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To cite this article: Jan Koehler, Alexey Gunya & Timur Tenov (2017): Governing the local in the North Caucasus, Eurasian Geography and Economics, DOI: [10.1080/15387216.2017.1410440](https://doi.org/10.1080/15387216.2017.1410440)

To link to this article: <https://doi.org/10.1080/15387216.2017.1410440>



Published online: 13 Dec 2017.



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Governing the local in the North Caucasus

Jan Koehler^a, Alexey Gunya^{b,c} and Timur Tenov^{b,d}

^aFreie Universität Berlin – SFB 700 Governance, Berlin, Germany; ^bKabardino-Balkarian State University, Nalchik, Russian Federation; ^cInstitute of Geography, Russian Academy of Sciences, Staromonetny, Moscow; ^dPolitical Science, Kabardino-Balkarian State University, Nalchik, Russia

ABSTRACT

The article provides an in-depth analysis of local governance in the North Caucasus, by example of land tenure conflicts in Kabardino-Balkaria. We follow an iterative analytical strategy, systematically combining qualitative case studies to develop grounded hypotheses, with subsequent statistical hypothesis testing. Based on fieldwork conducted in Kabardino-Balkaria, we identify the most relevant patterns and dynamics of natural resource governance. Our research shows that there are three dominant patterns. The first pattern is formed in areas where land is of little value and communities are left to themselves to solve issues. In the second case, larger businesses with state backing manage to monopolize land resources and sideline local communities. In the third case, local communities are strong enough to defend their control over external attempts to take hold of land resources. Finally, we use original survey data to further investigate plausible causes for stronger and weaker local self-governance and its consequences for state-society relations. We show that local self-government (LSG) lacks independence, and its functional quality depends on the degree of state interference via patronage. Despite this challenging environment, we find that higher perceptions of LSG quality predict more trust in the state at central and subnational level.

ARTICLE HISTORY

Received 17 March 2016
Accepted 24 November 2017

KEYWORDS

Subnational governance;
local self-government; land
tenure disputes; North
Caucasus; patronage; Russia

Introduction

The aim of this article is to add to our understanding of the heterogeneity of local governance patterns and processes in the contemporary North Caucasus. By *local*, we are referring to the municipal or communal level of political organization. By *governance* we mean institutionalized modes of coordinating social action aiming to produce binding rules, as well as collective goods and services (Draude, Schmelzle, and Risse 2012). Governance in this sense is much broader than the concept of government and authoritative rule provided by nation states, and governance outcomes can be the result of social action within local, subnational,

transnational, or international institutional frameworks other than the state (Krasner and Risse 2014). However, in nation states of the modern era, states tend to see it as their prerogative either to provide for governance functions directly as a public service or at least to set the rules for provision of governance by private as well as societal actors (Scott 1998) – and here, Russia is no different.

It is a classic assumption of state theory that the effective provision and facilitation of governance by legitimate state authority is the backbone of a social contract between the state and its citizens (cf. Grävingholt, Ziaja, and Kreibaum 2015). People forgo their right to self-help and resistance in pursuing their interests. They accept a degree of autonomous state authority in return for governance outcomes they demand or have gotten used to – common peace and physical security, complex organization of economic and social life enabled by state administration, and social welfare, to name the most important governance functions provided in modern nation states.

Hence, effective and legitimate governance ties the knot between government and people, or, more formally, establishes the relationship between state power and the citizens. In a virtuous circle, effectivity and legitimacy of governance reinforce each other and make the business of government less forceful, expensive, and risky (United Nations 2010, 107; Schmelzle 2011).

This is the theory. In practice, the business of penetrating society with authoritative rule to bring effective governance to the people and thereby increase the acceptance of central state rule has proved to be a lasting challenge, particularly for countries as vast and complex as Russia. Federalization of the state and decentralization of political, administrative, and fiscal authority of the state have been established approaches – both in state theory as well as in actual legislative reforms (Rodden 2006, 1–2) – to improve subnational governance provision via the empowerment of self-government at various subnational levels. According to Faguet (2014, 2), “The most important theoretical argument concerning decentralization is that it can make government more accountable and responsive to the governed.”

Nevertheless, not all federal systems imply full decentralization of power (administrative, political, and fiscal) and result in the establishment of functional institutions of subnational self-government. The empirical quantitative cross-country literature on the benefits of federalization and decentralization vs. unitary centralized systems is ambivalent and disappoints the high expectations, optimistic theories expressed, and reforms based thereupon held (Rodden 2004, 481–482). At the same time more nuanced case studies and comparative approaches point out that success and failure of local self-government (LSG) – in terms of improving the effectiveness and legitimacy of subnational governance provision – depend on a number of case-specific contextual conditions (Faguet 2012, 273ff.). According to

such research the most important general criteria influencing effective governance provision via LSG in devolved or decentralized political systems, are

- (1) The resolve and capacity of the central state to transfer power to subnational levels – sincere resolve predicting better results;
- (2) The degree to which civil society is organized and local societal institutions are operational – a higher degree of organization predicting better results; and
- (3) The existence and organizational form of local non-state strategic actors, most importantly, business organizations – the existence of dominant strategic actors predicting worse results, while competition between moderately influential actors on a level playing field predict better results.

We will draw on this distinction of most relevant criteria in the methodological approach to the case studies in Russia's North Caucasus.

The challenge faced by the Russian federal state in governing the local was and is formidable, and outcomes are mixed at best. One core challenge has been geography and sociocultural diversity of governed entities (Alix-Gracia, Kuemmerle, and Radeloff 2012). Another consistent challenge is more political in nature and relates to the contradiction between a formally federal setup and a highly centralized approach to executive political power (Communist Party in the Soviet Union, vertical power of the presidential administration and security apparatus in today's Russia).

Russia has experienced major subnational governance reforms since the downfall of the Soviet Union. The general provisions are set in Chapter 8, Articles 130–133 of the Federal Constitution. At the local level, the most important changes were introduced in 1991 and 2003 and relate to the full range of decentralization as outlined in the European Charter of LSG (Council of Europe 1985; Duma of the Russian Federation 1991, 2003). As a result, a two-tier system of LSG emerged at the community and district level, both referred to as municipalities. Self-government is functionally divided into elected councils, executive heads of the municipalities, and their administration. Municipalities have their own budgets financed by local fees and taxes, as well as transfers from upper level state budgets. Among the property held by municipalities is municipal land.

However, after the instability of the 1990s, the Federal Center under Vladimir Putin moved to reassert a so-called administrative power vertical; that is, to recentralize bureaucratic power in the federation (Ross 2008, 81). This was achieved by a push toward changing elected executive positions at different levels (governors, mayors) into appointed positions (municipal reform of 2009), as well as investing heavily in federal (i.e. centrally controlled) branches of the security services. In addition, the political power vertical was strengthened mostly by streamlining informal but highly institutionalized patron-client relations between Moscow and the political elites of the federal subjects (cf. Petrov 2011; 89ff.). At the same

time, fiscal dependence of federal subjects on the center increased – specifically for politically difficult subjects in the North Caucasus) via a system of transfers (*dotatsii*) (Sharafutdinova and Turovsky 2017). Taken together, this arguably led to a widening gap between independent subnational governance on paper and in reality; it infringed on legitimate and effective governance at local level (Sokolov, Magomedov, and Silaev 2013).

For the municipalities, this push at recentralization led to a high degree of administrative, political, and fiscal state control. Arguably, this runs contrary to the provisions of Article 130 and 131 of the constitution, the ratified European Charter of Local Self-Government, and the laws stipulating a considerable degree of independence of the municipalities from the state and bottom-up rather than top-down accountability of elected bodies. The adoption of the federal law on LSG in 2003 was an attempt to insure some autonomy to the two lowest levels of power (districts and the local communal level). However, local municipalities only *de jure* hold a wide range of meaningful competencies and lack the resources to escape vertical dependencies described above. Furthermore, in 2004 the federal law N 159-FZ “On Amendments to the Federal Law” drastically limited regional autonomy by abolishing direct elections of regional governors, who were now appointed by the President. Although direct elections were reintroduced in 2012, a legal clause added in 2013 allowed regions to opt for indirect elections by regional parliaments from the list of candidates approved by the President – an option that Putin explicitly described as more suitable for so-called “ethnic republics”.

