

# **Security Sell-Out in the North Caucasus, 2004: How Government Centralization Backfires**

PONARS Policy Memo 344

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*November 2004*

With the horrors of the September 2004 school hostage massacre in Beslan (North Ossetia) very much in the Russians' hearts and minds, the Kremlin announced sweeping reforms to strengthen central authority by phasing out the popular election of governors and presidents in the constituent regions and republics of the Russian Federation. In the emotional crucible of Beslan, centralization of central authority sounded appealing. The reforms were announced in the name of preventing terrorist attacks, keeping ethnic tensions from erupting into violence, and suppressing separatist challenges to Russia. Nowhere else in post-Soviet Russia have these challenges been more acute and the reform goals sounded more plausible than in the North Caucasus—a sliver of rugged lands between the Black and the Caspian Seas along the Great Caucasus Mountain Range. It is hardly a coincidence that the Russian president designated the principal architect of local government reform, Dmitry Kozak, as his special envoy in the region.

Evidence has been accumulating, however, that it is precisely in the North Caucasus that Putin-style centralization is more likely to sustain rather than to quell violence. This is because centralization inevitably suppresses political competition, which leads to erosion of government legitimacy and transparency. With clan networks, nepotism, and traditions of honorable revenge especially strong in the North Caucasus, diminishing transparency has been enhancing systemic corruption of institutions responsible for security and anti-terrorist defense. Through this process (see the diagram), Putin's centralization of government has unwittingly contributed to the most serious acts of communal violence in the region, including police shakedowns, guerilla operations, kidnapping rackets, terrorism, and rioting. Completing the vicious circle, the persistent communal violence has been fueling popular support across Russia for tightening Moscow's control over local governments. Ominously, this type of violence has significantly complicated not only the Kremlin's genuine anti-terrorist efforts, but it has raised the question as to whether the whole region is governable unless one resorts to Draconian measures such as mass executions and deportations of the Stalin era.

## **Rising Loyalists, Declining Competition**

Throughout the North Caucasus the reforms that Putin proposed after Beslan had already been de facto in place for several years. By September 2004, Moscow had long

suppressed genuine political competition in the North Caucasus, with the Kremlin loyalists firmly in power. Most notably, in Dagestan Putin's government continued to endorse Magomedali Magomedov, the only leader of a Russian region or republic who was not popularly elected, but who got his mandate from the republic's legislature since 1991. This is exactly the model Putin proposed after Beslan for all of Russia, but without the intricate checks and balances to regulate group interests that emerged in Dagestan in the 1990s. In other regions, Putin loyalists arrived in power in the early 2000s with opponents who sought legitimacy in popular support silenced by the Kremlin. In Ingushetia, Murat Zyazikov leveraged his position as head of the local branch of the Federal Security Service (former KGB) and Putin's deputy envoy in Southern Russia to replace the independent-minded incumbent, Ruslan Aushev. In Karachaevo-Cherkessia, a loyalist local banker, Mustafa Batdyev replaced the incumbent retired general Vladimir Semenov after Moscow cast the latter's loyalty in doubt on the grounds of his wife being an ethnic Chechen. In North Ossetia, Moscow continued to endorse a former communist leader of the republic and member of the Central Committee Politburo, Alexandr Dzasokhov, who played it safe and towed the Kremlin's line since being first elected in 1998.

In Chechnya, both Akhmad Kadyrov in 2003 (later assassinated) and Alu Alkhanov in 2004 won overwhelming victories while running for office without serious competition. Their principal challengers were dissuaded or disqualified with Moscow's help. This dogged reliance on protégé governments is baffling, given that it has a long pedigree of failure in the region, going back to the rise of militant Chechen separatism. In 1991, as the Soviet Union was unraveling, Yeltsin backed a loyal communist apparatchik, Doku Zavgayev, while sidelining nationalist moderates and advocates of democracy within the popular movement for Chechen independence. As documented by journalists Carlotta Gall and Thomas de Waal, this choice practically ensured the rise to power of committed separatists led by Dzhokar Dudayev when Zavgayev discredited himself by supporting the 1991 anti-Gorbachev coup. After invading with massive force in late 1994, the Kremlin reinstated Zavgayev in power. This strategy failed to put an end to the separatist rebellion and Moscow withdrew in 1996.

