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The Prospects of Sub-Federal Authoritarianism in Russia after the 2012 Presidential Elections: North Caucasus in Comparative Perspective

One of the most vibrant questions about Russian politics that dominates media coverage is the extent of differences between President Dmitry Medvedev and Prime Minister Vladimir Putin and how long their “tandemocracy” will last after the 2012 presidential elections.

The paper addresses this puzzle: why, against rigorous rhetoric and demonstration of tight grip over the region, neither Putin nor Medvedev has real power to bring change to the North Caucasus? In an attempt to solve this puzzle, the paper examines the dyadic relationship among federal political elite and regional clan-based ethnocracy as they design and implement public policies. Drawing on the works of Russian scholars and experts in Russian politics, the paper explores the hypothesis that instability in the North Caucasus is carefully nurtured federal authorities, whose legislative procedures and administrative practices have already transformed Russia into a mosaic of sub-federal authoritarian regimes under the Kremlin’s control. Instead of facing the real policy challenges, it is only able to make a public show of action on the eve of crucial political campaigns: the 2012 presidential elections or the 2014 Winter Olympics.

The paper concludes that the deep freeze in the Russian political system has exhausted its debatable potential for change through the existing tandem model of government with its obscure division of roles between the official and real leaders. What we actually see is an imitation of political reform and the resulting degradation of the entire system of governance.

Either the Caucasus becomes part of Europe or all of Russia becomes part of Asia - medieval Asia, that is.

Dmitry Bykov, “Return to the Caucasus”

A great number of articles, monographs and books have been written about terrorism, religious fundamentalism, ethnic nationalism, and the amalgamation of government structures with clan-based organized crime in the North Caucasus. The study of these variables, however, prevent experts from working on more important factors behind the regional developments - the systemic, functional and moral degeneration of state’s legislative and executive branches. Throughout Russian history, all constructive and destructive projects have been conceived and implemented from above. The half-decomposed state institutions in the republics of the North Caucasus are the main source and catalyst of highly dangerous social tendencies. Unlike the incessantly hesitant and pensive intellectuals, the professional bureaucrats know well what they want to achieve and how to do it. The ruling elites will never relinquish its own interests voluntarily and will continue to ignore this objective reality until the branch of the tree they are sitting on and chopping at the same time finally falls down along with the Russian statehood.

This article is to a large extent designed as a reaction to the existing theoretical approaches that have been employed to examine the existence and sustainability of institutional design of multinational democratic states: constitutional arrangements and public policy. The first approach to explaining

multinational states dates back to the early scholarship that was mainly concerned with determining normative standards related to considerations of justice and stability. This approach used federalism to address to the sustainability of asymmetrical arrangements and the normative boundaries to provide for justice and stability (Gagnon and Tully 2001). The second approach to understanding multinational states is associated with the realm public policy and claims that the state is more than a passive provider of social services. The state is a key player in such policy areas as social security, education, immigration and naturalization, veteran affairs and so on. Social policy in particular has nation-building potential because it refers to measures that fight economic insecurity, redistribute income, and provide social services to workers and citizens (Béland and Lecours 2008). As Béland and Lecours (2006) point out, the symbolism of provincially run programs is crucial because social policy possesses mobilization and identity building potential. Whereas Jan Erk (2008) argues that political institutions are largely shaped by society and that social policy will change to achieve congruence with the underlying ethno-linguistic structure of the nation, Béland and Lecours insist on an institutional-based approach to social policy in multination federations, looking at institutional fabrics as the independent variable that defines the outcome of social policy.¹ This article is an attempt to move beyond the traditional multinational democratic context and to apply these approaches to non-democratic multinational states such as contemporary Russia. In doing so, I seek to explain how nationalist movements emerge on the political scene as a result of interrelationship between constitutional design and government-sponsored policies, how they mobilize resources to form organizational structures, how they frame their demands to meet expectations of their target groups, and how they recruit their supporters.

How does institutional design of the Russian Federation influence the behaviour of elites in nationalist movements thereby structuring and prioritizing their social policies as Béland and Lecours suggest; or does institutional design gradually evolve to match the underlying ethno-linguistic composition of the North Caucasus republics as Erk's congruence theory stipulates?