The *de facto* recentralization of a *de jure* federal state runs the risk of further estranging local communities from the state; something the Russian Government at different times seems to be aware of (Obshchestvo 2012). In consequence, the relationship between the degrees of implementation of LSG reforms since 2003 and the adaptive drive toward recentralizing authority produced a high degree of variation of governance realities at the level of municipalities (villages and districts). It is this variation that we want to investigate.

To do this, we have taken issues relating to the regions’ key natural resource – agricultural land – as our starting point and have focused on how access to land is regulated and how land tenure disputes are dealt with. We approach the challenge of subnational governance through the prism of land tenure conflicts, with an emphasis on how the characteristic constellations of actors evolved and formal as well as informal institutions emerged and morphed in dealing with those issues, at a time when the Soviet system of state control over land was vanishing. Hence, the basic idea is that conflict and disputes over a key resource like land highlight the workings, problem-solving capacity, and shortcomings of local governance in the research area.

Access to land is a politically contested issue in many regions in the world (e.g. Gregory and Hong 2009), including the post-Soviet space. Land tenure issues may qualify as a litmus test of effective and legitimate local governance; the land question has been of general relevance in Russian history (Tishkov

2001) and of specific relevance for the ethnically defined agricultural republics of the North Caucasus, colonized only in the mid-nineteenth century. Earlier research on land disputes (e.g. Kazenin 2012) in the North Caucasus did not connect land tenure issues and LSG dealing with those issues to the wider questions of legitimate and effective subnational governance. This is the gap we are trying to close.

Structure

We structure the article in the following way. First, we explain our research method. Then we provide a brief overview of subnational governance in the North Caucasus, relevant to the question of land tenure disputes today. Third, we introduce key features of land tenure in the North Caucasus and the main types of land disputes in the region that have occurred since 2001. Subsequently, we provide a more nuanced comparative analysis of actors and institutions regulating land access and dispute settlement in selected villages within Kabardino-Balkaria (KBR).

We then use original survey data to further investigate plausible causes for stronger and weaker local self-governance and the likely consequences the different patterns have for wider state-society relations in the region.

Method

Our main method of data collection was ethnographic field research in the North Caucasus in 2013–2015.¹ In the initial exploratory phase, we aimed at gaining a broader perspective on local governance mechanisms and main actors involved. We conducted this research in 70 settlements located in six republics of the North Caucasus (Karachay-Cherkessia, Kabardino-Balkaria, North Ossetia, Ingushetia, Chechnya, and Dagestan). We collected the data at the district (*Rayonnyy munitsipalitet*) and village (*Sel'skiy munitsipalitet*) level and included qualitative profiles, interviews, and statistical data; we also mapped relevant actor constellations at the local level. We compiled a list of all recorded land disputes that took place in these regions between 2001 and 2015. On the basis of the exploratory phase, we chose Kabardino-Balkaria as case study for analyzing land governance at the local level, focusing on three individual settlements in this republic.

We decided to compare land tenure case studies from within one republic to control for similar higher level structural conditions that depend on the different relationship the center developed to different subjects (cf. Koehler, Gunya, and Alkhazurov 2016). From the initial assessment, we found strong indications that land tenure issues are dealt with in markedly different ways even within the same republic. Since it was unlikely that higher level structural conditions explained those differences, we decided to inquire whether different ways of processing land tenure conflicts derived from variations in the respective constellation of actors and the institutional setup of local governance.

Inspired by recent literature on conditions that predict more and less successful LSG in the context of decentralization efforts, as introduced above, and based on an institution-centered approach to conflict research (Koehler 2015), we arrived at a case-based analytical strategy. We follow a two-level iterative approach in which we first analyze and compare community-level cases of land tenure conflicts. Then, adding results from our original survey data, we discuss how far the governance patterns that we identified point to more general trends typical for the wider region. For the case studies, we have limited the time frame to the period of administrative reforms under Putin's rule, starting in 2001 up to 2015.

In terms of analytical focus, we look at actors, the interests that inform their actions, and the institutions that constrain their choices. We do this for the three most relevant categories of local governance actors: the national and subnational governments, local communities and societal organizations, and local private sector strategic actors.

For each set of most relevant actors, we examine the formal and informal institutional constraints (North 1990, 6) that shape the choices they make in land tenure conflicts. We are specifically interested in the degree to which the state penetrates local society with its formal rules (legislation), what role informal rules play in how the state projects power to the local, and how this interacts with local societal institutions in processing land tenure conflicts.

Based on our analysis of actors and institutions in land tenure disputes, we identify dominant patterns and dynamics of local governance. This we investigate further, using data from our 2016 representative household survey in Kabardino-Balkaria. We build three indicators to define societal, private sector, and state-related predictors for more or less functional LSG. Using analysis of variance (ANOVA) and logistic regression analysis (LOGIT), we investigate how far perceptions of effective and legitimate LSG depend on those three sectors. We run a second regression model to probe whether more functional LSG relates in turn to more general trust in the federal state at its different levels.

We conclude with a note on the implications our findings for legitimate and effective local governance and the contractual stability of state-society relations in contemporary Russia.

Subnational governance in Russia's North Caucasus

Presently, Russia's administrative structure comprises five main levels: federal; federal *okrugs*/districts; regions, or "federal subjects" (such as republics, *oblasts*, *krais*); sub-regional districts (*rayons*); and local communities (rural and urban; until 1993, this level consisted of local councils called *sel'sovets*). The North Caucasus is a prominent example of the profound changes in power relations among these different administrative levels in the past 15 years. This region is divided into seven ethnic republics (Adygea, Chechnya, Dagestan, Ingushetia, Kabardino-Balkaria, Karachay-Cherkessia, and North Ossetia) and two *krais* (Krasnodar and Stavropol).

Regional governors are elected indirectly, by regional parliaments, and eligible candidates tend to be agreed beforehand with the federal center.

At the local level, the imprint of state policies on governance processes is less obvious, more complex, and ambiguous. The legitimacy of state rule has been challenged in open confrontation, as well as in more hidden forms of disobedience (cf. Scott 1990). While the state is physically present in all municipalities, institutional penetration of local communities varies considerably and depends on their ability and willingness to follow state rules and implement its policies. Already in Soviet times, the state developed a complex web of interdependent relations with local communities, which took the shape of institutional arrangements combining formal and informal rules. These hybrid arrangements between the state and diverse local communities dominated the latter's *de facto* ability to access valuable resources and played the leading role in the formation of local elites (Koehler and Zürcher 2003, 248ff.). The disappearance of the Soviet state created an institutional void to which local communities needed to adapt. At the same time, some of the older interdependencies remained in place and continue as functional parts of the governance architecture structuring state-society relations.

In consequence, today local municipalities in the North Caucasus are heterogeneous and have developed diverse institutions to ensure that day-to-day governance works. This organizational heterogeneity follows in theory from Article 131–1 of the constitution:

Local self-government shall be administered in urban and rural settlements and in other areas with the consideration of the historical and other local traditions. The structure of local self-government bodies shall be determined by the population independently.

However, in practice, as we will show below, heterogeneity is often not the result of transparent and locally adapted independent procedures but of a conflictive relationship between state and local communities. Of particular importance is the relationship between the two lowest subregional administrative levels – the district level and the local community level. It is at the district level that the institutions of state rule and LSG interact. Many (but not all) heads of districts are appointed. In turn, many of them try to exert influence on the heads of local municipalities. As the deputy head of self-administration of the village of Ulyanovskoe explained to us (21 August 2014):

We only perform technical functions of control over lessees. The district authorities distribute land, the district collects lease payments, and we receive financial subsidies. But if the heating fails or there is no water in the daycare center, we are the ones responsible. Therefore, we have to improvise, ask the lessees to patch the roof or help with fuel.

In order to compensate for its lack of local legitimacy, the federal state relies on a mixed strategy of co-opting local leaders, fostering state presence at the district and regional level, and monopolizing access to key resources, such as agricultural or construction land.

To investigate the workings of local governance in the post-Soviet North Caucasus, we now analyze land tenure conflicts with special attention to involved actors and institutions.

