

HOW REGIMES DICTATE OLIGARCHS & THEIR FOOTBALL CLUBS:
CASE STUDIES COMPARISON OF OLIGARCH FOOTBALL CLUB OWNERSHIP
IN DAGESTAN, ROMANIA, & TRANSNISTRIA FROM 1990-2014

MELISSA A. McDONALD

A thesis submitted to the faculty at the University of North Carolina at Chapel Hill in partial fulfillment of the requirements for the degree of Master in the program of Russian and East European Studies in the Graduate School.

Chapel Hill
2014

Approved by:

Graeme Robertson

Robert Jenkins

Milada Vachudova

© 2014
Melissa A. McDonald
ALL RIGHTS RESERVED

ABSTRACT

Melissa A. McDonald: How Regimes Dictate Oligarchs & Their Football Clubs:
Case Studies Comparison of Oligarch Football Club Ownership in Dagestan, Romania,
& Transnistria from 1990-2014
(Under the direction of Graeme Robertson)

This thesis examines how oligarch football club investments in Central and Eastern Europe face restrictions based on regime type. Oligarchs gained political and economic control of this region following the collapse of communist regimes in the early 1990s. This region also saw great change when athletic institutions fell and football became an avenue for oligarchs to ensure political capital. Although many similarities exist, I argue that oligarchs use different strategies toward clubs to ensure beneficial forms of political capital based on their respective regimes. As a result, I highlight the structure of oligarchs in neo-authoritarian, oligarchical democracy, and de facto state regimes to assess how regimes influence oligarchs' use of football clubs. I advance this discussion with three case studies of oligarchs and their ownership of local football clubs. My cases include Suleyman Kerimov and FC Anzhi Dagestan, Gigi Becali and FC Steaua București, and Viktor Gushan and FC Sheriff Transnistria.

TABLE OF CONTENTS

CHAPTER 1: INTRODUCTION.....	1
Introduction.....	1
Methods.....	5
CHAPTER 2: THEORETICAL FRAMEWORK.....	9
Introduction.....	9
Historical and Geopolitical Implications of Football & the State.....	10
Communist Regimes and the Role of Football.....	11
Oligarchs & Football Clubs.....	15
Political Regimes and Oligarchs.....	20
Neo-Authoritarian Regime.....	21
Oligarchical Democracy Regime.....	24
De Facto State Regime.....	26
Theory Conclusion.....	28
CHAPTER 3: CASE STUDIES.....	30
Introduction.....	30
Sulyeman Kerimov & FC Anzhi.....	33
Gigi Becali & FC Steaua.....	41
Viktor Gushan & FC Sheriff.....	47
CONCLUSION.....	55

Chapter 1: Introduction

It isn't a struggle for most sports fans to list the owners of their favorite athletic teams. This becomes considerably easier for fans when the owners of their favorite teams also represent them in government, own their grocery stores, and are constantly making front-page headlines. Although a worldwide phenomenon, such an occurrence proves to be common in Central and Eastern Europe where oligarch ownership of football clubs has become the norm. In addition to the quick accumulation of wealth and interconnected political sway, oligarchs have gained celebrity followings. The celebrity status of these oligarchs and growing popularity enhanced by their football clubs draw media attention on a regular basis. When an oligarch's business deal or political move attracts news coverage, his football club doesn't go unmentioned. We read about these figures and accept their roles as football club owners, but have yet to explain their roles as club owners in the context of their political goals and gains. Football club investment of oligarchs is not merely a way to make money; it is a strategic means of influence and political self-gain.

Although important and ultimately interconnected, my paper doesn't seek to explain the economic gains of football club ownership. Rather, by looking at the behavior of oligarchs and their use of football clubs, much can be learned about the connection this has to the oligarchs' relationships with their respective regimes in Central and Eastern Europe. While many oligarchs from this part of the world gained notoriety and great financial independence when purchasing Western sports clubs, many of their counterparts opted to purchase the freshly fallen football

clubs that lost their state sponsorship when regimes across this region fell in the early 1990s. For decades, communist regimes in the Soviet Union, Yugoslavia, and Socialist Republic of Romania sponsored sports clubs to influence their citizens and display system dominance on a world stage. When these regimes fell, so did their sports. State sponsored teams privatized and many new clubs were also established. A significant number of oligarchs now capitalize on these local opportunities.