## **Eroded Transparency, Fragile Legitimacy**

Suppression of competitiveness typically reduces government incentives for public accountability. Moscow-designated loyalist governments in the North Caucasus are hardly an exception. In Dagestan, the government immediately protested when Radio Liberty started a daily two-hour shortwave broadcast in the Avar language in April 2002, accusing the United States of undue meddling. Yet, local residents welcomed a new source of information. One Makhachkala teacher, interviewed by the Moscow Times, said he had been tired of Dagestani government monopoly on the news: "Whatever our local journalists produce just looks like one big Dagestanskaia Pravda." Enver Kisriev, a Dagestani sociologist and former consultant to local parliament concurred: "In comparison with Yeltsin's time, the Russian media has stopped producing alternative reports, and it more and more resembles the Soviet media." And exposing government corruption through the courts is a risky business in Dagestan as demonstrated by the shooting down of a Makhachkala judge, Karimul Dagiurov in November 2003. Dagiurov

presided over a case alleging the embezzlement of approximately \$1.4 million from the city pension fund.

In Ingushetia, a special media survey by the Moscow-based human rights group, Memorial, reported that after the arrival of Zyazikov's administration in power in the summer of 2002, print and electronic media stopped running stories critical of the administration. The only paper that persisted challenging the Ingush government—and had a print run of only 1,000 copies twice a month—was shut down in April 2003. A year later, *Novaia Gazeta's* Anna Politkovskaya reported that Issa Merzhoev, President Zyazikov's press secretary, personally censored all articles prior to publication in Ingushetia's two main newspapers and all transcripts scheduled for transmission on local TV and radio stations. In an atmosphere reminding this author of his first year as a Soviet journalist before the arrival of glasnost, one local reporter said he would be banished and unable to get hired as a tractor driver had he printed something that upset Merzhoev. Striving to deliver on Putin's goal to enhance anti-terrorist vigilance, Merzhoev would not allow any information on kidnappings and killings of local residents by insurgents fighting Russian military presence in Chechnya.

In North Ossetia, independent journalists could have helped spot developments that culminated in the monstrous takeover of schoolchildren in Beslan on September 1, 2004. They were even more likely to help mediate the standoff and save lives. Even if everything went exactly the way it did, the delivery of the same flawed information by independent media would have made suspicions and conspiracy theories less credible, thus reducing social tensions and the likelihood of the Ossetian-Ingush conflict flaring up again. But independent journalists were barred from the area. An Associated Press reporter, Yuri Bagrov, had his credentials removed and was charged with forgery by North Ossetian prosecutors at Iriston on August 25, taking him out of commission in the week that led to the Beslan crisis. One of Russia's most well-connected, courageous and credible journalists covering the North Caucasus, Anna Politkovskaia, mysteriously went unconscious for 36 hours after drinking tea served on her flight to Ossetia on September 1. Unidentified commandos then held her in a pit in Chechnya for three days, as the hostage crisis took its devastating course. This was reminiscent of the kidnapping and holding incommunicado of the Russian journalist Andrei Babitsky in the winter of 2000—a development that signaled a virtual ban on independent reporting in Chechnya by the Russian government. It remains largely in force. And in Karachaevo-Cherkessia, according to the Russian Ministry of Press, Television, and Radio Broadcasting, the local authorities and the media there had been “establishing cooperation” and the media had been “giving the local government fewer reasons” to persecute journalists since 2003.

