

BUILDING THE INSTITUTIONAL CAPACITY OF LOCAL COMMUNITIES IN THE NORTHERN CAUCASUS: OPPORTUNITIES TO IMPROVE “GOOD” COMMUNAL GOVERNANCE

Introduction

The policy brief will synthesize the findings of the studies conducted in the North Caucasian regions: Karachay-Cherkessia, Kabardino-Balkaria; North Ossetia, Ingushetia, Chechnya and Dagestan. Since the collapse of the Soviet Union modern local communities in the Northern Caucasus are experiencing a second phase of crisis. This is related to the inability of many local communities to face new challenges such as globalization and the related more aggressive market-oriented policies, fewer guarantees for the future, religious radicalism, in particular among the younger generation, etc. At the same time, some local communities were able to adapt to these and other challenges and risks and successfully embrace market conditions and develop hybrid, compromise-based institutions

with the state authorities. Why is life in some villages stable and successful, while others have experienced emigration and increasing tensions and conflicts? This can hardly be explained solely by the diversity of the geographical and ethno-cultural particularities of the local communities. The intensive research carried out in more than 30 villages of the Northern Caucasus showed that the local level is formally granted local self-administration powers. However, the implementation of these laws is difficult due to regional modifications, exceptions, amendments and bureaucratic red tape. The stable development of local villages is declining in many cases as a result of the informal and ineffective “manual governance” (extremely interventionist) practices (instead of clearly defined

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institutions), the lacking awareness of laws, and the lack of experience in adapting to new market-based laws. This pertains, above all, to policies related to granting credits and to taxation, terms for the lease of land and the like as well as few possibilities for cooperation and weak horizontal links between the local communities themselves.

It is crucial to give local communities the opportunity to thoroughly familiarize

themselves with the rights defined in the self-government laws and improve the awareness and transfer of good practices in the development local communities, to provide the possibility of horizontal networks for the exchange of information and experiences, to improve the effectiveness of targeted funding and state support at the expense of special programs for state development.

LOCAL SELF-GOVERNANCE AND ITS COMPETENCIES

Local self-governance is guaranteed by laws, but only has been partially implemented. Due to the increasing centralization of powers in recent years, the reforms of local self-governance have stalled. A great diversity of interactions between the state and local communities can be observed.

It is crucial to give local communities the opportunity to thoroughly familiarize themselves with the rights defined in the self-government laws and improve the awareness and transfer of good practices in the development local communities, to provide the possibility of horizontal networks for the exchange of Modern-day local self-government bodies in Russia and the Northern Caucasus are vested with wide-ranging authorities, as stipulated in a series of laws emulating the principles of the European Charter of Local Self-Government. Local self-government bodies have rights to organize their own affairs, including administrative elections and the

management of their budget. However, increasing centralization of powers in recent years has had a negative impact on the implementation of laws regarding self-governance.

As research in the Northern Caucasus republics has shown, a large diversity of local communities in the Northern Caucasus and different speeds in carrying out reforms have resulted in a wide range of varying interrelationships between the state and local communities:

- The centralized state penetrates into many spheres of local life; local self-governance is weak and formal (many local communities in Chechnya);
- The local community is “neglected” by the state; it exists at the level of institutions which represent a symbiosis of formal and traditional institutions of self-governance (distant and peripheral mountain communities);
- The centralized state formally declares

that powers are delegated to the local level, but local communities are not capable of using these powers. They fall under the dependence of the centralized state. For example, two-thirds of the 40 competences of local communities focus on the district (*rayon*) level (majority of local communities).

■ Local self-government is strong – it seizes powers granted by laws and attempts to survive in different manners (Karachay-Cherkessia, a small number of municipalities in Kabardino-Balkaria, North Ossetia and Dagestan). Only two of the nine researched key villages in Kabardino-Balkaria can be considered successful.

Centralized government is able to solve short-term problems, but in the long-term the local presence of the state is not effective and even stalls development.

The engagement of and aid from the state brings about positive results: the infrastructure, gas and electric power supply are improving, a certain level of social security is guaranteed (pension, assistance, etc.). However, very little is being done to strengthen local self-government institutions and thus ensure long-term sustainable development. Weak local institutions are compensated by the constant involvement of the state in problem-solving, which leads to stagnation and crises. Unemployment, the destruction of traditional institutions for nature management and conflict management, the vulnerability of new financial and market-oriented mechanisms, the radicalization of young minds, etc. These and other problems are unlikely to be solved only by the centralized state. In order to solve them, it is

imperative to involve local self-government based on local knowledge and information, including traditional institutions, as well as local actors and leaders who are deeply rooted in the local value system. A certain degree of state support is necessary for local self-government to work effectively.

The suspension of the local government reform, emergence of the district political filter, and bureaucratization became the main consequences of the strengthening centralization.