In order to understand the benefit of football clubs to oligarchs, I ask how regime type dictates the behavior of oligarchs. By asking how regime types define the roles of oligarchs, I can better assess the forms of political capital an oligarch uses to maintain power with their businesses and politics. By political capital, I mean the approval of other political figures or the influence over the public that aids in an individual's political promotion and power. Since oligarchs are active in different regime types with different forms of political capital, oligarchs have different strategies for their football clubs in order to ensure appropriately beneficial political capital. The celebrity status of oligarchs and other means of influence also come into play but the regime also has greater control of the way these factors can impact the behavior of an oligarch.

Oligarchs ensure political capital and show allegiance to their regime by promoting youth programs and philanthropy projects, building stadiums, creating greater regional pride, and enforcing a positive image for their politics. However, oligarchs acquire their political capital in different ways. While some put their funding into youth projects and advertise their philanthropic side to the community, others simply use teams for greater public visibility. In this thesis, I explain why.

My methods section discusses my mixed methodology, including my use of secondary sources, interviews, online questionnaires, social media, and newspaper articles. I also discuss my case selection and universe of cases. My theoretical framework consists of two main components, an analysis of the political transformations of football and then a look at three different regimes types in the region.

Chapter two first covers literature on the historical and geopolitical relationship of football to the state in the Soviet Union, Yugoslavia, and the Socialist Republic of Romania. It then discusses the way football privatized with the fall of these regimes and how this created opportunities for oligarchs to financially sponsor these football clubs. To better understand the motivations and goals of oligarchs who purchased these clubs, the section reviews literature on oligarchs who own teams outside of this region. This is especially important to cover because it explains many oligarchs from the region who opted out of the full constraints of their regime and political loyalty by purchasing teams abroad. My theory, however, focuses on those who remained loyal to their political systems.

Focusing on oligarchs who purchased clubs where they remained loyal to their political regimes raises the question of how these regimes have continued to ensure their loyalty. The second component of the theory section seeks to explain the way oligarchs function in three different regime types. I will look at the restraints and political capital of oligarchs in neo-authoritarian regimes, oligarchical democracies (as defined by Gabyani 2004), and de facto states. At the end of my theoretical framework section, I conclude that the combination of these two key elements helps explain the phenomena of oligarchs owning football clubs in Central and Eastern Europe.

In chapter three, I then illustrate how regime types impact the way an oligarch uses a football club in three cases, one for each regime type. For each case, I explain the oligarch's rise to power, his political interests, and the development of his involvement with the football clubs. I explain the varying needs of oligarchs to promote youth programs and philanthropy projects, build stadiums, create greater regional pride, and enforce a positive image for their politics through heightened visibility. In doing so, I will also explain any important details about the establishment of these clubs and any local political issues relevant to the team and oligarch.

I look at the following agents and their association with local football clubs: Suleyman Kerimov and FC Anzhi Dagestan, Gigi Becali and FC Steaua București, and Viktor Gushan and FC Sheriff Transnistria. The aforementioned actors have played significant roles in the notoriety and development of their respective local teams in a variety of ways. Within the context of each regime type, I explore the respective individual political strategies of the team owners.

After analyzing each case, my thesis concludes with a discussion on the relationship between football and politics in Central and Eastern Europe. For my specific theory, I argue that regime has the biggest impact on whether and how oligarchs approach their football clubs for political purposes. My work adds to other valuable literature on sports and politics, particularly in this region of the world. Through this thesis, I also contribute to our understanding of oligarchy and its functions. Most importantly, I have developed a new theory that welcomes scholars to explore. This thesis is groundbreaking because I have gone far beyond the general discussion that recognizes the political prestige associated with owning a football club. Rather, I established an original theory that shows how major political dynamics determine the development of football clubs under oligarch control.

Methods:

In order to acquire a complete picture of my topic, my research called for a mixed methodology. First, a number of secondary resources provided a strong basis for building my theory. In the following section, I refer to academic journal articles and books that cover football in Central and Eastern Europe. In addition to this literature, an assessment on the role of elites in different regime types adds to my theory building. Certainly the history of football and politics and the privatization of sport frame the local structure of Central and Eastern European football clubs. The literature on oligarchs and regime types shapes my independent variable of regime types influencing my dependent variables, which are the common elements in oligarch football club ownership. These dependent variables include oligarchs' promotion of youth programs and philanthropy projects, construction of stadiums, creation of greater regional pride, and enforcement of a positive image for their politics.

