

# The Battle for Moscow

By Boris Kagarlitsky

*Moscow*

After the forced resignation of Moscow mayor Yury Luzhkov, fired by President Medvedev last month, the ensuing commentaries by political experts in Moscow resembled a post mortem of some scuffle in a children's sandbox, focused on who offended whom and who started it first. Naturally, both the Russian and Western press have published a lot of Kremlinological nonsense, pointing to Medvedev's personal concern about the fate of the Khimki forest which provoked a later conflict with Luzhkov; they speculate about rivalry between Medvedev and Putin. However, the conflict in Khimki has been going on for three years and attracted no interest on the part of the president, though these events were quite public and scandalous. The same can be said about relations between two leading figures in the Russian state, Medvedev and Putin. Though their relations have not been without problems, nothing shows that there is any political disagreement between them. Amid other banalities, the experts conspicuously evade the prime issue, which concerns the matter of money and private material interests. People stubbornly pretend that they do not live in a capitalist system, while the federal government's TV channels drench them in stories of the staggering corruption which saturates Moscow at every level. The most conspicuous feature of these exposes is that they are being broadcast by the same media that not so long ago denied the true situation or ignored it entirely. Does anyone want to ask: why are we getting these disclosures now?

The current battle for power in Russia's capital city has been sparked by the coincidence of crises at both the local and federal levels. It's not because, during Luzhkov's 18-year reign as mayor, his wife, Elena Baturina, has become one of the richest women on the planet. Baturina's business is no more than a colorful symbol of a larger reality. For nearly two decades, Luzhkov and the Moscow City Council oversaw a vast construction empire, tied in with banks, real estate operators and a bureaucracy some of whose functionaries became shareholders in certain favored companies. Moscow's

construction program not only developed in perfect isolation from the needs of the city, but grew to such a degree that it actually obstructed the real processes, structures, needs and capacities of the urban economy.

The dizzying pyramid of speculative capital was sustained only by constant credits and fresh injections of funds from the city budget. As in any financial pyramid, the need for additional capital is voracious and endless. The massive destruction of Moscow's historic buildings should not be ascribed to Mayor Luzhkov's bad taste, but to the need to constantly clear space in the heart of the

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city for ever more expensive construction projects. The less cost-effective and efficient these projects were, the greater was the need to launch new, even more grandiose ones. As a result, the infrastructure of Russia's capital declined at an accelerating tempo against a background of rapid road construction, which not only failed to solve the problem of traffic jams, but, on the contrary, owing to the unsystematic character of the road building, made them worse.

If the financing of the Moscow pyramid stops, the inevitable crash will follow, the victims of which will be not only Elena Baturina and her corporation, Inteko, but many other companies as well. Unfortunately, however, money is needed not only for the capital's mayor. An urgent need to plug the financial gap had also emerged at the federal level.

This summer's fires and drought made it clear that attempts to keep the fiscal deficit under control are doomed to failure, unless there is serious real-

location of resources across the entire Russian business sector. And, first of all, in Moscow. Pressure from the federal authority on the Moscow mayor's office was inevitable. For their part, the mayor and his team, amid compounding economic crisis, have appeared unexpectedly obstinate. The issue, again, is not Yury Luzhkov's personality, but the objective situation of Moscow's prime business powers. There is no safe haven against the storm. Ahead lies bankruptcy.

In launching their war on Luzhkov, the federal authorities made a fatal mistake at the very outset, deciding to force the mayor to capitulation by means of a propaganda onslaught. But the mayor's office was not shaken by these TV exposes because there were no accompanying administrative sanctions following these documentaries. The failure to back propaganda with punitive action only demonstrated the central government's weakness and indecision. Deploying its various representatives and experts, the federal authority suggested Luzhkov to resign voluntarily, but the mayor responded with a contemptuous refusal followed by a few precise, well-calculated blows. On his side, Luzhkov mobilized the metropolitan organization of the United Russia Party, thus demonstrating the actual collapse of the multiyear effort to create a pro-Kremlin party of power. The most varied figures – from the leader of the Communists, Gennady Zyuganov, to the capital's chief rabbi, and from the official trade union bosses to the Nizhniy Novgorod governor, Shantsev – have started to offer Luzhkov up-front or more circumspect support.

President Medvedev and his administration found themselves in an extremely awkward position. In every possible way, they tried to finesse Luzhkov's blatant resistance, but the mayor's obduracy left them no option. Even worse, it has become clear that if, after all that has happened, Luzhkov remained as a mayor, nobody will take the Kremlin seriously anymore. At last, on September 28, president Medvedev signed the long-awaited decree about the dismissal of the mayor from his post, in connection with “a loss of confidence.” Everything has been done in strict accord with the letter of our country's laws: no one requires any other reason for the official dismissal or even an explanation of it. However, it would be naive to believe that this af-

fair will now come to an end. On the contrary, the fight for Moscow and its vast reservoirs of capital has just begun. Declaring an exit from the United Russia Party, Luzhkov has launched his own political campaign. Together with the opposition, he demands the replacement of the current practice of appointing mayors with free elections (Muscovites remember well how elections took place in Luzhkov's 1990s phase, with the predictable consequences of installing candidates chosen well in advance). Today, there are suspiciously large numbers of people attending oppositional meetings, making exactly the same demands. And officials from Luzhkov's team still hold those same posts, without the slightest intention of giving up their positions.