This Soviet-style information control is the direct consequence of government centralization under Putin; in a hierarchy no official has the incentive to admit error. But information closure bears a high cost; it hamstring government capacity to identify security problems before they give rise to violence. It simultaneously empowers the insurgents or terrorists by increasing their opportunities to stage surprise attacks. It also creates a “nothing-to-lose” revenge motivation for individuals and mobs. The North Caucasus is a heartbreaking case in point.

## Security Sell-Out, Communal Violence

In the North Caucasus police and law enforcement officers have a significantly higher incentive than elsewhere in Russia to cash in privately on the legitimate monopoly on violence vested in them by the state. In the region where security is a scarce commodity, the erosion of public accountability gives local and federal officials a powerful common cause for collusion. The North Caucasus leaders entice federal agencies to pour subsidies into their regions in exchange for both loyalty and kickbacks. In this environment, the secretiveness of patron-client networks anchored in family and clan becomes yet another valuable asset, reducing the risk of corruption exposure. Not surprisingly, according to Denga Khalidov, director of the Center for the Problems of Ethnopolitics and Islam, unreported revenues comprise between 50 and 70 percent of the economy in the North Caucasus, with a share of taxes in the Gross Regional Product less than half Russia's average. When this much of the economy is in the shadows, corruption becomes normalized and integrity becomes irrational. A systematic examination of news reports suggests that police corruption has played a critical role in communal violence throughout the North Caucasus in 2004.

### *Kidnapping*

A report by Yulia Latynina of the *Moscow Times* shows how under the kickback system, the increase of Russian federal funds for Chechnya's reconstruction in 2004 contributed directly to the growing number of kidnappings. According to Latynina, Chechen residents who had their houses damaged or destroyed in the war pay the going rate of 20 percent "overhead" (bribe) to local officials in order to get their applications for housing compensation certified and forwarded to the federal government. The Chechen officials also solicit false claims for housing compensation from the Chechens whose homes were not destroyed—and split the fraudulently obtained federal funds with them 50-50. Aware of the increasing inflows of cash and unable to take advantage of embezzlement schemes open to Moscow loyalists, the rebels, according to Latynina, started kidnapping for \$1,000 ransoms—a widely affordable amount to those who received housing compensation, especially if their homes were not damaged. The "normalization" of kidnapping is also evident in the recruitment of known abductors into the top positions of Chechnya's security service under command of Putin's protégé, Ramzan Kadyrov (the assassinated president's son). According to Russian government documents disclosed by *Novaya Gazeta*, one of them is Movladi Baisarov who since 1996 ran a multimillion-dollar abduction racket around the 15th State Milk Farm (molokosovkhoz) near Grozny. Another Chechen security service hire mentioned in the documents is a certain Kasumov who was tried on multiple kidnapping charges at the Baba-Yurt County Court of Dagestan and for whose release Kadyrov reportedly offered the judge \$30,000.

### *Police extortion*

A *Wall Street Journal* report (October 25, 2004) showed that police in Dagestan learned to profit from the increasingly frequent sweeps against the "Wahhabis"—an umbrella word designating alleged Islamic radicals and insurgents of all stripes in the North Caucasus. The report focused on Gadzhi Abidov, a former car salesman who was

summarily arrested in one of those sweeps, pistol-whipped, and shot in the arm. Prior to that, police arrested Adidov's brother and appropriated the family business savings. Robbed and humiliated, the brothers joined forces with other locals seeking revenge. Abidov's friends allegedly turned to an unidentified Islamist who helped with planning the assassination of Tahir Abdullayev, a senior officer in Dagestan's anti-terrorist police unit. According to Abidov, the Islamist "assistant" quickly produced the telephone number and the address of the targeted police official. In all, at least 36 police officers in Dagestan were gunned down at their homes or in street shootouts from January to September 2004 in what appears to be revenge attacks, according to local government sources. The violent extortion-revenge cycles—whether initiated by ordinary residents, the police, or the insurgents—appear to be gaining momentum throughout the region.