Land tenure in the North Caucasus

According to the “Land codex of the Russian Federation” (of 25.10.2001 No. 136-F3), all land is either state, municipal, or private. State lands are owned either by the federal state or the subjects of the federation. There are seven categories of land use: (1) agriculture, (2) housing, (3) industrial, transport, etc., (4) areas under special protection, (5) forests, (6) bodies of water, and (7) land held in reserve.

The implementation of the Russian land reform of the 1990s, aimed at introducing market elements to the agricultural sector and in particular at land privatization, has differed significantly from region to region (Kaz’min 2012; Shanin 2013). Since 2002 all North 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 standard practice of gaining access to land.

Variation in the pace of reforms (redistribution of the land of former collective farms, privatization, short- and long-term leasing and subleasing) can be explained by the different political transitions in individual regions. Factors such as the level of centralization, democratization, and economic liberalization are particularly relevant. For example, in Karachay-Cherkessia, a region characterized by greater political competition and lesser centralization than the rest of the North Caucasus, most land (with the exception of the highlands) is privatized, and long-term lease arrangements are common. It was mostly the redistribution of the land previously owned by collective farms that has brought private owners to the fore. By contrast, the more authoritarian and centralized republics like Kabardino-Balkaria or Chechnya retain a high degree of state control over land and its use. Here, short-term lease and sublease agreements dominate.

As part of our field research, supplemented by data collection from local newspapers and online sources, we identified 73 events related to land disputes taking place in different villages in the North Caucasus in 2001–2015 (see Table 1). The disputes were rooted in obstacles to access to land imposed by actors at various levels, which allowed us to group them into three categories:

Table 1. Land tenure conflict types and intensity.

Dispute type	Degree of intensity			Total
	1	2	3	
A	8	2	0	10
B	25	14	2	41
C	12	7	3	22
Total	45	23	5	

Category A – Access to land limited by the federal government (for example, on the grounds of environmental protection or out of security considerations in border areas).

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

Category C – Access to the land is monopolized or disputed by stakeholders at the local level (united by common identity, such as ethnicity, kinship, or business ties).

The disputes have also been different in their intensity. In this regard, we differentiate between three levels:

- (1) (low): Disputes resulting in the filing of complaints and not involving public mobilization or organized protests.
- (2) (medium): Disputes involving public mobilization and organized non-violent protests (rallies, demonstrations, hunger strikes).
- (3) (high): Disputes leading to organized protests that turn violent.

As Table 1 shows, the greatest number of disputes fall under Category B (administrative obstacles at the regional and district levels). This indicates that the control regional and district bureaucracies in the North Caucasus exercise over land resources is often considered illegitimate or arbitrary. This is in particular the case when allegations of corruption are involved, for example, by appropriating revenues from land tax collection or from renting the land out to tenants. Furthermore, land tenure reforms conducted since the 1990s have resulted in a number of legislative contradictions concerning the status and use of various categories of lands. This is specifically the case for the sometimes blurred distinction between the commons and municipal control, agricultural land, and land for residential development. In addition, the different levels of jurisdiction for land tenure (federal, republic level, or municipal) add confusion.

As for Category A disputes (involving the federal government), they are usually linked to the implementation of large-scale infrastructure development programs. Some prominent examples include the appropriation of land needed for the implementation of tourism development programs in mountainous areas or for the construction of hydroelectric power plants.

Finally, Category C disputes are most common for territories where different ethnic groups reside. In Dagestan these disputes typically occurred in areas of interethnic interaction, involving, for example, mountain dwellers who were granted land on the plains free of charge during Soviet times and local ethnic groups residing there. Similar disputes have occurred in the area of the longstanding Ossetian-Ingush conflict, in areas of mutual contact of the (Russian) Cossacks and Karachays in Karachay-Cherkessia, and the Balkars and Kabardians in Kabardino-Balkaria. In some cases, these conflicts overlap with commercial interests of local businesses trying to secure access to commercially valuable land by exploiting existing tensions between communities. While few disputes have actually turned violent in the past (see Figure 1), the conflict potential of such events remains present, and under suitable conditions violence can break out.

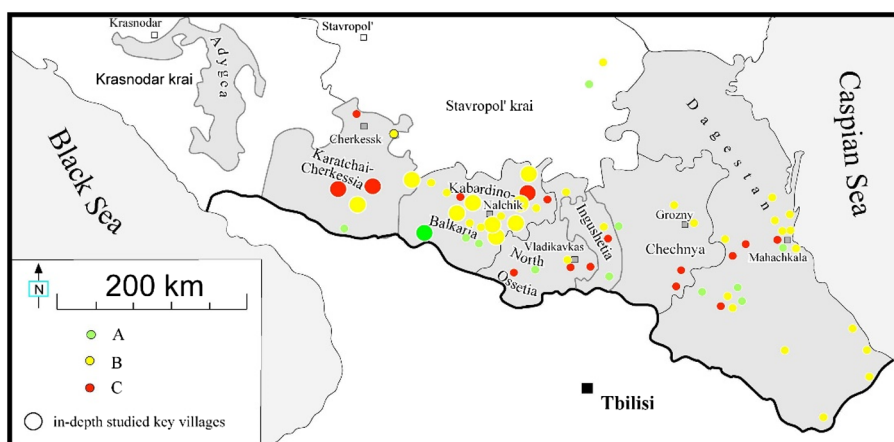


Figure 1. Research area and land tenure conflicts identified. Source: Alexey Gunya.

Three case studies from KBR: patterns of land tenure governance²

For a more detailed analysis of institutions regulating access to land and the settlement of land disputes, we chose 3 cases out of the 21 conflicts identified in Kabardino-Balkaria Republic (KBR). The republic combines two distinct ethnic groups (one of Turkic and the other of Adyghe descent) as titular nations (in Soviet terminology). The borders of KBR (the initial status in the USSR was *autonomous oblast*) were drawn in 1922 as part of Soviet national delimitation policies. In the North Caucasus the Soviet Union prioritized territorial compactness and historical economic ties between highland and lowland areas, as opposed to combining closely related ethnic groups into one territorial unit.

In Kabardino-Balkaria, power is centralized, political opposition is suppressed, and democratic institutions, many of which are designed to serve the interests of the ruling elite, are weakly developed (Gunya 2006; Kazenin 2009). Like most other republics in the North Caucasus, Kabardino-Balkaria has banned the privatization of agricultural lands.

We selected the cases according to the three dimensions mentioned in the introduction: first, the degree to which the state (at different levels) or one of its public–private proxies (state-dependent oligarchs with their businesses) are involved in the cases; second, how the private sector is organized locally; and third, the degree of formal and informal local self-organization of communities. The cases we selected are:

- (1) The municipality of Zhankhoteko, where the land is not of interest to the state. LSG is institutionally weak and not able to initiate successful conflict management negotiations.
- (2) The municipality of Kotlyarevskaya. The collaboration of local bodies of self-government with the republic authorities resulted in most high-value

agricultural land being taken over by a state-affiliated agricultural company. The local community was unable to resist this.

- (3) The municipality of Priel'brus'ye. The state as well as associated companies tried but so far have failed to take control over the highly valuable land resources. The community is well organized, the private sector is in local hands, and the bodies of LSG are well resourced and active.

In the following case studies on land disputes and related governance issues on the level of a village, we will focus on two main components introduced above: actors and institutions.

Case 1. Zhankhoteko, Baksan district

The village of Zhankhoteko is located in between mountain hills and lowlands. Land is scarce and no other market relevant resources are available. The villagers are Balkar people and Kabardians, who share the same major problem – a lack of off-farm employment. Their main source of income comes from the cultivation of vegetable gardens on the outskirts of the village. In the last 15 years, the villagers turned to the cultivation of cabbage as a cash crop sold on the local markets. Land that was left idle after the demographic decline following the breakdown of the local Soviet agriculture was distributed to interested local farmers. These changes provided an important source of income for the local community but intensified farming and the related demand for irrigation. Over the past three years, the economic crisis in Russia drove even more people into agriculture. The water for irrigation comes from a central water supply system, which was built during the Soviet era. Water is a scarce resource and the villagers downstream were faced with a shortage of irrigation water.