According to Law 131 of the Russian Federation (2003), local self-governance comprises two administrative levels: municipal structures of individual villages and district (*rayon*) municipal structures. This division potentially bears the risk of uneven distribution of powers. During the entire previous Soviet history, the districts (*rayony*) controlled affairs within the districts. These ambitions have persisted in the present period. A number of rural municipalities (formally and informally) delegated many of their powers to the district level. The transfer of powers to local self-government, as foreseen by law, was not fully completed. The districts (*rayony*) have become a kind of filter, as they merged with the state-bureaucratic apparatus and continue to be a lever of vertical state power. In most centralized regions such as Chechnya and Kabardino-Balkaria the regions are in fact executors of state decisions. In Northern Ossetia and Kabardino-Balkaria the district (*rayon*) rules over the weak local self-government structures in villages in most cases (although there are indeed cases of the successful

establishment of local self-government in such villages of Kabardino-Balkaria such as Novoivanovka, El'brus, Kotlyarevskaya). In other regions such as Karachay-Cherkessia, the districts receive less support "from above". An intense rivalry between the local (village) level and the rayon level can be observed here. For the local communities of Karachay-Cherkessia the districts are obstacles to development, as they attempt to exercise control, accumulate powers, and influence elections for local self-governance bodies. The latter is a prime indicator of competition between the state in the "guise" of the district and the local community.

At the level of rural municipalities elections of heads are under heavy pressure from the central government.

In some cases there was a bitter struggle between the candidate who was supported by the district and an independent candidate from the district for the position of head of the local self-government. In some cases the conflict became highly intense. The state particularly becomes involved in decision-making processes of local self-government, when there are valuable resources at the local level (for example recreational resources or land). If the local municipalities do not possess such resources, they generally are overlooked by the state.

GOVERNMENTAL DEVELOPMENT PROGRAMMES

The state makes its presence felt not only through the redistribution of power (centralization and usurpation in those places where there are valuable resources and the neglect of those places which do not have valuable resources). The state asserts itself through social and socio-economic development programs.

State development programs contribute to improving the image of the state, but in some cases, by contrary, this leads to increased distrust among local communities towards the state.

Among the best known state development programs in the Northern Caucasus are the program for tourism development

(Turcluster), programs for developing social life, the energy supply (for example the gas supply), infrastructure, etc. The realization of the programs has enhanced the image of the state, as many important projects from an economic perspective have been realized. However, the development programs were carried out without the involvement of local communities. The finished projects were implemented from the top, and the opinions of the local population were not taken into account in the majority of cases. There are instances in which the programs drew protests by the local community. For example, during the implementation of tourist development projects (Turcluster) in Kabardino-Balkaria, the local population

in the villages El'brus and Bezengi were in favor of open projects and public hearings.

Priority of stability instead of development.

The government development programs completely overlooked the institutional development of local self-government. The focus is on the economy and short-term stability effects. The development of institutions of local self-government is frequently regarded as a factor of instability, in particular in the context of radicalization and increasing violence.

International transfer of knowledge and experience accumulated in other mountainous regions of the world.

In Northern Ossetia and Dagestan special programs for the development of

mountainous areas have been elaborated to legally support these programs, and laws on mountainous territories have been established, which introduce incentives for peripheral and remote mountain communities. The international transfer of knowledge and experiences accumulated in other mountainous regions of the world (in particular the Alpine countries) has played a significant role in establishing these laws and programs. The successful implementation of these programs depends on state assistance. At the moment there are not sufficient funds for the full realization of these programs. In some instances, local communities rely on the assistance of private sponsors.

LAND TENURE REFORMS

Land reforms have stimulated the activity of local self-governance, which can be considered as a positive effect.

The implementation of the Russian land reform of the 1990s aimed to introduce market elements in the agricultural sector and in particular land privatization. It has had significant influence on local communities in the North Caucasus. For a long time, local communities were not the masters of their own land, as the land belonged to the state. The launched land reforms were a powerful stimulating factor for the development of local self-government. However, like the reforms of local self-government in general, land reform was stalled and transformed to the benefit of the bureaucratic elites.

Access to land is limited by administrative obstacles at the regional and district levels (local rules of lease, tax barriers, etc.).

Since 2002, all Northern Caucasus republics, with the exception of Karachay-Cherkessia, have maintained bans on the privatization of agricultural land. As a result, leasing land from the state has become the leading mechanism of gaining access to land. This strengthened the role of the state and reduced the role of the local communities, while leading to conflicts over land access. Among the more than 70 investigated land conflicts, more than half were related to the regulation of land access. On the one side of these conflicts, there is the state-bureaucratic elite, which has seized

a monopoly over the regulation of land access. On the other side are the local communities, which are struggling against the arbitrariness of officials, corruption, the rise of rental fees for the land, etc. The local communities have full rights to govern their land only in some cases (for example, in Kabardino-Balkaria only two of about 100 local municipalities). The example of land shows how weak and unprotected the local communities are against the local state-bureaucratic elites.