These dependent variables were observed through multiple methods. First, media coverage of the oligarchs and their football clubs provided a solid base of information. Further examination of social media sources including Youtube, Facebook, Twitter, and public commentary sections linked to social media sites of individual users. In addition to these sources, I accessed team marketing and self-promotion on social media sites and the official websites for the clubs. Finally, I utilized in person interviews, Skype interviews, and online questionnaires to gain a stronger sense of the way these dependent variables were playing out for each case.

My foreign language skills, access to informants, and amount of sufficient information on each case controlled how I went about my research. I used my Russian foreign language skills to communicate with informants in the Republic of Dagestan and Transnistria. I used my

elementary Romanian language skills to identify useful articles and a native Romanian language speaker translated the relevant information for me.

For my first case, Kerimov and FC Anzhi, I created an IRB approved profile on the social media website, Facebook. In my profile, I identified the purpose of the profile and my research. I filtered search results to find Facebook users who lived in Dagestan and liked FC Anzhi. I contacted these users in Russian and requested their participation in my research project. After gaining their consent, I sent an IRB approved questionnaire about their opinions on the team and Kerimov as club owner and their representative in Russian Parliament.

Regime type also proved to influence my research needs because there was more public forum for my second case, Gigi Becali and FC Steauau. This spoke volumes for the way a more competitive multi-party political system welcomed public criticism and opposition. For my third case, Viktor Gushan and FC Sherriff, I conducted interviews. Having spent a year in Moldova, I was able to utilize a pre-established network of informants associated with football in Moldova and Transnistria. For this case, I conducted in-person and Skype interviews with Moldovans and Transnistrians in Chisinau Moldova and Tiraspol, Transnistria.

I selected a case from each regime type to exemplify how the dependent variables vary across the region. While a number of oligarchs and their football clubs could have been selected for this thesis, these cases represent regular dynamics at play in the Central and Eastern European football world. Every oligarch utilizes a club for self-gain but my cases characterize more publicized examples that truly highlight how regimes are involved in modern day football clubs. Certainly my cases reflect somewhat extreme examples but do not prove to be serious anomalies from the way oligarchs invest in football teams.

Although it is difficult to approximate my universe of cases, multiple oligarchs

throughout the region invest in football clubs. Several Russian oligarchs commonly purchase teams or establish high management positions in conjunction with their goals to gain the approval of other political leaders. Approximately 15 major Romanian oligarchs with varying degrees of political interest own domestic football clubs. George Copos and FC Rapid Bucharesti exemplify another extreme case of a Romanian owner and his interrelated football politics. Similarly, Ukrainian oligarchs are also well known for their football club investments. Most recently, the government in Kiev appointed football oligarchs as the governors of Dnepropetrovsk and Donetsk. The president of FC Metalurh Donetsk, Sergey Taruta, and vice president of the Ukrainian Football Association and chairman of FC Dnipro Dnipropetrovsk, Igor Kolomoisky were the recently appointed governors (Wilson, 2007; n.p. RT Web, 2014).

In terms of the universe of cases for de facto states, Gushan's monopoly of power over Transnistria leaves little room for other elites to similarly utilize clubs. Of the two other Transnistrian clubs, Gushan maintains partial ownership of FC Tiraspol. The third team, FC Dinamo-Auto receives more government funding but is headed by the Chief of the Interior Auto Ministry, Dmitry Margarint, who also boasts club philanthropy and community building (Moldfootball Web, 2012). Transnistria is not alone as the only de facto state with established football clubs and leagues. The Football Federation of the Republic of South Ossetia fields a national team that was founded by Dzhioev Alan Amiranovich (ConIFA, Web 2014). Moreover, the Abkhaz Football Federation consists of nine clubs (ConIFA, Web 2014). Most notably, Abkhazian founder and president of FC Gagra, Besik Chikhradze receives a lot of attention for his role with the clubs. Due to minimal information, these areas require research by a future scholar on this topic.

Traditionally, football has been a passion in this area of the world, making it common for

individuals to gain prestige and visibility through their association with clubs. Similar cases are also seen in Hungary, Czech Republic, and the Balkans, but greater commercial sponsorship in these areas reduces the ownership roles of oligarchs. I welcome future scholars to explore some of these specific cases and others throughout the region. Furthermore, I encourage others to test my theory in other parts of the world where oligarch football ownership demonstrates similar dynamics.