The conflict started when the villagers downstream demanded from the households upstream that they consume less irrigation water. They threatened otherwise to block the road that connects the village to the city and thus is vital for transportation of cabbage to the city market. Some cases of vandalism with destroyed fences and trampled crops occurred in the upstream village section. The villagers upstream also looked to defend their interests. However, appeals to the local administration (the elected head of administration and elected council of 10 deputies) to help regulate the conflict did not yield any result.

Elders from both parts of the village, that is, elder male representatives who are retired and have the time and will to participate in official as well as informal village gatherings and social events, tried to mediate. They managed to de-escalate violent confrontations, but did not resolve the water shortage problem. So each conflict side searched for support from outside of the village in the district and republic levels. As it turned out, both parties made contact to the same influential and successful individuals with roots in the village. The individuals were two businessmen and a representative in the republic parliament.

These external patrons organized a round of negotiations and three individuals represented each side. After each round, the representatives would communicate the decisions to their community to see if the decisions will be accepted, declined, or accepted with conditions. By the end of two weeks of negotiations the sides reached a straightforward agreement:

- (1) A timetable was developed that regulated when each side would have access to water.
- (2) To avoid the misuse of water by either of the two parties, a clock was installed that would turn the water on or off depending on the timetable.
- (3) The village administration was appointed to oversee the work of the implementation of the timetable.

In this case, an internal local conflict was solved by the villagers themselves and the formerly dysfunctional body of LSG was empowered by the community to do its job; that is, to monitor the implementation.

Analysis

The local farmers are facing a distributional problem typical for agricultural communities moving to more intensive forms of cash-crop cultivation. Upstream farmers have privileged access to water, downstream farmers have privileged access to the road. Solving problems like this – usually via expert-informed negotiated agreement over a time schedule of water management – is a classic task of institutions of LSG. However, in the present case, formal LSG failed.

Despite the significant powers the local administration formally has, they lack financial resources. Their budget is not sufficient to solve village problems. The facilities of the village administration, which are rented from a private individual, are in need of urgent renovation that is being postponed due to the lack of financing. Most of village problems cannot be solved at the village administration level. As the head of the village administration politically and financially completely depends on the district administration, the latter basically assumes all local powers and duties. However, the district administration is often not interested in getting involved in small disputes in areas of no political or commercial interest to the district as a whole.

This is why the community turns to outside patrons such as businessmen and politicians originally from that village. They are usually contacted when major problems arise in the village. They then assume the role of respected private mediators who can ensure a peaceful negotiation process.

After the conflict negotiation, the local administration performs monitoring functions to ensure that each side holds to the provisions of the agreement.

This case stands for a relatively strong local community that faces a conflict they are unable to regulate reliably via the local institutions and procedures. The bodies of LSG are weakly institutionalized, depend on the district executive, and

lack the resources to do their job. The state at district or higher level does not show any interest in dealing with the issue. A solution is negotiated privately, with the backing of external patrons. The LSG is then charged with monitoring the agreed schedule and technical solution.

Case 2. Village of Kotlyarevskaya, Mayskiy district

The village of Kotlyarevskaya is inhabited mainly by Russian Cossacks and is located in the lowlands of KBR. The conflict evolved around the access to the land, which is valuable as agricultural land due to its fertility (*chernozem* in this area). As in other villages, before the reforms the land was owned by the *kolkhoz* (collective farm). The *kolkhoz* was reorganized as the Agricultural Collective Company (ACC) “Krasnaya Niva,” which holds the land title today. The big difference between the former *kolkhoz* and the new company is the number of people involved as well as the absence of social obligations toward the local community. Social obligations according to the Federal Law on Local Self Governance are the realm of the LSG (chairman and council of deputies), and the ACC pursues purely commercial goals.

In 2008, the ACC leased the greater part of their land to another commercial company, Agro + Ltd., with the lease set for 49 years (3000 ha were leased out, 800 ha were left for ACC). Members of the local community were promised jobs and a share in the income from the lease agreement. The LSG was involved in this process but is now accused by parts of the Cossack community of failing to protect the interest of the villagers against an unfair deal between the ACC and Agro + that ignored interests of the local community. The main cause of disagreement is the size of the income for the leased land and the jobs created in comparison to the profit of Agro + . The ACC did gain 2.5 million rubles in tenure and some 300 seasonal jobs for villagers. However, the local community considered the compensation as unfairly low (estimated at 10% of the income). Thus, the villagers demand the agreement be revised.

Analysis

Two conflict parties can be distinguished here (A and B). The third party, C, is an independent well-connected local patron and donor.

Party A

- (1) Representatives of the LSG, including the chairman and the council. All of them are elected. They have formal powers to regulate community life but lack financial resources to implement their obligations. Not all deputies are happy with the decision by the LSG, but so far, they have not engaged actively to challenge the decision to lease the land to Agro + .
- (2) The management of ACC Krasnaya Niva, which acted as intermediary in the transfer of lands to Agro + . The ACC shares a part of the revenue from

the leasing with the LSG, which buys some loyalty on the part of the local community. Moreover, the ACC is still involved in agricultural production and thus provides some jobs to the villagers. For the locals, the ACC is still positively associated with former the *kolkhoz*. In reality, however, the ACC hardly fulfils any of the social and economic functions of the former *kolkhoz*.

- (3) Agro+, the company which cultivates the land, according to the leasing contract. The company is a private entity that has no connections to the former *kolkhoz*. It is, however, informally connected to provincial-level state power via personal networks.

Party B

- (1) The local community, represented by the Cossacks, who attempt to disrupt the activities of Agro + . Their actions are limited, however.
- (2) Mikhail Klevkov – a former first *ataman* (Cossack headman) of the Tersko-Malkinskii department of the Terek Cossack Army, which was revived in 1990. He is an active community leader and member of the Public Council at the President of KBR. In the past, he was the director of the *kolkhoz* in the village.
- (3) The head of the Pokrovsky Cathedral in the village, priest Dimitri Krapiva, who actively engages in activities to revive the religious and social life in the village.

Both groups A and B, without engaging in a direct confrontation with each other, attempt to delegitimize the other side in the eyes of the villagers. The local community tries to defend their interests through Cossack community organizations (Cossack assembly). So far, this has not met with any success. Agro + organizes various competitions and finances cultural and sport groups. The company managed to win over the loyalty of some villagers, the company's position in the village remains strong, and they continue to cultivate the majority of the agricultural land.

Party C. The chairman of the community council, Vasili Denisenko, holds a special position in the conflict. In the past, Denisenko worked as a wrestling trainer. One of his protégés, Lebzyak, became Olympic Champion. This lends Denisenko a favorable image among the villagers. Some of Denisenko's former wrestling students now hold high positions on the federal level (one of them being a personal guard of Vladimir Putin). He managed to organize an interagency group at the level of the KBR ministries to solve some socioeconomic problems in the village (e.g. the renovation of the local medical dispensary, replacement of the roof in the kindergarten, construction of the local sports stadium). However, he limits his activities to the cultural and sport fields. Hence, the land problem is not a priority for him.

As a potential game changer, Denisenko is courted by both sides of the conflict – if B could win him over, the agreement could be revised. But currently side A is in a winning position and the agreement remains in force. The local community is not unified and remains incapable of influencing the decision-making.

The state is not directly involved in the conflict in Kotlyarevskaya. However, the land reforms and the legislation on LSG have disrupted the traditional way of life in the village. The private company Agro + managed to utilize the new legal framework and to “buy off” the LSG.

This case represents a situation that is widespread in the high-value agricultural lowlands of KBR. Post-Kolkhoz rural communities are often fragmented and weakly organized. Even if they have some degree of organizational structure – like the Cossacks in this case – they are often not able to successfully represent their interests vis-à-vis powerful local and regional business interests. In such cases, LSG tends to be co-opted by business rather than represent the interests of the local communities.

Case 3. Elbrus, Elbrus district

The Elbrus municipality is located in the Baksan river valley at the foothills of Mount Elbrus. The municipality includes the villages of Elbrus, Neytrino, Tegenekli, Baydayevka, and Terskol, with a total population of just over 5000 people. The villages are traditionally inhabited by Balkar people with significant shares of Russians and Kabardians, who settled in Priel’brus’e (the name is used in reference to the upper reaches of the Baksan river) during the years when resources of the area were intensively developed for recreational purposes (1960s). The local Balkar community controls most of the land in the traditional settlement area. The land is a resource for traditional cattle breeding and, more recently, the key source of income from the developing tourist industry. Hence, land is the key economic resource in the district. However, land is scarce, and due to frequent avalanches, the construction of housing is only possible at a limited number of sites in the valley. Construction land is a resource strongly contested among local as well as external entrepreneurs.