The abrupt collapse of the Soviet regime in 1991 supports Hall and Taylor's argument that persistence and continuity of state institutions is reproduced by continual power arrangements that perpetuate its existence unless more potent exogenous factors change the power balance (1996). Indeed, the Gorbachev's reforms, leading to a rapid collapse of the Soviet regime, had a dramatic impact on the North Caucasus. During the years of selective political and economic restructuring, the weakness of central political authority along with the unmasked decomposition of the Soviet bureaucracy allowed the emergence of a plethora of grass-root movements imposing diverse visions of the region's future. Nonetheless, it was not Islam that became the primary gear to mobilize popular support against ailing Soviet - Russian domination. Rather, a variety of nationalist movements that sought to push for self-determination and to advance cultural and linguistic demands sprung up all across the North Caucasus. During this period, the legacy of Soviet territorial division and nation building was questioned by every single ethnic group. Previously dormant border disputes and conflicts erupted in North Ossetia and Ingushetia and in several other locations, including along Russia's border with Azerbaijan (Hunter, 2006). The mobilization process that accompanied the decline of the Soviet regime was initially challenged along the lines of ethnicity and nationalism was due largely to the legacies of the Russian imperial and Soviet endeavours to coddle ethnic cleavages. Surprisingly, the post-Soviet rulers did little to question this heritage in the North Caucasus and rather served to accelerate the crumbling of over-arching loyalties and to provoke even further fragmentation. In the early 1990s, it was primarily the structural legacy of the

¹ Their argument contends that social programs can solidify collective national identity, solidarity and attachment to the nation. These authors are especially interested in the use of the welfare state and social programs in contexts where national identity and attachment are contested.

Soviet Union's territorial administration policies that determined the nature of the conflict over political power and access to resources. During this period, the federal government had to cope with increasingly belligerent demands for territorial delimitation and structural reforms, stemming from the repeated border changes and the mass deportations of the early 1940s.

On March 28, 2011 the Russian state statistical service released the preliminary results of the 2010 census. The country's net population loss comprised 2.2 million people or 1.6 % of the general population, which declined from 145.1 million in 2002 to 142.9 million in 2010. The Russian Federation continued to follow the same pattern of the previous years, with very low birth rates, high male mortality and a relatively low level of immigration. On the contrary, the North Caucasus showed a significant growth trend. In particular, the population of the North Caucasus Federal District reached 9.5 million in 2010, as it added 6.3 % to its 2002 number. Dagestan and Chechnya became the two regions of the Russian Federation with the highest growth rate, 15.6 % and 15 % accordingly. Karachay-Cherkessia's population grew by 8.9 % in the same period - the fourth highest result in the Russian Federation. The 2010 census delivered some surprising results showing population declines in Ingushetia (11.6 %) and Kabardino-Balkaria (4.6 %). Traditionally, the North Caucasus republics have high rates of unemployment, contributing to a constant outflow of people, mostly to inner Russian regions. As indicated in the 2010 government strategy for North Caucasus development, the region's net loss of population due to migration in 2008 was 11,900, and almost all of it (9,800) was contributed by Dagestan. Dagestan's population grew from 2.5 million in 2002 to 3 million in 2010, that is suspiciously astounding spike of population. With no significant migration flows into this republic during this period, the growth is hard to explain (prior to announcing the 2010 census results, estimates were around 2.7 million). Chechnya's population is now 1,275,000 (added nearly 200,000). This number is widely viewed as artificially increased during the 2002 census to cover up the massive loss of lives during the Russian-Chechen wars. In reality, the announced increase of Chechnya's population is probably a cumulative effect of a real inflow of Chechen refugees after 2002, primarily from Ingushetia, a high birth rate and a cumulative statistical addition of perceived population growth. The astonishing growth of Karachay-Cherkessia's population from 440,000 in 2002 to 480,000 in 2010 appears to be framed as well. According to the 2010 census, ethnic Russians comprised barely over one-fourth of the republican population, and have been reported leaving this impoverished "dual identity" republic in large numbers. In fact, official statistical reports documented a dwindling population trend in Karachay-Cherkessia up until 2009, when its population was estimated at 427,000 (FSSS, 2011).