### ***Guerrilla raids***

The "security sell-out" was evident in the massive surprise attacks by Chechen separatists in the summer of 2004. Police uniforms, identification cards, and equipment have been used by guerillas in large numbers in each attack. In the largest such operation (Ingushetia, June 22, 2004) several hundred rebels launched simultaneous and well-coordinated attacks on government installations and virtually controlled the entire republic for several hours. Not only did they kill 24 Ingush policemen, eight Ingush FSB (ex-KGB) agents, five officers at the regional prosecutor's department, three Ingush soldiers, two Chechen policemen, six federal troops, and 10 commandos (*Agence France Press*, June 29, 2004), but they most likely had accurate inside information on the whereabouts of the republic's top security officials. The attackers succeeded in killing the interior minister of Ingushetia, his deputy, and the prosecutors for the city and county of Nazran. The attackers also had excellent intelligence on the Russian military depots, and, according to the WPS Agency (June 30, 2004), within hours they took hold of 322 automatic rifles, six machine guns, 200 hand grenades, and 68,000 rounds of ammunition. The bulk of the guerillas escaped before the Russian military and security forces arrived. Former Chechen president Zavgayev's minister, Ruslan Martagov, argued that the guerillas could not have accomplished these objectives without access to Russian military documents. In other attacks, insurgents also used police uniforms and equipment—including entire fortified checkpoints—in staging attacks on one of the largest Chechen villages (Avtury, population 20,000) in July 2004, and on Grozny in late August 2004. In these attacks, more than 30 people were killed and 12 taken prisoner by the rebels. In both cases, the attacks took place in the vicinity of the Russian military bases and yet in both cases the bulk of guerillas escaped unharmed within minutes of the Russian security forces' arrival on the scene. Documents and eye-witness testimony produced by the investigation of the Avtury attack by *Izvestia* suggested alarmingly that local police and security services failed to inform Russian federal forces of the situation and did not want "outsiders" to interfere in their fights with the guerillas—as if they saw these fights as an internal battle for power rather than as a joint battle with Moscow to preserve Russian sovereignty over the North Caucasus.

### ***Terrorist acts***

Reports on the school hostage massacre in Beslan that led to 335 deaths in early September 2004, showed that the attackers took the school security detail by surprise, in

large part, because they were able to commandeer a service car from a local traffic police inspector. Traffic police are notoriously corrupt throughout Russia, especially in the North Caucasus. Fines are typically traded for cash-on-the-spot payments. Analyzing the causes of the Beslan attack, chairman of Russia's Federation Council's special investigation committee, said: "The main answer is corruption: corruption on roads among police" (TASS, October 6, 2004). It is, in fact, hard to imagine how the insurgents or terrorists could have carried out any of the large-scale attacks in the summer of 2004 without complicity of the traffic police; Russian highways are dotted with traffic police stations where, for most of the time, baton-wielding cops enforce the 20 kilometers/hour speed limit and take a good look at the vehicles and the drivers. In a more obscure, but no less telling development in July 2004, a 25-year old police officer, Mikhail Lalahoev, became the first policeman suicide bomber when he attempted to assassinate Ingushetia's first deputy interior minister, Isa Torshkoev, in his office. The October 2004 Wall Street Journal report on Dagestan points out that local police officers in all likelihood sell information on prospective assassination targets, whereas the impoverished residents have been increasingly willing to serve as paid assassins to the highest bidder.