The field research discovered the following main conflicts relating to land tenure:

First, there is the longstanding dispute of interest between the local communities and the central state about limited commercial access to the Mt. Elbrus National Park, founded in 1986. The dispute is aggravated by the fact that the former local Balkar manager of the National Park was accused of bias and clientelism in providing access to the land under the jurisdiction of the National Park (Mindelevich 2003).

The second issue is the conflict between the local community and both the central and the subnational state, represented here by an alliance of entrepreneurs associated with the state (locally referred to as *oligarchs*). The state-associated

Open Stock Company, North Caucasus Resorts, aims to construct a range of recreational facilities and for this purpose tries to secure control over construction land (Gunya 2017).

Third, there is a conflict between the Elbrus village municipality (EVM) and the Elbrus district municipality (EDM) in Tyrny-auz, the latter being a client of the republic authorities (the head of the district municipality is appointed). This conflict between the EVM and the republic authorities (by extension via the EDM) relates to a range of issues but also effects the status of and control over the commons (communal lands of the municipality).

All three issues derive from the dominant cleavage over control within the district running between local communities with strong cohesion and powerful external, mostly state-supported, actors.

Analysis

We will now look at the third case in more detail. The EVM proved to be relatively successful in this struggle for three reasons. The LSG of the EVM acted in an organized and consistent manner over time; the LSG was able to draw on the support of a local civil society with relatively strong cohesion; and, last but not least, the LSG managed to fully utilize the rights granted in the Law on LSG from 2003.

The conflict unfolded as follows: In 2005 the KBR parliament passed a law that de facto deprived highland municipalities of much of the land under their jurisdiction, according to the federal law on LSG of 2003.³ They also lost the income from the land tax associated with it. In the case of the Elbrus-municipality, it dropped from 17 million rubles per year to only 1.7 million. The mostly Balkar highlanders launched a number of public protests against this republic legislation, including a hunger strike by elders staged at the Kremlin (Golodovka 2010).

In Elbrus the LSG's charismatic head, Uzeir Kardanovim, led the protest. In 2005, they filed a complaint in the Constitutional Court of KBR, which was rejected (Resheniye 2005). According to Kardanovim, in retaliation to his initiatives the district and republic authorities initiated two criminal proceedings accusing him of illegal activities. He was summoned to criminal court on the same day as his hearing at the constitutional court of KBR was scheduled. In 2006 the Elbrus LSG filed a complaint with the Federal Constitutional Court, which was rejected in the first hearing but approved in an (unusual) second hearing (*Opreделение* 2006). Besides pursuing the dispute in the courts, the EVM succeeded in mobilizing support from high-ranking officials and competent professionals among the regular guests visiting Elbrus. This network of influential professionals actively engaged in the process of conflict regulation, which in part explains the well-organized management of the case by the EVM.

Owing to the thriving local tourist business, the EVM is a comparatively well-resourced LSG; the municipal council decided to use part of the budget to fund its own land cadaster. This in turn allowed the LSG to clearly delimitate different land-use categories. Completion of the land survey allowed the local land to be

attributed to the village municipality budget by the 2005 KBR law on delimitation of municipal land. Since land surveying is expensive, only two village municipalities in the KBR managed to do this (the other one is Karasu); both thereby increased their independence from the district. After achieving this level of independence from the Elbrus district municipality, the Elbrus village municipality increased its resource base to independently implement policy measures on the local level, such as festivals and regional cultural and sports events.

District and republic authorities were unhappy with the degree of functional LSG achieved in EVM and pushed to change the power balance. The political, legal, and informal pressure on the Elbrus municipality has increased since 2009, when an external criminal authority became deputy head of the district responsible for investment and was appointed to the influential position of head of council of directors of cable cars in the district. Since then the district and republic levels have been trying to increase external control over municipal lands, mostly via the mentioned company North Caucasus Resorts, established in 2010.

The conflict between EVM and EDM (in alliance with the republic authorities) escalated in February 2011 when a state of emergency was declared for the Elbrus region (precisely, a Counterterrorist Operation [CTO]), following a deadly attack on a minibus carrying tourists (Bocharova 2011). As a consequence, the passage to Priel'brus'ye was blocked for nearly a year and thus the local tourism industry was disrupted. The locals, who unsuccessfully applied for state credits to run their businesses, were left in a difficult situation. The formal reason for the CTO was the fight against radical Islamists, who allegedly found hideouts in Priel'brus'ye. An alternative or additional motivation allegedly has been to force the EVM into compliance, by harming their main resource base.

Thus far, the attempts to subdue the EVM and secure external control over the municipal lands failed. First, because when put under pressure the local community showed a high level of unity and mobilization, the willingness, and the ability to use formal procedures (litigation, land registration) to defend their interests, and, lastly, because the attempts to put the EVM under pressure received a negative reaction from external influential actors (among others from the State Duma, most importantly the member of State Duma Mikhail Zalikhanov and his circle of Balkar deputies in the Duma).

The Elbrus municipality is a rare case of a relatively successful consistent and strategic defense of legal control over local resources against various official as well as informal attempts by outside actors to gain access to and control over those resources (land, tourism, and infrastructure). Thus far it is successful because it draws on a well-resourced and independent LSG, while being able to play both the legal side as well as the informal networking side of this long-term conflict.

Governance patterns

The case studies provide valuable insights into the forces at work on local self-governance in the Russian North Caucasus. These forces mold in different if predictable ways the relationship between the state at federal and subnational level, local communities with their diverse societal institutions, the official bodies of LSG at two levels of municipalities (village and district), and a private sector strongly influenced by informality and political patronage.

The first force is formal state law. The reforms of the laws governing subnational governments and land ownership are consequential and set the stage of local governance. They also define the competencies of government and self-government at different levels. Despite the fact that the constitution is vague and open to interpretation, that federal and republic legislation are sometimes in contradiction with each other, and that the legal reality often differs from the legal principles, parties do turn to litigation to get clarification or push for their perceived rights in local conflicts.

The second force is the cohesion and organizational capacity of the local communities existing independent from the official LSG structures. In the North Caucasus rural context, this degree of societal self-organization less resembles Western forms of civil society but rather Soviet as well as local-traditional forms of collective organization and mobilization.

The third force is economically or politically exploitable local resources. In the case studies they are a double-edged sword. They may attract uninvited external intervention by the state or state-protected private companies into the local political economy with potentially negative consequences for the communities. However, if organized properly, they also may provide the resources necessary to LSG to successfully protect the interests of the communities. In the case where there are no exploitable local resources, like land of high commercial value, LSG faces a different problem – indifference and a lack of state-support to solve problems beyond the capacity of the local institutions. Here, the communities are left to themselves to find workable informal solutions.

The picture emerging thus far indicates that the quality and relevance of LSG can greatly profit from strong local communities even where cohesion is based on informal traditional institutions (case 3). However, if LSG is perceived as dependent and ineffective per se, local communities may decide to bypass it to find solutions to their problems (case 1). State-protected business interests are a real threat to LSG and usually lead to the co-optation of those bodies (case 2). However, if LSG is strong and willing to resist external pressure, is backed up by strong local communities, and is able to mobilize resources from the local economy as well as expertise from influential external specialists, they may achieve considerable (and legally intended) levels of independence.

Much of this is in line with the generalized predictions on the causes of better and worse LSG elaborated in the introduction – the willingness of the central

government to enable LSG, the structure of the local economy and private businesses, and the degree to which civil society is organized. What makes the Russian case special and complicated is that the willingness of the state is questionable, the borders between state and business are often blurred, and civil society is for the most part an informal traditional undertaking with a complex long history of resisting, evading, and being undermined/manipulated by, the state.