The 2010 census reflects not only the actual population growth or decline in a given republic, but the local administration's ability to exercise a certain bureaucratic solidarity and solidify its bargaining positions with Moscow for future concessions. From Erk's perspective, Russian federal institutions should gradually adapt to achieve congruence with the underlying ethno-linguistic structure of the North Caucasus regions. If Erk's approach holds true, ethnic identity becomes a potent factor to which federal institutions respond by gradually changing to accommodate it. Indeed, while Chechnya occupies a special place, since Moscow itself is interested in pacifying its population by all means, Dagestan and Karachay-Cherkessia continue to demonstrate unwavering strength in its bargaining positions with Moscow, demonstrating ostensible solidarity among its ruling elites to manipulate the population figures to their advantage. Moreover, federal government also appears to have a motive in manipulating the figures since they have become so politically sensitive and ingrained in socio-economic calculations. The local bureaucracy of the North Caucasus republics habitually tries to beef up the size of their populations mainly because under the existing Russian system of federal budget redistribution, it provides certain advantages in terms of getting more subsidies to satisfy the needs of the allegedly bigger population. The chase for larger population numbers breaks down into separate city administrations and districts,

especially in a multiethnic republic like Dagestan, where each ethnic group aspire to back up their social status with impressive population figures. In Chechnya's case, a sufficiently large population matches Moscow's anxiety to cover up the results of the devastating wars it inflicted upon this republic. However, as Béland and Lecours point out, federal institutions possess capacity to mitigate nationalistic manifestations and influence the behaviour of ethnic elites. Furthermore, Béland and Lecours suggest that welfare programs and state institutions can either enable or constrain the development of future policy (2005).

Due to considerable institutional ambiguity with an unclear division of responsibility for policy towards the North Caucasus between different ministries, the parliament, the presidential administration, and growing security agencies resulted in Russia's failure to respond effectively to the spiralling conflicts over territory with a coherent policy. Instead, relations between the federal center and the regions were further obfuscated by conflicting pieces of legislation on the distribution of authority between the centre and the regions: the 1992 Federal Treaty, the 1993 Russian Constitution, and a set of bilateral treaties between Russia Federation and its regions. With no definitive legal base for federal relations and absence of a well-defined institutional framework, Russia resorted to improvised solutions with temporal measures to address the conflicts in the North Caucasus in particular. In part, this situation was a reflection of an underlying challenge with regard to what kind of state the new Russian Federation should become. At an ideological level, this challenge was boiled down to two irreconcilable positions: Russia as a genuine, modern, and democratic country and Russia as centralized, paternalistic great power to ensure its territorial integrity and incremental influence on the former Soviet republics. In the meantime, unscrupulous post-Soviet bureaucracy was primarily centered on its relationships with local elites as the principal means for reinserting influence in the region. Even though the North Caucasus joined with the rest of Russia in creating formally democratic regional institutions and in conducting direct elections for regional leaders, the obvious shortcomings of this approach became particularly salient as these institutional arrangements were easily manipulated by incumbent elites. In desperate need to contain mounting ethno-religious conflicts and secessionist aspirations, Yeltsin grew more reliant on the local elites to guarantee stability of his ailing regime that was often institutionalized in the form of bilateral treaties and personal relationships. These internal bureaucratic arrangements resulted in unabashed expansion of the prerogatives of the regional functionaries accompanied by omnipresent corruption and patronage politics at all levels of administration. Within one decade, the North Caucasus became a chaotic aggregation of privatized pseudo-democratic constructions reaching out to criminal outfits and extremist groups, including those drawing on religious ideas. While the local elite had little interest in changing the so-called "status quo" that might harm their positions, the situation in the North Caucasus continued to deteriorate questioning the very existence of the Russian Federation. Putin's appointment as prime minister took place at a time when there was a pervasive sense of crisis in Russia and an acceptance of the population for the authorities to enforce law and order at all cost. Therefore, Putin made relations between the federal government and the regions a key policy target with the North Caucasus in the first place. In Putin's view, the only cost-effective way to bring the situation in the North Caucasus under his control was the direct system of centrally appointed high-ranking regional officials, administrative restructuring, and intensive militarization. Under pretext of fighting international terrorism and religious extremism, he quickly consolidated his power base for further centralization of power and curtailment of political and civil liberties.