Regarding the examples of power distribution, the realization of state development projects and land reforms, it is evident that the development potential of local self-governance in the Northern Caucasus has a one-sided character. On the one hand, local self-government formally has all the legal foundations for development and has liberated itself from the centralized and ideological Soviet style

of governance. On the other hand, the state does not provide the opportunities to put the laws into practice. It still exerts a Soviet-style system of control and regulation at the local level. The pretext for this practice might be the “special” conditions of the transition period, the crisis, instability, the growth of religious radicalism, etc. Such state “patronism” sometimes provides short-term positive results (in the case of Chechnya the decrease of violence, the strengthening of short-term stability). However, for the long-term horizon, this practice is costly, feeds into the state-bureaucratic apparatus, and does not contribute to the development of local institutions of self-governance.

POLICY IMPLICATIONS AND RECOMMENDATIONS

In order to make the short-term successes in the development of local self-governance achieved in the 1990s irreversible and to lay the foundations for long-term stability, it is necessary to create conditions for the realization of the enormous potential of local institutions. The state must not be a supervisor, rather an ally of local self-government. This is all the more important in view of objective difficulties and modern development demands emerging in the past decade: globalization, climate change (vulnerable mountain areas are particularly affected), increasing religious radicalism,

etc. Relying only on an omnipresent and omnipotent state may not be a hopeful strategy for the extremely diverse ethno-cultural relations in the Northern Caucasus. This is demonstrated by the ineffective and costly implementation of developmental projects, the enormous costs of counter-terrorist operations for maintaining a low level of violence, the high level of corruption, the continuously high level of dependence on subsidies among the economies of the Northern Caucasus. Up to now, little attention has been given to “lean” methods of management and regulation of

development activities aimed at stimulating local self-governance, which can be more effective in regulating local conflicts by means of state subsidies.

What opportunities are there for improving local governance by developing the potential of local communities?

General and international level

Without ruling out the important role of the state in providing public goods, it is imperative to pay much greater attention to local participation and increase the effectiveness of local institutions. It is important to emphasize that this does not entail the imitation of “progressive” western concepts of democracy, rather focusing attention on already existing examples of local democracy. They are most successfully rooted in local conditions and possess necessary characteristics of sovereignty, representativeness, equality and pluralism. The observed patterns of local democracy require support for the development of their potential and the formation of adaptive mechanisms for modern challenges.

It is crucial to demonstrate the positive effect of decentralized government and strengthening the institutional capacity of local communities, as reflected in other similar regions of the world.

It is imperative to create conditions for the transfer of knowledge and positive experiences in the realization of developmental programs in similar regions of the world, for example the sustainable development of

mountainous territories, rural areas, etc.

It is crucial to initiate international projects, which are aimed at increasing the capacity of local systems of management and reducing the negative effects of current challenges and risks. In this respect it is important to involve the Northern Caucasus and its various actors in the Southern Caucasian initiatives. International organizations and donors must not restrict themselves to the Southern Caucasus and retreat from the Russian Caucasus (as has recently been the case).

To the government of the Russian Federation:

Taking into account international experience and the urgent need to effectively react to current challenges, it is imperative to take decisive action in the following areas: 1) decentralization, 2) improving the institutional capacity of local communities, 3) building trust in the relationship between the state and the (local) community, 4) taking into account territorial differences, 5) introduction of new effective economic land use mechanisms, 6) government regulation, and 7) transparency in the context of governmental development programs and land reforms;

It is necessary to enhance the transparency and public openness of planned state developmental programs with the maximum involvement of the local population already during the planning stages;

Enhance legal assistance for the local population in order to increase awareness of laws and local regulations regarding local

self-governance and the regulation of the use of local resources;

Simplify bureaucratic procedures for the local population to obtain information, credits and social benefits.

To the government of the North Caucasian district:

Develop a comprehensive program to increase social, political, cultural and economic integration of the Northern Caucasian communities;

Support the transregional programs (between the regions of the Northern Caucasus) as well as the exchange of experiences related to stable development at the local level; to this end study and draw on the positive experiences of regions with similar natural resources (for example, the positive experience of cooperation networks of the Alpine village alliance).

To the governments of the North Caucasus regions:

Provide access to legal documents regulating issues of local self-governance and land reform;

Provide comprehensive information regarding state development programs and initiatives aimed at the development of local self-governance; Involvement in government processes and the formalization of successful institutional practices (including traditional practices) regulating issues of local self-governance and the use of local resources;

Separation of powers of self-government at the district and village level, development of effective and mutually beneficial forms of cooperation (instead of unacceptable forms of “patronage”, pushing “convenient” candidates to the top of local administration, etc.).

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