Statistical inquiry

Hypothesis and statistical model

In this final section of the paper we want to further investigate the drivers of better and worse LSG that we have identified, as well as the consequences better or worse LSG respectively have for the perceptions of state legitimacy at federal and republic levels. To do so, we translate the patterns we observed into hypotheses that are statistically testable using survey data available to us. This survey was designed and conducted by the authors in all districts of KBR in late 2016. We interviewed 742 respondents, randomly chosen from a universe of the adult population (i.e. 18 and above), proportionally distributed across districts and between randomly chosen villages within districts.

From theory and case studies presented above, we have good reason to assume that the state is a key factor in determining whether and how LSG works. However, this influence is diffuse. It divides at minimum into the legal framework and legal practice at two levels of government – federal and republic. For statistical modeling, we need to reduce the complexity of this relationship by breaking it up into relevant elements – plausible assumptions, quantifiable indicators, and differentiators to divide the sample into (treated and untreated) sub-groups to compare averages between them.

The first assumption is that the formal framework of the relevant legislation remains constant; that is, it does not vary across the villages and districts in KBR that we assessed. This is one of the main reasons we restricted the case studies and samples to one federal subject only. Second, we know from the case studies that informal interference by the state into local affairs often takes the form of political patronage for local elite representatives, or even for whole communities. Hence, we expert-coded the districts surveyed according to whether there is a single dominant political patron for the district (type 1), a number of potentially competing political patrons for the district (type 2), or no patrons at all (type 3). In a recently conducted mixed-method study in northeast Afghanistan (Feda, Gosztanyi, and Koehler [forthcoming](#)), we found that the specific constellations of patronage mattered. Districts with uncontested patronage tended to show better governance outcomes (as perceived by the local population) than districts in which two or more patrons competed with each other for power. We decided to test this relationship also for our case study in KBR. We identified two districts

with one dominant patron, four districts with multiple patronage, and four without strong influence of political patronage.

The hypotheses we derive from this approach to informal state interference in LSG are the following:

H1a. Informal state interference by patronage weakens the perceived effectiveness and legitimacy of LSG.

H1b. The negative influence is aggravated in districts where patrons compete for political influence.

The second assumption relates to the structure of the private sector in the districts. The implication thus far is that dominant externally controlled businesses (type 1) co-opt or sideline LSG (case study 2 above), while a thriving and diverse local business landscape (type 2) may strengthen the institutions of LSG (case 3). A generally underdeveloped private sector (type 3), however, may hamper the resource base for an independent and active LSG (case 1). We have two districts coded as type 1, four districts as type 2, and four districts as type 3. The related hypotheses are the following:

H2a. A local private sector monopolized by one economic actor weakens LSG.

H2b. A diverse local private sector with competing economic actors strengthens the LSG.

H2c. Little economic activity weakens LSG.

For civil society, in general terms, we assume that strong and diverse societal institutions may serve as a backup for LSG, pushing for its independence against external interference (either protecting it as in case 3 or protesting the loss of independence as in case 2). However, we also saw that informal networks may bypass LSG and work directly for solutions of arising problems (case 1). We differentiate between strong formal civil society organizations (type 3), strong informal (traditional) societal organizations (type 2), and weakly organized local society (type 1). No district was coded to have strong formal organizations. Hence, we arrive at the following hypothesis:

H3. Strong local societal institutions strengthen LSG.

Since we are interested in finding out how districts with more or less patronage, with different business environments, and with stronger or weaker civil society fare in terms of the quality of LSG, we need to define measurements for the latter from our survey data-set as dependent variables in the statistical model. We use a combination of questions addressing different dimensions of quality of LSG: (a) the question of to whom one would turn for help (in first, second, third order) if engaged in a dispute over land or property as a proxy for effective LSG;⁴ (b) the question of how fairly specific institutions deal with conflicts as a proxy for the legitimacy of LSG;⁵ (c) the question as to whether representatives from any family or only from some families can participate in the local council for inclusiveness; (d) the question whether decisions of the LSG are usually taken in the best interest of

the whole community as proxy for the public good; (e) and, finally, the question of external influence on decisions taken by LSG as an indication of independence.

These questions are analyzed via latent class analysis,⁶ which shows that three classes describe the best data (Appendix, Figures A1–A3). These latent classes represent most negative perceptions across the quality of LSG indicators (class 1, at 41.0% of the total sample, the most common class to which respondents belong); then mostly positive perceptions, with the exception of the independence of LSG, indicating that external forces influence the decisions of the LSG (class 3, 28.8%); and, finally, a class of mixed views and high-level invalid responses (class 2, 30.2%).⁷

We use the expert codes to group the districts into different subsets; that is, the grouping variables for patronage, the business environment, and civil society. We first run a three-way ANOVA over all three subsets to look at the joint interaction effects on differences in means quality of LSG. We then run a one-way ANOVA test to inquire how the means for our measurements for the quality of LSG significantly differ individually for different business environments, interference of patronage, and strength of civil society. As a robustness check we also run a binary logistical regression on the predictive strength of patronage over the quality of LSG, using a survey questions asking for the access of the family to political patronage.

Finally, we will turn our measurement for the quality of LSG into a predictor for trust in the state at central and republic level. To this end, we introduce two measurements for trust in the state: the question as to whether the respondent voted in the legislative elections 2016 (trust in central institutions of the state), and the question as to whether the government of KBR cares about the needs of the local community (trust in the state at republic level).

Its of the predictors of the quality of LSG

The combined analysis of differences in means (three-way ANOVA) for the quality of LSG index shows that, in line with our expectations, there are statistically significant differences for the existence of political patronage, $F(2, 732) = 8.67$ $p = .000$; for the structure of the private sector, $F(2, 732) = 4.85$ $p = .008$; as well as for the degree of civil society organization, $F(1, 732) = 5.78$ $p = .016$. Both interactions of economic structure and civil society with patronage were statistically highly significant ($p = .003$ and $.000$, respectively). This is a first indication that patronage, which is our proxy for state interference in LSG, moderates the effects of the other two predictors of the perceived quality of LSG. The three-way interaction did not produce any results, indicating too few observations for at least one combination.

The three-way ANOVA does not tell us anything about the quality (direction and strength) of the individual relationship between the three different groups of districts and the quality of LSG. Looking at the groups separately for the private sector, political patronage, and for strength of civil society, we find a rather unexpected result: The average differences in perceived quality of LSG between those groups are pointing in a direction contradicting most of our hypotheses above.

We tend to find higher average perceptions of LSG quality in districts with political patronage, with a vertically integrated business-structure, and with little societal self-organization. Only three differences within those groups are statistically significant, however: districts with multiple political patrons are 9.6% ($p = .014$) less likely to belong to the lowest class of LSG-quality perception than districts with no patronage; and LSG is perceived better in districts with one dominant economic actor than in districts with multiple ($b = .151$ $p = .001$) or no ($b = .112$ $p = .033$) relevant business actors.

A simple bivariate logistical regression analysis for covariance regarding the survey question on family access to a patron seems to confirm the result on patronage; there is a strong and highly significant positive relationship between access to a political patron and perceived higher quality of LSG (Appendix, Table A1).

In order to investigate further the indication from the three-way ANOVA that local state interference by patronage influences the relationship between the two other predictors and the perceived quality of LSG, we looked at the marginal interaction effects. Figure 2 shows that at the 95% confidence interval, respondents in districts with multiple influential private companies ($\text{privsecstruc} = 2$) are significantly more likely to have negative opinions about the quality of LSG if there is no political patron in that district (type 3) as compared to districts with more than one patron (type 2). We observe a similar interaction for respondents in districts with little private sector stratification ($\text{privsecstruc} = 3$); however, at a generally lower level of negative opinions about LSG. All of this contradicts our hypotheses according to which monopolization of political and economic influence in districts should predict worst results for LSG quality. Figure 3 indicates a significantly worse

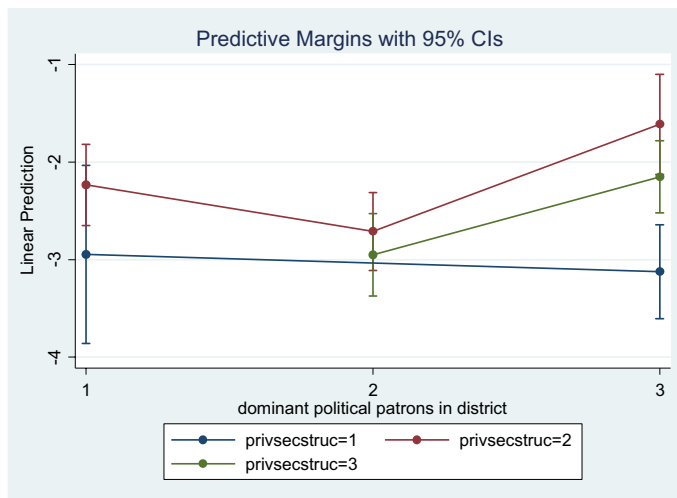


Figure 2. Marginal effects for the structure of the private sector on quality of LSG.