From the very beginning, Vladimir Putin's hand-pick presidency had nothing to do with regional clan-based politics. He closely followed the suggestions of Valery Tishkov, a prominent Russian social anthropologist, on how to galvanize a civic identity in Russia by introducing new symbolic tokens to a rapidly declining ideological construction. In particular, Tishkov claimed that the propagation of common

civic values and symbols among citizens of the Russian Federation is crucial for state building purposes (1992a). In fact, Putin went much further by resuscitating the music from the Soviet anthem that everyone knew and had the same composer write new words to the same tune. The Red Soviet flag became the flag of the armed forces to appease Russian nationalists and aging communist party's electorate, while the tri-color flag was accepted as the national flag and the double-headed eagle became the new national emblem. Tishkov's also stood for complete re-organization of the federal nature of the Russian Federation in such a way that it was no longer based on ethnic territories to slow down the inevitable disintegration of the Federation (1992b). The partial solution was found in the form of seven federal administrative districts that overlapped ethnic boundaries. Although these federal administrative districts are run by central bureaucracy and headed by President's direct appointees, local elites managed to adjust themselves quite rapidly to such a new type of vertical federalism. The last and the most controversial of Tishkov's recommendations on precedence of individual over collective rights and guaranteed representation of ethnic minorities in government has only been implemented in part due the yawning gap between declarations and actions of Putin's vertical superstructure and its ideological paucity. Nonetheless, by 2008, Putin managed to make considerable moves to shaping a viable civic identity for the people of the Russian Federation in his desperate attempts at re-creation of a strong state. In theory, a civic identity needs to be based on a sense of common purpose and identification with the institutions of the state. The people of the Russian Federation seem to be showing by voting for Putin that a strong paternalistic state with strong institutions matters much more to them than nebulous democratic ideals or civil liberties. However, this has nothing to do with historical memories of the non-Russian Caucasian peoples, because it is not an imperial paternalistic state that they could identify with and aspire to build their own identity upon. Moreover, a number of Putin's appeals to Russian orthodox nationalists in his direct political and financial support of another institution – the Russian Orthodox Church rather alienated the Muslim communities of the North Caucasus.

State failure always generates uncertainty, breeds fear between groups, and opens windows of opportunity for all kinds of political entrepreneurs, thus elevating the risk of violent conflict. What is at stake is eventually the right to impose the new rules of distribution. As the historical institutionalism posits, the conflict for scarce resources among rival groups is considered to be at the very heart of politics (Hall and Taylor 1996). In the North Caucasus, more than elsewhere in the Soviet Union, the so-called shadow economy by the early 1990s had evolved into a particularly complex social phenomenon that successfully co-opted multi-level bureaucracy and established its own norms and rules as a basis for the organization of local communities. Agriculture and tourism became two major pillars that were particularly involved in shadow economic activities. The former stimulated growth of networks that connected the producers of high-value products, primarily fruits and flowers, with the markets across the USSR. The latter brought the growth of local networks aimed at servicing millions of unregistered tourists, who were not allowed to travel outside the Soviet Union. The shadow economy has also successfully adapted to the post-Soviet situation. The most conservative estimates put its share at 55 - 60% of GDP in the North Caucasus regions. Clan politics, an unavoidable attribute of the ethno-social environment in traditional and transitional societies, is the most crucial element in analyzing the distinctive features characterizing the socio-political and economic development the post-Soviet Caucasus. In addition, clan politics is often a contributing factor to conflicts. As Russian social scientist Oleg Tsvetkov noted, "in many regions (republics), the elites' (clans') hold on power is made possible only by the constant and ruthless suppression of competing clans, which leads to the constant reproduction of conflicts rather than their settlement" (Avksentev, Gritsenko, and Dmitriev, 2007:66–67). It is necessary to make an important distinction here that ethnic clans are not identical to ethnic groups and, therefore, need not be ethnically homogeneous communities. As a rule, a few closely related families