### ***Riots and Civil Strife***

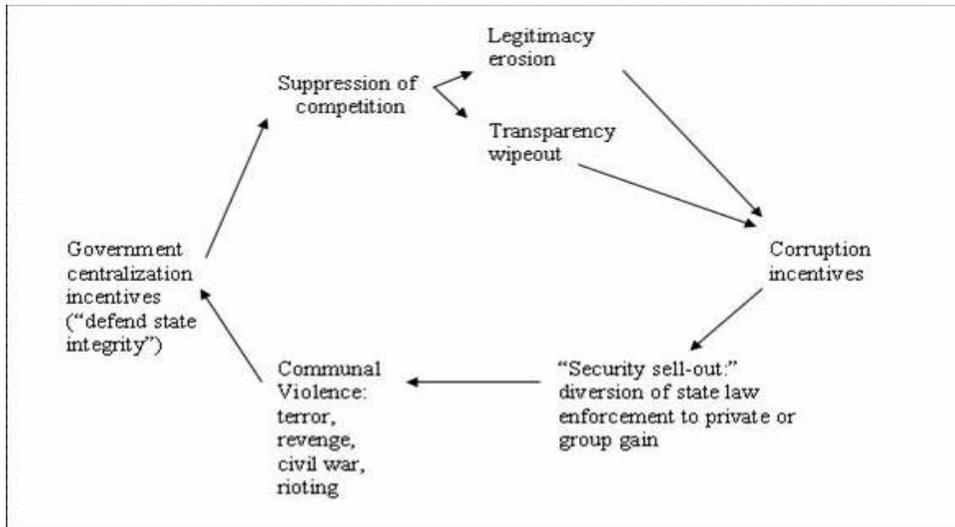
The massive outbreak of rioting and civil disobedience in Karachaevo-Cherkessia in early November 2004, with thousands of protesters smashing into the republic's government headquarters and chasing away the Moscow-backed president, Mustafa Batdyev, arose directly from suspicions that the president's son-in-law, Ali Kaitov, was responsible for the assassination of seven local businessmen. The businessmen disappeared after a meeting at Kaitov's cottage and their charred bodies were later found in a local mine—a turn of events dubbed "YUKOS with a Caucasus twist" by Yulia Latynina. In North Ossetia, mass demonstrations, rioting, and mobilization of local armed militias in September and October 2004 were in large part responsive not only to the horrendous act of taking children as hostages in Beslan, but to widely perceived corrupt negligence and lack of openness of the North Ossetian government. In Dagestan, perceived corruption within the administration of unelected Moscow loyalist and ethnic Dargin, Magomedali Magomedov, has galvanized concerted opposition to his rule led by the Khasavyurt mayor Saygidpasha Umakhanov, an ethnic Avar. In the assessment of Sergey Arutyunov, head of research on the Caucasus within the Russian Academy of Sciences, Umakhanov, while not a Wahhabi, is deeply religious and considers himself a murid, or follower, of Dagestan's prominent Muslim leader, Sheikh Said-Magomed the Chirkei. Presenting himself as a morally pure and incorruptible alternative to Magomedov would enhance Umakhanov's appeal and contribute to what Arutyunov sees as the growing risk of their standoff leading to "a much more horrible Avar-Dargin confrontation."

## **Policy Implications: Raising Stakes for Russia and the United States**

President Bush did the right thing when he asked Vladimir Putin to explain "excessive centralization" of government authority in Russia at their meeting in Santiago in November 2004. It is important, however, that the U.S. President and his foreign

policy team examine critically Putin’s justification for centralization as an instrument in the war on terror. The increasingly evident linkage between corruption and violence in the North Caucasus challenges this core argument. Under globalization, instability in the North Caucasus, which serves as a breeding ground and a magnet for international terrorist networks, threatens America’s national security perhaps no less than destabilization in the Middle East. A tactful, but firm message needs to be sent to the Kremlin that the United States is serious about challenges to its security and considers challenges to freedom a serious impediment in fighting terrorism. At the same time, it is imperative to signal to Mr. Putin that Russia’s integrity is very much in America’s national security interests and it is precisely for this reason that Moscow may want to abandon anti-terrorist authoritarianism—something that has persistently failed in the last 200 years to anchor the region firmly within Russia and continues to fail as this memo is being written.

The Vicious Circle of Violence and Government Centralization in the North Caucasus:



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