Chapter 2: Theoretical Framework

This chapter addresses the framework for football and politics in Central and Eastern Europe that led to the continuing phenomena of oligarchs investing in football clubs as a method for gaining political capital. I argue that necessary forms of political capital in different regime types determine the strategies that oligarchs use toward their football club investments to ensure political success. The first section of this chapter examines the literature on state sponsored football and its subsequent privatization during transitions from communist regimes. The second section assesses the role of oligarchs in three different regime types: neo-authoritarian, oligarchical democracy, and de facto state.

The first section on the historical and geopolitical implications of football and politics in Central and Eastern Europe starts with a review of football as a mass spectator sport and tool for the promotion of ideology. It then covers the role of clubs roles during regime transitions. I briefly touch on the general globalization and commercialization of football clubs in Europe. A specific section, *Oligarchs and Football*, serves to explain the trend of oligarchs from this region who purchased football clubs as an exit strategy from their respective regimes. This subsection also importantly outlines the dynamics of oligarchs who have remained loyal to their regime through their local football club investments. It is here that I outline the dependent variables and also give some attention to other factors, which include oligarchs' celebrity statuses and the team histories.

In the second section, I cover literature that assesses how oligarchs function in different regime types. Explaining the function of oligarchs in three different regime types in Central and Eastern Europe clarifies why and how regime type dictates the way oligarchs utilize their football club investments. First, I look at oligarchs in authoritarian regimes, a system in which overly strong centralized power limits political pluralism, mobilization, and the public. Next, I look at oligarchical democracies, which prove to maintain competition with overriding power of oligarchs. Finally, I assess de facto states, which mirror features of both authoritarian and oligarchical democracies with an added element of ethnic control. Ultimately, the political structure of regimes award and encourage different forms of political capital that then determine how oligarchs utilize football clubs. The regime type also accounts for the factors of oligarchs' use of their celebrity status and other means of influence. Once I have established a clear background and clarification of the way oligarchs emerged and are bounded by their regime type, I explain my theory and its application to my cases.

Historical and Geopolitical Implications of Football & the State:

My first subsection covers the historical and geopolitical implications of football and the state in the Soviet Union, Yugoslavia, and Romania. The section will briefly touch on sports in communist and socialist regimes and then focus on football as the most popular spectator sport. Although my cases will not focus on clubs from former Yugoslavia, the addition of literature shows consistent regime and regional patterns in the relationship of football, politics, and transitions.

First, I chronologically cover how teams were first used to promote ideology. Next, I discuss the means by which teams were involved in regime transitions. Teams either maintained

a unified approach towards the communist ideology or contributed to fragmentation by their push for nationalism and independence. I then look at the emergence of privatized clubs following regime change. I note the potential for clubs to reestablish or establish nationalist pride for fans on an international stage. I use this section to argue that the utilization of football by Central and Eastern European communist and socialist regimes and the later demise of state sponsored athletics created opportunities for elites to capitalize on broken structures and fan bases. An additional section, *Oligarchs and Football*, outlines the way oligarchs approach football clubs since the early 1990s in two parts. First, this section will cover the trend of oligarchs who own Western clubs and then it will look at the trends of oligarchs in Central and Eastern Europe.

Communist Regimes and the Role of Football:

Across the world, sports and politics have intertwined with each other in a number of contexts. Specifically under socialist and communist regimes in Central and Eastern Europe, leaders attempted a number of techniques to orchestrate the masses through sport. Athletic institutions and sport in general was called on to support ideological goals. The relationship between sports and regime goals ignited academic discussion assessing sports and ideology during 1920s and 1930s. This discussion expanded in 1952 when the Soviet Union began competing in the Olympics and sports started signifying system dominance. Leaders aimed to display achievement over the bourgeois West through successes in international competition. (Edelman, 1993; Hoberman, 1974; Howell, 1975; Riordan, 1977).

Football has been the main focus of academic attention because of its value as the most popular mass spectator sport. Leaders, players, and fans all enjoyed the games but leaders also

felt strongly about establishing their socialist teams and values against those of the bourgeois West (Edelman, 1993). A handful of key scholars have dedicated work to understanding and explaining the political role of football clubs during and after Yugoslavia, the Soviet Union, and the Socialist Republic of Romania.