form such groups and then, to ensure their functioning, recruit individuals who are not related by blood to the clan founders and may not even belong to the same ethnic group. According to Avksentev et al. arguments, the clan's ethnic makeup becomes significant to its members only when the clan comes into conflict over economic or political resources with another clan primarily drawn from a different ethnic group (2007). Furthermore, when such conflict unfolds, ethnicity plays a much greater role as clans recourse to ethnic mobilization to achieve a decisive competitive advantage and both sides increasingly identify themselves as opposing ethnic communities. Many scholars have pointed out the negative role played by extended family networks in the post-Soviet Caucasus. Indeed, the so-called "ethnic-clan capitalism" developed not only because the state institutions could not guarantee enforcement of contracts and provide for basic social needs but also in response to decades of Soviet regime characterized by unprecedented arbitrariness toward citizens that led to pervasive public distrust of that state.

In the North Caucasus, the degree of compliance with the law among post-Soviet citizens, where ethnic traditions and blood ties were no less important than the law, turned out to be much lower than similar indicators in the West (Rozmainskii, 2004:64). Thus, the institutional environment itself gradually fell under clan rules of either a planned or a market economy (Oleinik, 2000:175). The most salient aspect of economic cooperation in an ethnic-clan economy is the clear division between "us" and "them", because deals are limited to relatives or people in the same clan. All other agents find themselves in the category of "them." Moreover, a significant number of clan deals take place, in whole or in part, in the shadows, because participants need to hide their connections from "outsiders" (Rozmainskii 2002: 48–57). Opportunism is another aspect of economic pattern in an ethnic-clan economy that impedes efficient resource distribution - in a situation where the state does not guarantee enforcement of contracts and implementation of social policies, everyone is a bold opportunist. As a result, inadequate and contradictory laws; the spread of opportunism and near-sighted investment as behavioural norms; limited rationality in economic behaviour; an orientation toward self-enrichment among individuals; relations based on family and clan ties; a large share of barter and cash in trade; a significant shadow sector and the gradual erosion of boundaries between legal and illegal types of activity—all these characteristics of ethnic-clan capitalism are indicative of complex degradation in the region (Kosals, 2000). Under such circumstances, political power has become the main capital resource in the republics of the North Caucasus, where ethnic clans scramble to obtain power at all cost, precisely reflect their views of the methods needed to ensure their economic well-being. The quasi-democratic presidential campaigns in Chechnya, Dagestan and Karachay-Cherkessia have demonstrated a desperate struggle of ethnic elites for political power and for an ethnic division of interests. As political practice in Dagestan, Chechnya, and Karachay-Cherkessia proves, economic development and modernization are absent from the group of interests shared by actors in the ethnic-clan economic mindset. Their main goal is to ensure access to federal transfers and control the branches of the economy that offer immediate profits. Moreover, they do not use material and financial resources extracted from the local economy to modernize means of production, encourage innovation, or improve education or other areas that traditionally lay a foundation for modernization. Instead, they invest these resources in operations that provide quick returns, usually real estate transactions outside their own republic or country.

The invasion of Dagestan launched by Chechen Islamist militants in 1999 gave Putin an unbeatable argument for launching a campaign to solidify the so-called "vertical power" intended to restore Russia's dominance in the North Caucasus. As early as May 2000, Putin insisted on introduction of a set of measures designed to strengthen central executive power over the regions. Thus, seven federal districts were created, each comprising several regions under the guidance of a presidential plenipotentiary envoy (Smirnov, 2007). All federal institutions in those regions were completely refashioned to fit the new vertical structure. Until 2009, the North Caucasus republics along with South Russian regions were

incorporated into the Southern Federal District. Federal authorities demanded immediately that the regions' constitutions and legislation be brought into compliance with the federal constitutional provisions and legislative norms. The key task of Putin's centralizing reforms was designed to undermine the ability of the regional elites to challenge the center and to address the concern that Russia's territorial integrity was questioned by the increasing power of the regions. Due to the peculiar nature of the socio-political situation in the North Caucasus, Putin's plans had quite limited effect. Within one year, the federal bureaucracy of the Southern Federal District bogged down in local crisis management, rather than challenging the entrenched positions of the regional clans. By the end of 2004, Putin still could not break the power of the post-Soviet elites in their own regions and lacked the political leverage to do so. His vigorous efforts to replace the self-contained bureaucracy were therefore backed up by public appeals to curb the growing instability by more authoritarian measures.