The Feds, who are aiming to seize control of Moscow, will have to fight – in the literal sense – for each sector and department as if leading a street-fighting campaign for every house. Because they don't have enough staff and no plans, the battle will drag on. And when the Kremlin, finally, will seize the financial cash flows, redirecting them for national needs, the capital will experience a crash of such magnitude and force that many Muscovites, who rejoiced after the forced resignation of a mayor who became wearisome after 18 years, will feel an acute nostalgia for the prosperity of Luzhkov's time. Not only the business of Baturina, but the entire metropolitan economy will suffer. Wiped out will be tens if not hundreds of thousands of jobs, not counting, of course, the Tajik and Kyrgyz labor migrants, in whose fate there are not so many people interested anyway. In the tranquil Moscow of recent years, there will be grounds for mass discontent. And, on this basis, another attempt of a political comeback by Luzhkov and his team is quite possible. However, if the central government fails to capture Moscow's reservoirs of capital, the crisis at the national level will be bleak indeed. CP

**Boris Kagarlitsky** is director of the Institute of Globalization and Social Movements (IGSO) in Moscow and editor in chief of the *Levaya Politika* (Left Politics) quarterly. He is also coordinator of the Transnational Institute's Global Crisis project. He has written many books, including, most recently, *Empire of the Periphery: Russia and the World System* (2008).

## Waiting for the Phone to Ring Behind every Rendition There's a Renderer

By Steve Hendricks

*In February of 2003, the CIA kidnapped a radical imam in Milan and shipped him to Egypt to be tortured. But the kidnappers were sloppy, and an Italian magistrate traced them through cellphone records and other clues, then tried them in absentia. Twenty-three were convicted, most under the aliases they had used in Italy. The great majority of the kidnappers have never been found, but in his new book, A Kidnapping in Milan: The CIA on Trial (W. W. Norton, 2010), Steve Hendricks tells how he tracked down and spoke to several of them. The following is an excerpt from the book. (The Intelligence Identities Protection Act prevents Hendricks from using the spies' real names.) AC/JSC*

James Robert Kirkland (not his real name) grew up in the Ohio Valley, earned a bachelor's degree in a state adjoining his own, and dabbled in journalism and public relations before joining a police force. He served in many such forces in the U.S. and rose through the ranks until, after twenty-five years, he was appointed director of a force in a jurisdiction of a couple of million people. A few years later, he left public service to become a consultant in private security and resettled in his homeland, where cottontails and Pentecostals were thick on the ground. ("If God is your co-pilot, change seats," a church marquee near his home proclaimed. "The ten commandments aren't multiple choice," a rival offered.) From a colonnaded ranch house he and his wife commanded a substantial acreage, on which stood a great barn in fine trim and a tidy wooden fence painted in a crisp, happy color. The ensemble bespoke a well-ordered prosperity. After the kidnapping, the Kirklands bought a nearby colonial manor and turned it into a tastefully appointed country lodge, which seemed mainly the project of Mrs. Kirkland. Using the alias of one of her farm animals, she reviewed the lodge favorably on a travel website. (The hosts,

she said, were superlatively nice.) Her day job, which I am reluctant to divulge specifically, involved evacuation flights not dissimilar to the ones on which Abu Omar was rendered.

One of the two SIM cards (the storage disk inside a cellphone) that Mr. Kirkland had used in Italy had been activated at the start of December of 2002, which made him one of the earliest-arriving spies, which in turn suggested he

**Mrs. Kirkland returned, and both Kirklands professed great surprise that I had come to talk about a rendition. They knew almost nothing about renditions except that a movie called *Rendition* had been recently released. Was that the case I was looking into?**

was a senior planner. During his more than two months in Italy, he, or someone using his SIM, had been a prolific caller to the United States, calling numbers that belonged to his octogenarian mother, his then girlfriend (the present Mrs. Kirkland), the veterinarian who cared for their farm animals, an apparent stockbroker, an apparent accountant, and himself, which is to say the landline in his (and now Mrs. Kirkland's) home. He, or someone using his SIM, had also called an unregistered mobile phone in his home area code, which number my assistant Jessica called five years later. A man answered, and Jessica told him about our search for a CIA officer, or CIA hireling, named James Robert Kirkland. The man replied that he didn't know anyone