattern. On the whole, the region was administered by means of a system of traditional democratic institutions represented by the jamaats and their alliances; the best possible combination of imperial and customary laws and the Shari‘a, as well as on *trust* and *respect*, and, consequently, integration of prominent people and members of the local respected families into the imperial elite.
- The Caucasian mountaineers were integrated into the Empire through social and economic ties and projects and were encouraged and supported (as far as possible at this far from easy time). The local customary laws were studied and codified<sup>29</sup> to develop later into laws applied to certain types (not grave) of crimes.

It seems that this experience can be taken into account by the Office of the President’s Plenipotentiary Representative in the NCFO; the following can be suggested as the first steps:

- Special groups could be set up under the Office of the Plenipotentiary Representative to work in
  - (a) *research and project setting;*
  - (b) *the inner-confessional situation and integration;*
  - (c) *ethnic problems and people’s diplomacy;*
  - (d) *local self-administration and land use;*
  - (e) *analysis of the real laws and political institutions; laws, courts, and law-enforcement;*
  - (f) *federal structures and personnel;*
  - (g) *finances and the region’s economic development.*
- More flexibility should be demonstrated when urgent measures and decisions call for it; if the decisions contradict the federal laws adopted within the document related to the “*joint powers of the RF constituent and the Federal Center,*” the Plenipotentiary Representative should acquire wider rights.
- *The shadow justice (really in force) should be analyzed* and its applications in critical situations of public life monitored to find out how it correlates with formal law and how it affects the social, economic, and political relations in the republics. The results can be used for decision-making and correcting the laws at the level of the Plenipotentiary Representative.

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<sup>29</sup> See: M.O. Kosven, “Materialy po istorii etnograficheskogo izucheniya Kavkaza v russkoi nauke,” in: *Kavkazskiy etnograficheskiy sbornik*, Issue 2, Moscow, 1962, p. 244; A.V. Komarov, “Adaty i sudoproizvodstvo po nim,” in: *Sbornik svedeniy o kavkazskikh gortsakh*, Issue I, Tiflis, 1868 (reissued in Moscow by MNTPO “Adir” in 1992).

*The NCFO can be used as a testing ground for anticorruption legislation;* the laws blocked at the Federal Assembly level can be tested in the NCFO.

The anticorruption experience gained in other countries<sup>30</sup> should be taken into account; the following measures can also be useful:

- (a) cutting down the number of checkpoints on the roads and controlling structures at the customs points;
- (b) introducing the “competitive bureaucracy” principle, whereby clients can select bureaucrats or structures to deal with;
- (c) introducing a two-corridor system (slow and fast) in the departments which provide public services, etc.

*The quality of regional administration: how it should be measured.* The following model of measurement of the quality of political management in the NCFO constituencies can be applied. The resultant index is closely connected with sociopolitical and socioeconomic security (further—security).

The security level (and, consequently, the administration quality) can be measured on the basis of the model of statistical connections and the dynamics of the key socioeconomic and political indices for a definite period (of 4 to 6 years). Such an analysis will produce a correlation diagram that can be used to identify the most indicative (important) empirical indicators (indices).

According to my *hypothesis*, the following indicators can be described as the minimum set of key indices correlated with the regional subsistence minimum (the original indicators needed for an integral security index and the assessment of the administration quality in the North Caucasian constituencies):

- (1) the share of taxes and other fees in GRP;
- (2) per capita GRP;
- (3) the level of the constituencies’ own finances in the consolidated budget;
- (4) the level of the decile coefficient (social stratification) measured by the gap between the top 10 percent richest and bottom 10 percent poorest people;
- (5) the correlation between the average per capita income and the subsistence level;
- (6) the share of those living below the subsistence level;
- (7) the share of unemployed (real figures) in the total economically active population;
- (8) the degree of corruption in the upper echelons of power or the degree of economic “freedom;”
- (9) the level of terror against the upper echelon and acquisitive crimes related to the distribution of budget money and corruption;
- (10) the degree of political stability.

Correct methodologies to be applied to the indices 8 through 10 have not yet been formulated; work is still underway.

The dynamics of the share of taxes and other fees in GRP in the NCFO regions will tell a lot about the *“honesty and efficiency of the administrative structures.”*

<sup>30</sup> For more detail, see: S. Rose-Ackerman, *Corruption and Government: Causes, Consequences, and Reform*, Cambridge University Press, Cambridge, 1999.



*The volume of the development budget* of any of the NCFO constituencies is directly related to the tax collection level: the higher the share of taxes in GRP, the larger the development budget of the corresponding NCFO constituent.

*Traditions and our day. The ethnopolitical aspect and democratic development.* The nationwide party system fits neither the local conditions nor the diverse interests of the local social and ethnic groups. This contradicts the principles of federalism as stated in the Constitution of Russia and the Federal Law on the Principles and Procedures of Separating Terms of Reference and Powers between the State Bodies of the Russian Federation and the State Bodies of Constituencies of the Russian Federation of 24 June, 1999, which regulates the terms of reference of joint responsibility of the state power structures of the Russian Federation and its constituencies.

The situation in the region, however, calls for a more flexible approach; it should completely fit the federative principles and the conception of Russia's national policies.<sup>31</sup>

The legalized status of the "congress of communities (or peoples)" will greatly improve ethnic relations and add to the anticorruption and antiterrorist struggle in the NCFO. Such congresses can deal with the most urgent issues of great importance for the local parliaments, executive structures, local self-administration, and the business community.<sup>32</sup>

In the early 1990s, some of the NCFO republics lived through a revival of the traditional civil institutions. Daghestan and Kabardino-Balkaria have accumulated a certain amount of experience in dealing with crises (the events of 1992-1993) with the help of the traditional and modern democratic institutions.

Annual congresses can produce legislative initiatives in many spheres; they can serve as a powerful factor of social stabilization, consolidation, and the development of civil society in the region.

### *In Lieu of a Conclusion*

The region can develop a set of projects to address issues of state importance; the key to the regional problems should be sought outside the economy, which means no large-scale funding will be needed. The above approaches can be realized with minimum outlays; they fit *the methods of regional extra-structural administration*.

We need a breakthrough in the Northern Caucasus which calls for novel methodological approaches to take account of the entire diversity of the factors and conditions of regional instability.

The above approaches are a result of in-depth studies of the extra-economic causes responsible for instability; they are an attempt to find a theoretical approach to possible changes for the better.

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<sup>31</sup> For more detail, see: T.M. Shamba, *Natsionalnaia politika i natsionalno-gosudarstvennoe ustroystvo RF*, Moscow, 2000, pp. 131-134; Conception of State National Policy of the Russian Federation (endorsed by Decree of President of the RF B.N. Yeltsin of 15 June, 1996, No. 909).

<sup>32</sup> For the methodological foundations of this approach, see: D.Sh. Khalidov, "Konstruktsia vlasti na Severnom Kavkaze. Poisk optimalnoy formy ne zavershen," *Obozrevatel*, RAU-Universitet Research Firm, No. 2, 2006, available at [<http://www.rau.su>].