In response to mounting obstacles to his growing authority, Putin set about dislodging local nomenclature who did not meet his expectations either professionally or personally. However, replacing this type of ethnically-elected bureaucracy initially proved difficult, but the 2004 terrorist slaughter in Beslan provided Moscow with a long-awaited pretext to abolish elections for regional leaders in favour of direct appointments and to downgrade regional parliaments to puppet roles in local power balances. The painful replacement of the long-serving leaders of the North Caucasus republics reflects the growing confidence of the Federation in addressing both the religious hard-liners and the clan-style politicians. On the one hand, Putin's incremental pressure on loyal local elites through direct intervention and distribution marks a return to Russian imperial and Soviet politics of maintaining control in the region. On the other hand, it is now clear that this strategy of undermining clan structures and extremist networks has only intensified tensions and produced new conflicts that result in power shifts within the system rather than changing the system itself (Perovic 2006). The above-mentioned situation highlights the essential weakness of such an approach: lack of local legitimacy of the hand-pick appointees who have not gained their positions through a democratic scrutiny. Thus, patronage politics, personal relationships, and clan ties continue to dominate the region, increasing the regimes' reliance on law enforcement and military.

In Chechnya, where Russia had bogged down in two protracted wars with humiliating consequences, the Putin-Medvedev regime empowered Ramzan Kadyrov to clamp down on both ethnicity and religion as potent mobilizing ideologies. As the terrorist attacks began to decrease, Kadyrov's highly valued loyalty to the Kremlin in general and to Putin in particular, secured him impunity despite the fact that his tenure has been rife with abominable human rights violations and unprecedentedly swollen social programs. Kadyrov's rivals and enemies have been methodically eliminated all across Russia and even beyond its borders. Today, Kadyrov is generously granted "free rein"; enjoying more institutional autonomy than his insurgent predecessors ever hoped to achieve. What started as the Kremlin's project to "Chechenization" the conflict by converting it into a domestic struggle rather than one between Russian troops and local population has now turned into a so-called "Kadyrovization" of the problem, with all of its numerous drawbacks, humongous political and human costs. As a result, the tandem is becoming increasingly irritated with Kadyrov's absolutism and the way his meretricious loyalty to the Kremlin is coupled with successful attempts to transform Chechnya into something bordering on an independent sultanate. Finally, there is yawning frustration in Moscow over Kadyrov's dictatorial ambitions to extend his political influence beyond Chechnya to include the entire North Caucasus region with Dagestan in the first place. Even though his persistent attempts to extend his control over neighbouring Ingushetia and to interfere in Dagestan's internal affairs has caused much anxiety in Moscow, Chechnya seems to be a relevant case study to illustrate the Erk's argument that the political institutions of federalism adapt to achieve congruence with the underlying social structure.

It has been a decade since Moscow began to dismantle systematically Dagestan's previous political structure, based on general principles of consociational democracy. Dagestan's political authority is now rapidly diverging from its traditional social structure and turning away from the ethno-parties (Ware and Kisriev, 2001a, 2001b), the traditional village-based interest groups that have provided the Dagestan's political system with an internal flexibility, resilience and stability. Personal political weight is no longer based upon internal political conditions, but upon the bureaucratic authority, leaning for power on higher-level administrative organs that are connected ultimately to the Kremlin. The revival of the old Soviet centralized political structure is likely to deprive Dagestan of its traditional ethnic tolerance and to conflict-avert politics. From now on, the rulings elites are no longer consider their service to local population as an indispensable condition of their support base, leaving terrain to a number of alternative ideological appeals. Violence is expected to continue as a result of fierce competition over lands and employment, dwindling social spending, and the rise of local radical religious groups. The roots of the present spike in jihadi-inspired violence lie in the "hunt for the Wahhabis" carried out by the Dagestan's authorities after the 1999 Chechen assault and the arbitrary persecution of pious Muslim youth by local law enforcement units. The violence in Dagestan's streets is also fuelled by the movement of rebels and Islamist militants across the porous border with Chechnya, as well as by the republic's omnipresent corruption and crime. Regular reprisals by local and federal security forces have failed to subdue the violence; instead they seem to be further escalating it. If neither traditional Islam, the Dagestan authorities, the federal government nor a combination of these institutions alleviates the staggering economic problems, social injustice, and clan system, radical Islam will become a powerful substitute for the above-mentioned institutions and result in yet another key region becoming quite sovereignty minded after 2012.