Notes: privsecstruc = private sector structure: 1 = monopoly, 2 = oligopoly, 3 = no dominant actors. Natural log of probability to belong to the class of most negative perception of quality interacted with political patronage. Higher values on the y-axis indicate worse perceptions of LSG quality.

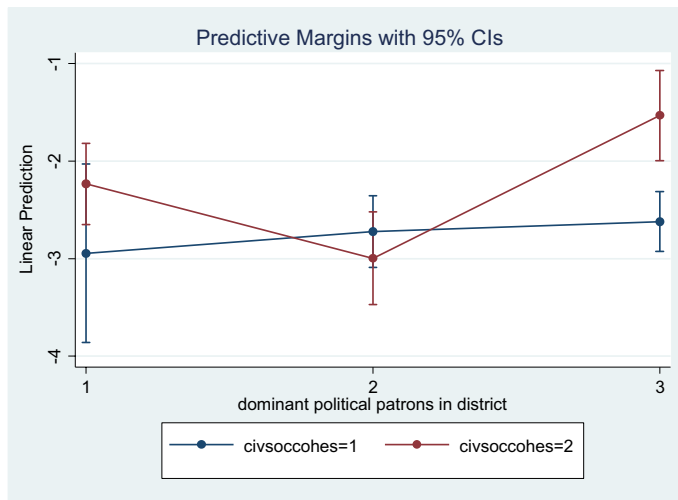


Figure 3. Marginal effects for the strength of societal organization on quality of LSG.

Notes: civsoccohes = societal organization: 1 = weak, 2 = strong traditional. Natural log of probability to belong to the class of most negative perception of quality interacted with political patronage. Higher values on the y-axis indicate worse perceptions of LSG quality.

mean perception of LSG of respondents in districts without patronage but with strong local social organization (civsoccohes = 2) as compared to districts with multiple patrons. This, again, contradicts our expectation to find best results for LSG quality in districts without patrons but with strong societal self-organization. No further interactions are statistically significant.

In sum, we get a mixed picture from which one pattern emerges that qualifies the results of the case studies presented above: LSG in general is not independent from state interference. Under current conditions in Russia's North Caucasus the state is not, however, a stable and uniform framework condition for LSG but a fluid entity that intervenes in different ways into the local affairs of the communities. Our proxy for this – political patronage – indicates that for the perceived quality of LSG neither “no political interference” (type 3) nor “outright vertical domination” (type 1) promises best results. Rather, a “balanced political patronage” (type 2) between different resourceful actors seems to be the best political environment one can hope for under current conditions. This local political framework seems to condition the effects of the other two predictors for the quality of LSG in a similar way. A choice of political patrons may improve the chances for LSG to secure benefits from an active but vertically integrated private sector; the absence of patronage, however, increases the likelihood that strong traditional society bypasses LSG to get the services they want.

The observation of the state's practical relationship to LSG as a pre-determining framework condition is, indeed, in line with the theoretical arguments, drawing on the works of Faguet introduced at the start of this paper (Faguet 2012). It seems that what Faguet called “insincere decentralization” (where the state is unwilling

or unable to make LSG work) developed a specific informal political framework in Russia's North Caucasus (2012). Within this framework, balanced political patronage may predict the best chances for LSG to be perceived as performing; at the same time, it seems that under these specific conditions civil society and the private sector have effects on LSG that are in opposition to predictions derived from cases of "sincere decentralization." In Russia, under the condition of interference by patronage, a vertically integrated private sector and a weakly institutionalized civil society go together with better perceptions of LSG.

The case studies offer some hints to understand these results in the local context. The absence of patronage and economic domination do not imply a level playing field and an independent LSG in the region under scrutiny. Rather, they imply politically neglected and economically forgotten districts that are just getting by. Here, LSG is simply too under-resourced to perform or develop any degree of independence. Balanced patronage and a higher degree of top-down politically controlled economic activity offers some political space to maneuver and raise extra resources for the more active LSGs. Informal state interference does not only influence LSG; it also influences the private sector and societal organizations.

Results regarding the consequences of the quality of LSG for trust in the state

Finally, we want to take a brief look at the relationship between the quality of LSG and trust in the state at the subnational and federal level. This is a tentative first step toward a more systematic assessment of how LSG impacts on trust in the institutions of the federal and subnational state in Russia. This will be the subject of a separate paper.

Here, we limit the analysis to the question of how far our composite measurement for the multi-dimensional quality of LSG predicts higher trust scores for two such measurements: the question as to whether the respondent voted in the parliamentary elections in 2016 as a proxy for trust in core democratic institutions; and the question as to whether the government of the republic cares for the concerns of the village as a proxy for output-legitimacy of the subnational government.⁸

The question as to whether a respondent voted or not is in itself interesting in the contemporary political context of Russia. Our sample is randomized and proportionally distributed across rural KBR. Hence, it is a representative sample for this universe of potential observations. In stark difference to the official figures on voter turnout of close to 90% (including in the capital), we find that only 37% of respondents in the rural survey (and 39% in the capital) indicated that they had voted. However, according to our logistical regression analysis, this variable strongly positively and significantly correlates with the quality of LSG (top class compared to bottom class). The better LSG is assessed, the more likely it is that a respondent had cast his or her ballot in the election of 2016. This relationship is mostly driven by the top class of perceived quality of LSG (see Appendix, Table A2).

We also observe a positive and statistically significant relationship for a republic government perceived as caring (see Appendix, Table A3). The middle class of

LSG-quality assessment in comparison to the lowest class drive this result. What is interesting is that only for this output-related measurement of trust in the subnational state does our indicator for material well-being produce strong and statistically significant results – higher self-assessed well-being co-varies with more trust in the government of the republic.

The indication is that despite the problems of subnational governance in Russia's North Caucasus, better LSG is conducive for state legitimacy. This contradicts a widespread fear of some weakly institutionalized states with a damaged, broken, or only evolving social contract between state and its local constituencies; namely, that the legitimacy and effectiveness of LSG and the state are a zero-sum game; that is, that better LSG harms the power and legitimacy of the state. This does not seem to be the case. However, we need to take into consideration the finding that in the context researched here, LSG in practice is far from independent of the state (even though rightfully this should be the case). Hence, the state itself has a strong impact on the quality of LSG; this may be an endogeneity issue or issue of reverse causality for the statistical analysis presented here.

Concluding remarks

The systematic research into local governance in the contemporary North Caucasus presented in this paper yielded results on state-society relations in Russia on three levels. First, we were able to identify typical and relevant but different patterns of state-community interaction via the case studies. Second, we see that the state has a strong impact on the way LSG works or fails to work, but this impact is not one-directional (top-down), is enacted via informal patron-client relations, and is moderated by the way local communities manage to confront, manipulate, or avoid state interference. Balanced patronage in economically viable districts with weak traditional social organization seem to yield the best results for LSG.

Finally, we were able to add some confirmative but moderating empirical evidence to the theory of general predictors of better or worse LSG under the very specific political framework conditions of Russian subnational governance – the resolve and ability of the central state to make LSG work is key but the formal and informal patterns of local state interference predict different results for the quality of LSG. As an outlook to further research, we presented some hints at possible consequence of better and worse LSG for trust in upper level state institutions.