In socialist and communist regimes, football clubs were named after and associated with different aspects of the state. The teams were subsequently used to influence the masses (Missilori, 2002; Mills, 2009; Mills, 2010; Riordan, 2007). Totalitarian sport organized the masses by linking teams to military training songs and the notion of preparing for battle. Team identities were derived from different elements of the state including the army, intelligence agency, state railway, and other industries and factories (Missilori, 2002).

Most notably, it became common practice for political leaders to get involved in athletic competition. Leaders often pressured athletes to guarantee victory and promote ideology through their positions as successful role models of the regime. In the Soviet Union, athletes even had to send special notes to leader Joseph Stalin assuring Soviet victory if they wished to compete in international games. During Mikhail Gorbachev's era of *glasnost* athletes started opening up about enforced pressure to maintain a Soviet ideology and reject any Western influence on sport (Riordan, 2007). Similarly, in Yugoslavia, teams maintained historically communist values and leader Josip Tito supported their role in society. Society and political leaders viewed athletes as national heroes of 'brotherhood and unity' (Mills, 2010).

Promotion and financial support from the Romanian Communist Party developed a similar relationship between the state and sport in Romania (Vinokur, 1988). Carrying a "winning is everything" mentality, communist party leader, Nicolae Ceauescu, takes credit for the party's commitment to producing athletes that brought international prestige to Romania.

Generally, trade unions encouraged mass sport. Due to significant media coverage, football grew as the most popular mass sport. The media covered all clubs but the successful teams were constantly featured in the news to promote system dominance.

Vinokur (1988) outlines the important relationship between sports, the press, and the public, explaining how the Romanian Communist Party openly discussed their goals to create celebrity role models out of their most successful athletes through media coverage.

Governments aimed to produce globally superior athletic clubs because the media created worldwide spectators (Edelman, 1993; Vinokur, 1988). Football came to represent a relationship to various aspects of the state and the values of the regime. Media coverage and promotion from the state constantly brought public attention to athletics.

Attention to athletics and football in particular, continued to play an important role throughout the collapse of communism in the Soviet Union, Yugoslavia, and Socialist Republic of Romania. During the demise of communist regimes, teams that showed support for communist values exerted effort to maintain the regime. Teams, like Velez Mostar, which attempted to uphold and promote state goals of unity and multiethnic relations, became the target of violence during the wars in former Yugoslavia that contributed to its dismantling (Mills, 2010)¹. Conversely, teams also showed resistance to the regimes. For instance, Serbian football helped revive Serbian nationalism and contributed to the ethnic and nationalist tensions in the Balkans through its fan base who promoted Serbian dominance against other nations (Mills, 2009).

Similarly, the collapse of communism spilled over into the football world in the USSR. Especially in Soviet sports history, football events have anticipated and even precipitated

¹ Velez Mostar is a football club from Mostar, Bosnia and Herzegovina known for maintaining multi-ethnic values during the demise of Yugoslavia

political ones (Missilori, 2002). In the late 1980s, teams in the Soviet Union began expressing forms of nationalism away from the Soviet ideals, which resulted in several clashes and demonstrations at matches (Riordan, 2007). With the failed 1991 coup d'état, FIFA selected to only let one CIS team compete in the 1994 World Cup.² When Russia was selected, Ukraine and other local states expressed further dissatisfaction. Fragmentation of national teams ultimately played an important role in mobilizing loyal fan bases (Riordan, 2007).

Consequently, private commercialized sport also emerged at this time. The 1989 Revolution in Romania ultimately brought a free market and privatized sport to Romania. Elsewhere, athletes and coaches left to work for organizations in the international sports market. Russian sports organizations, including boarding schools and youth sports programs, were dismantled as interest in the Olympics fell. During the early stages of sport privatization and commercialization, private teams became a means to recover the dismantled athletic structures (Riordan, 2007). When most teams lost their state sponsorship, crumbled athletic institutions turned to private financial support. At this time, many new clubs emerged that also maintained the abilities to restore local and international recognition.

Incidentally, football clubs across Europe also dramatically changed in reaction to globalization and commercialization in the 1990s (Missilori, 2002). Live coverage of games changed the way teams, UEFA, and FIFA were able to profit from television network contracts³. Bids to host important matches focused on commercial incentives and encouraged the privatization of sport. Moreover, transfer fees and contracts ultimately created a bigger gap

² FIFA (International Federation of Association Football) is the international governing body of association football. The Association Football Federation of CIS was the provisional league that FIFA approved after the collapse of the Soviet Union and its football league.