The turning point of solidifying sub-federal authoritarianism in the North Caucasus was related to three major events. (1) The financial crisis of 1998, which demonstrated the exclusive importance of stable relations for development and formed a public demand for re-centralization from major nationwide political and economic actors (Mitrokhin, 2001:74). (2) The active involvement of regional elites in the coalition "Fatherland – All Russia", which lost during the 1999 State Duma elections to the pro-Kremlin bloc "Unity" that was approved by Vladimir Putin (Golosov, 2004; Hale, 2006). (3) The economic growth of the early 2000s that led to the expansion of business groups from Moscow to the periphery and encouraged their aspirations for the dismantling of bureaucratic barriers to local markets (Zubarevich, 2002). As a result, the recentralization of the government, initiated in 2000 by Putin (Gelman, 2009; Reddaway, Orttung 2004-2005), became a major response to these challenges that aimed to re-establish Moscow's control over coercive and distributive capacities of the Russian state and diminishing the resource base of regional elites. Administrative recentralization (including imposition of federal control over regional ministries responsible for social programs) and concentration of financial resources (which concentrated financial flows in federal budget) became the major consequences of this turn. The re-establishment of the federal control over regional affairs led to immediate shift in province-center power balance when governors and chairs of regional legislatures lost their seats in the Federation Council (because single-member districts were abolished in the State Duma elections in favour of federation-wide party lists). According to Golosov, the use of the centralized state bureaucracy was the only enforcement tool of the Kremlin grip over regional nomenclature and demonstrated limited capacity to impose control over sub-federal authoritarian regimes that managed by the early 2000s to cut on autonomy of potential oppositional local actors, such as local business, legislatures, branches of federal political parties or NGO's (2008:25-26). Under these circumstances, Moscow secured new arrangement to exert direct influence over regional and local politics –institutional changes and, in particular, advancement of party politics (without party competition) to the sub-federal level.

In the context of political democratization, unlike in the Latin American cases, where these arrangements were oriented toward the dismantling of sub-national authoritarianism, in Russia, they were oriented toward co-optation of regional authoritarian regimes into federal authoritarian settings (Gibson, 2005) to nip growing ethnic and religious mobilization of the local peoples. Since early 2003, the Kremlin imposed the use of mixed electoral systems on regional legislative elections in order to beef up the influence of federal party “United Russia” at the sub-federal level (Gelman, 2008; Reuter and Remington, 2009). The imposition of de-facto appointment of regional chief executives paved the way for a new informal contract between the Kremlin and regional ruling elites that resolved the problem of mutual commitments and eliminated barriers toward transformation of “United Russia” into the fully-fledged dominant party (Reuter and Remington, 2009). Thus, formation of centralized party-based sub-federal authoritarianism in Russia in the 2000s became a logical consequence of major trends of Russia’s development: recentralization of the state against the background of economic stagnation (Gelman 2009; Petrov 2007), and building of an authoritarian regime, based upon the dominant party (Gelman 2008, Golosov 2008; Reuter and Remington, 2009). This centralized authoritarian regime is able to produce more sustainable effects that are based on (1) the concentration of coercive and the distributive capacity of the federal center, which is able to prevent undermining of the status quo in regional politics «from above», and (2) the lack of potent actors, who are able to undermine it «from below». In this juncture, we should not expect that in short-term perspective regional authoritarianism in the North Caucasus will be substantially weakened or collapsed without deep liberalization and democratization of political regime in the Russian Federation. On the contrary, the preservation of federal authoritarian regime after the 2012 presidential elections will only lead to the conservation of sub-federal authoritarianisms. Based on the preliminary analysis of sub-federal ethnocratic regimes in the North Caucasus, both the congruence and institutional based approaches may hold true as to explanation of mutually beneficial convergence of interests of ethnic elites with that of federal authorities in the area of social programs and redistribution of fiscal resources. However, the institutional approach is more effective at explaining ability of sub-federal ethnic autocracies to mobilize resources to form organizational structures, to frame their demands to meet expectations of their supporters, and to exert undiminishing pressure on federal authorities to secure greater control in the areas of social policy.