Notes

1. The fieldwork was performed by a team of five. The team collected numerical data in all 70 villages and conducted short interviews (around 1–2). The most frequent (3–4 per village) and in-depth interviews were conducted in 13 key settlements in Kabardino-Balkaria and Karachaevo-Cherkessia.
2. The main sources of information used here are interviews conducted with the members of the village administration, as well as informed and involved community

representatives: the head of the village Zhankhoteko and his deputy in July and August 2014; Vasili Denisenko, chairman of the public council of the Cossack stanitsa, in Kotlyarevskaya 11 Feb 2015; interviews with Uzeir Kardanovim, head of Elbrus municipality, Elbrus, 7 Feb 2015, 8 Aug 2015; interview with Tachir Atakuev, inhabitant of Elbrus village, 4 May 2009 In addition, we used village passports for basic statistical and demographic information on the villages (<http://adm-zhanhotekoru/indexphp/pasport-selskogo-poseleniya>; <http://wwwmayadmin-kbr.ru/ops/pos/1266.html>; <http://eladm-kbr.ru/indexphp/s-p-elbrus>)

3. Law of the KBR from 27 February 2005, "On the status and delimitation of municipalities in the Kabardino-Balkarian Republic." The main issue here is that much of the commons (mostly pastures) would be re-classified as land not belonging to any municipality but rather to the state. The law specifies how land surveying and division would have to take place. This was less of a problem in the valleys, where land status and tenure for the most part followed from the former system of *kolkhozes*. But in the mountains, traditional access rights to pastures and forests survived the Soviet Union. Hence, the highlanders were categorically against this law and argued that it contradicted the federal laws on LSG.
4. Re-coding the answer option LSG into a binary variable (0 = not mentioned by respondent, 1 = mentioned).
5. Recoding the response option for LSG into a binary variable by collapsing the categories "never" and "rarely" into 0, and "often" as well as "always" into 1.
6. Latent Class Analysis (LCA) identifies latent (directly unobserved) classes based on response patterns in categorical variables and estimates the probability of individual respondents belonging to those latent classes.
7. Because of the formal assumptions of the ANOVA tests, we use the natural logarithm of probability scores for each respondent to belong to the worst class for quality of LSG (Appendix, Figure A1) as a continuous variable. However, as predictor (independent variable) we use the composite index of LSG quality (the class-belonging for each respondent).
8. We included the following control variables in the logistic regression models: security trend perception for the village, two value classes derived from questions about the state school curriculum, self-assessment of material well-being of the household, age, ethnic self-description, and education.

Acknowledgments

The qualitative research for this article was conducted in the framework of the project "Intra- and Intersocietal Sources of Instability in the Caucasus and EU Opportunities to Respond (ISSICEU)," financed by the European Union FP7 program. The institution-centered conflict research methodology was developed in the framework of three research projects financed by the Volkswagen Foundation 2003–2018. The survey data and quantitative research strategy resulted from research within the framework of the Collaborative Research Center "Governance," financed by the German Research Foundation DFG.

Disclosure statement

No potential conflict of interest was reported by the authors.

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Appendix
Latent Class Analysis (LCA) results on quality of LSG

Explanation of variables:

- Turn to – Whom would you turn to in case of a conflict on land? LSG answer option: yes or no
- Fairness – Does LSG usually decide conflicts in a fair way?
- Inclusion – Can all families (as opposed to only specific families) participate in LSG?
- ComGood – Are the decisions of LSG usually taken in the best interest of the whole community?
- Independent – Is LSG independent of external influence?

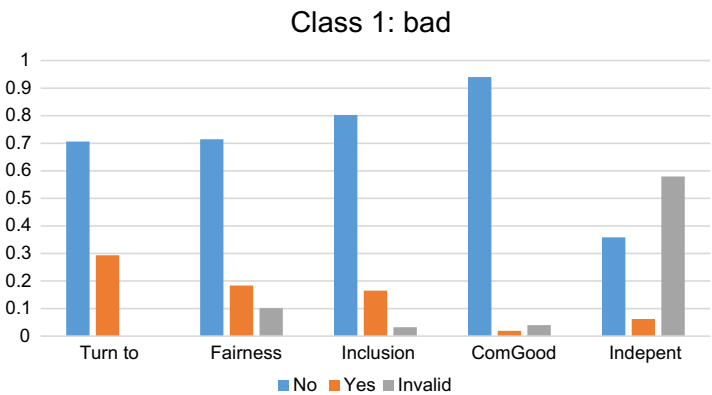


Figure A1. Low score for quality of LSG, class size 39.43%.

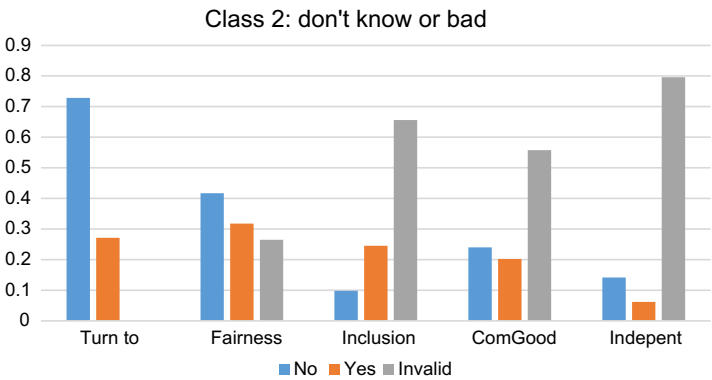


Figure A2. Medium score for quality of LSG, class size 31.36%.

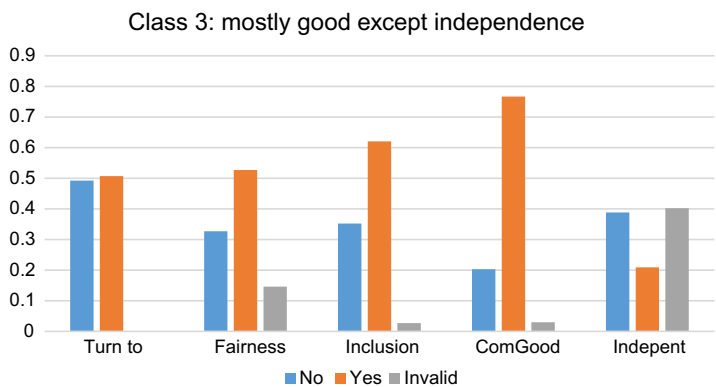


Figure A3. High score for quality of LSG, class size 29.21%.

Regression results

Table A1. Binary logistical regression for family access to patronage on LSG quality.

Access to patronage	Access to patronage
LCA_quality_LSG_index (1–3)	0.452*** (0.118)
constant	–1.306*** (0.266)
N	614

Note: Standard errors in parentheses.

* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$.

Table A2. Binary logistic regression LSG quality on participation in elections.

Election participation	Election participation
LCA class: worst LSG (1)	0 (.)
LCA class: medium LSG (2)	0.172 (0.213)
LCA class: best LSG (3)	0.865*** (0.192)
Village security	0.266** (0.101)
LCA value class: ethnonational	0.286 (0.238)
LCA value class: liberal	–0.259 (0.316)
Material well-being self-assess	0.0930 (0.120)
Age	0.00760 (0.00502)
Ethnic self-assess: Kabardin	1.153* (0.495)
Ethnic self-assess: Balkar	1.520** (0.479)
Ethnic self-assess: Russian	0.892 (0.555)
Education	0.123 (0.0759)
Constant	–3.834*** (0.593)
N	595

Note: Standard errors in parentheses.

* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$.

Table A3. Ordered logistic regression LSG quality on a caring republican government.

Republic governor cares	Republic governor cares
LCA Class: worst LSG (1)	0 (.)
LCA Class: medium LSG (2)	0.621** (0.221)
LCA Class: best LSG (3)	0.473 (0.241)
Village security	0.300** (0.101)
LCA value class: ethnonational	−0.347 (0.207)
LCA value class: liberal	0.247 (0.191)
Material well-being self-assess	0.550*** (0.0954)
Age	0.00385 (0.00631)
Ethnic self-assess: Kabardin	0.0230 (0.460)
Ethnic self-assess: Balkar	0.0644 (0.484)
Ethnic self-assess: Russian	0.788 (0.530)
Education	−0.281** (0.0884)
cut1 constant	−0.957 (0.731)
cut2 constant	1.651* (0.776)
cut3 constant	3.629*** (0.760)
cut4 constant	4.826*** (0.740)
N	588

Standard errors in parentheses.

* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$.