

# Costs Rise for Kremlin's Caucasus Policy

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President Dmitry Medvedev meeting with Chechen leader Ramzan Kadyrov at his Gorki residence on June 24. **Dmitry Astakhov**

A star-studded football match featuring Diego Maradona, Europe's largest mosque and ubiquitous posters of Chechen leader Ramzan Kadyrov — it's hard to miss the results of the federal government's heavy spending in the North Caucasus.

But the Kremlin is facing questions about how long it can bear the economic and political cost of pouring billions of dollars in subsidies into the mainly Muslim region to try to bring stability to an area facing daily separatist violence.

Political analysts say the funding is intended to secure the loyalty of leaders in the patchwork of small southern republics between the Black and Caspian seas, where the Kremlin is trying to quash insurgent fighters seeking an Islamist state.

But violence has continued, and critics say the subsidies are backfiring by helping local leaders assert control in their regions and increase their autonomy, unintentionally driving a new wedge between Moscow and the North Caucasus.

"The federal government's policy toward the Caucasus must be fundamentally revised," said Yevgeny Minchenko, of the Moscow-based International Institute for Political Analysis.

Referring to concerns that the policy could anger ethnic Russians as well as Russians outside the region who oppose such funding, he said: "The danger is very simple. If it isn't changed, sooner or later we will see a social explosion."

With few other tools at its disposal to ensure cohesion in the region where Russia will host the 2014 Winter Olympics, the Kremlin is likely to push on with the policy.

Moscow funds 91 percent of the budgets of Ingushetia and Chechnya, according to the North Caucasus Federal District. That would account for nearly 56 billion rubles (\$2 billion) of the 61.4 billion ruble budget reported by the Chechen government.

Another 15-year plan envisions 498 billion rubles of funding from the federal government to rebuild homes destroyed by fighting in Chechnya, which has a population of 1.3 million.

In comparison, the Kirov region, which is nearly equal in population with Chechnya, receives only about a third of its 41.4 billion ruble budget from federal funds, Finance Ministry figures show.

## **No Sign of Change**

"To say we are flooding the Caucasus with money is yet another myth created to say Russia is trying to pay off the Caucasus. This is a mistake," Alexander Khloponin, the Kremlin's envoy to the North Caucasus Federal District, said in an interview.

Prime Minister Vladimir Putin has already called for more funding for the North Caucasus. But the policy is not popular with people in other parts of the country who are waiting to see the benefits of high oil prices that have filled state coffers.

Many balk at the thought of their taxes funding a region where Moscow fought separatists in two wars over the past 15 years and which is blamed for producing insurgents behind attacks in Moscow.

Nearly 80 people were killed in bombings in the Moscow metro in March 2010 and Domodedovo Airport in January. The Caucasus Emirate, which leads the insurgency and is headed by Doku Umarov, took responsibility for the attacks.

"You are paying for peace and getting war. It's an absurdity and a complete collapse of the North Caucasus policy," said Andrei Piontkovsky, a political analyst and a visiting fellow at the Hudson Institute in Washington. "In their minds and hearts, the Russians and North Caucasus have already separated from each other."

## **Federal Subsidies**

Nationalists have protested against Moscow's policy under the slogan "Stop feeding the Caucasus," and Liberal Democratic Party leader Vladimir Zhirinovskiy has said funds are being wasted on the region.

But removing the subsidies would risk allowing violence to rise to new levels in the North Caucasus, and Moscow would have to look for other ways to establish control of the region, which now relies on local law enforcement officers.

The economic development of the North Caucasus is important to stability in a region where official unemployment figures rise above 50 percent, often pushing bored and desperate youths into the Islamist insurgency.

But critics say that instead of helping people in need, the federal government's money is funding grandiose displays of religion and populism that local leaders use to boost their power at home and increase their own autonomy from Moscow.

In a football match in May that opened a renovated multimillion-dollar stadium in Grozny, Kadyrov scored three goals against international players including Argentina's Diego Maradona.

Grozny's Akhmad Kadyrov Mosque, Europe's largest, was named after his father, the first Kremlin-backed leader of Chechnya. Opened in 2008, it can hold 10,000 worshippers.

The Kremlin credits Ramzan Kadyrov with using funds to clamp down on violence. Last year the number of security officers killed in violence fell to 55 from 93 in 2009, and the number of suicide bombers more than halved.

But human rights groups say peace has been gained partly because of strong-arm tactics such as extra-judicial kidnapping and torture, which cause resentment in the local population and drive young people into the arms of the insurgency.

"This situation is only creating more suicide bombers and more rebels," Piontkovsky said.

Kadyrov has denied the charges as an attempt to blacken his name, and a spokesman for him did not return calls.

Similar accusations have been leveled at former and current leaders of Ingushetia and Dagestan, where violence is much worse.

"The authorities are ready to pay and they're ready to close their eyes to the obvious violations of the Constitution and federal law," said independent Moscow-based political analyst Dmitry Oreshkin.

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