2011 year became another failure for the federal government’s project of seeking to invest money in the region in exchange for stability as Khloponin, who was designated by the Kremlin as the experienced manager for the project, did not succeed in turning the situation around by additional infusions of federal money into the bottomless budgets of ethnic republics. He seems to fail to make local top officials to resolve their issues through his apparatus, rather than by circumventing it (as in case of Kadyrov, who continues to do so in public without any reservation). President Medvedev, in the end had to admit that the Khloponin project did not meet his expectations. In reality, there were very few, to say the least, willing to invest something in a region where there is a permanent war, and even then those who did had received personnel assurances from the Kremlin for all the risks associated with the instability in the region. The Kremlin’s bold administrative move to split the Southern Federal District into two administrative units, one of which, called the North Caucasus Federal District, covered most of the region’s national republics - Chechnya, Dagestan, Ingushetia, North Ossetia, Kabardino-Balkaria and Karachay-Cherkessia – as well as the Stavropol krai. However, Adighea, an integral part of the North Caucasus region, was bracketed and remained within the Southern Federal District. In desperate attempts to remain in power, the leaders of the North Caucasus republics have been adopting the tactic successfully employed by Kadyrov, in which priority is given to the paramilitary structures directly subordinated to them. Although the aggravation of the situation in the North Caucasus had multifaceted manifestations,

the dominant and defining factor overshadowing all of them was the ongoing armed insurgency that compelled the federal authorities to grant more control over social spending to regional bureaucracy.

The fundamental question for the North Caucasus is its place within the Russian Federation. The further alienation of the North Caucasus would mean that a country named Russia in its present form would cease to exist. Events that were at one time confined to Chechnya are now propagated all across the North Caucasus. These events seem to have devolved into a systemic process with deep-lying sources of reproduction. Since 1991, Russia has been slowly but surely losing influence in the North Caucasus in spite of the growing social programs and fiscal equalization transfers. The whole region has been gradually pulling out of the legislative framework of the Russian Federation, because the realities of everyday existence discourage the population from observing Russian legislation. Indeed, the extremely controversial Russian legal framework is widely looked at as a source of fabulous wealth for bureaucracy with affiliated entrepreneurs and a source of abject poverty and marginalization for others. Moreover, feeble institutional design and inconsistent legislative framework inevitably creates an environment that gives broad leeway to individuals with highly specified interests. Whatever the case, such interests always pose the major threat of a total loss of touch with society, driving it to the verge of a social and political collapse. The very nature of corrupt power cancels out its ability to perform. Nonetheless, Moscow's continuous to bargain support in a standoff between different contentious groups. While building partnerships with local ruling elites, it corrupts clan leaders, religious authorities, influential intellectuals, or generally anyone in the regional political arena who deviates from an accepted pattern and is hence dangerous. In order to secure the uninterrupted functioning of the corrupt administrative machinery, the ethnocratic regimes seek to prove that they are irreplaceable and trustworthy if stability is to be maintained after the 2012 presidential elections. However, stability implies a commitment to law and order and, therefore, threatens to undercut power and material entitlements of those people who are accustomed to enjoy the existing precarious situation. To perpetuate this status quo, local elites carefully aggravate tensions in all spheres of social relations, never allowing them to rise to the point of losing control nor permitting them to completely vanish. Regional ethnocratic regimes desperately need low-intensity emergency situations as an effective tool of proving to Moscow their importance. It makes the Kremlin's tandem ignore the administrative and judiciary voluntarism as it continues to pay off the loyalty regardless of the on-going collapse of the system of local government. It has become customary to describe the North Caucasian crisis as systemic. This system, however, will flourish as long as the federal center and the ethnocratic ruling elites of the North Caucasus republics, which live by the same corporate norms, have vested interests in maintaining it for their own benefit. With every passing day, the resource of public trust in the Russian Federation is melting down as people in power continue acting in their personnel interests with no benefits for society.

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