³ UEFA Union of European Football Association is one of six confederations of FIFA as the governing body of association football in Europe.

between rich and poor clubs, which made team sponsorship even more important. A change was also seen in the way international players created multi-national rosters and changed the structure of leagues. According to Missilori (2002), European football can be seen as a microcosm of tension between local/national identities and globalization.

In addition to commercialization and globalization, the European football world experienced great change from international and national conflicts. With the collapse of the Soviet Union, Yugoslavia, and Socialist Republic of Romania, football adopted many nationally charged teams with fans who wanted to regain national pride that was lost during the disintegration of their state backed clubs. Similar to evolving private teams in Central and Eastern Europe, Western European clubs also started welcoming another result of these regime downfalls – oligarch investment. The following section covers the trend of these regional oligarchs purchasing football clubs.

Oligarchs & Football Clubs:

Regime change across Central and Eastern Europe created lasting affects worldwide, which were also easily observed across the football world. This region not only produced private clubs that were previously backed by the state but it also introduced a number of new football clubs with new fan bases. Additionally, the transitions brought an abundance of wealthy oligarchs with desire to maintain power. Today, the term oligarch is used somewhat vaguely. It has become a colloquial term frequently used to describe an individual with significant wealth and political clout. These oligarchs either invest in clubs abroad or they purchase local clubs that they use to gain political capital in order to improve their power.

In this subsection, I first recognize scholarship explaining the dynamic of oligarchs owning clubs in Western Europe. While my work doesn't seek to explain the dynamic of oligarchs who turn to clubs in the West, it is helpful to discuss how oligarchs conduct football business in an opposite fashion than their counterparts who purchase local clubs. I outline common elements of oligarchs and their football club investment in Central and Eastern Europe, which will later be explained and assessed in greater detail in chapters dedicated to my cases.

Scholars have assessed oligarchs who own Western football clubs as vanity and popularity projects or, in the case of Eastern European owners, a means to establish a successful financial base abroad (Riordan, 2007; Foer, 2010). Riordan (2007) argues that Russian oligarchs started taking over Western football by using their excess wealth to sponsor teams and gain healthier images. Since the early 1900s, investing in a globalized sport that brings joy and popularity to many proves to be an effective move for leaders.

Riordan (2007) dubs one oligarch, Roman Abramovich, the infamous owner of FC Chelsea, as the major trendsetter for Russian oligarchs to invest in clubs. The main benefits for purchasing clubs include the financial gains, establishment of healthier images, and exit strategies. The central aspect of the business comes from buying and trading players to the highest bidders (Lederman, 2009; Pannenberg, 2010; Riordan, 2007). As Pannenberg (2010) points out, elites see football clubs as business opportunities, investing in football clubs to enrich themselves.

For the case of Abramovich and others who own clubs in Great Britain, team owners are not lawfully obliged to reveal accounts that are used for team sponsorship. In addition to this, the oligarchs have reduced taxes and government control that allows them to freely conduct business. Oligarchs maintain unlimited potential to launder money, build stadiums, and trade

and/or buy talented players (Riordan, 2007). Riordan (2007) argues that a blind eye is turned to wealthy oligarchs who use football as a veil for their “less sporting activities” and a means to launder their wealth.⁴

Riordan (2007) points out how this trend started but fails to really support this with a discussion of other oligarchs or the financial freedom beyond Great Britain. However, the focus of this work speaks to Hirschman’s (1970) “Exit, Voice, and Loyalty” theory. According to Hirschman (1970), when a situation deteriorates, an individual has three choices: exit the system, voice your grievances and attempt to deal with the problems, or maintain loyalty and tolerate the system. In discussing the structure of oligarchs in Russia’s neo-authoritarian regime, Rutland (2003) similarly argues that those who wish to have pre-Putin autonomy may seek an exit strategy that potentially puts them outside of the Kremlin’s reach. Rutland labels one such exit strategy as the “internationalization of Russian oligarchs,” using Abramovich’s purchase of FC Chelsea as an example.⁵

The notion of oligarchs who have escaped the restrictions of their regimes for greater autonomy with their businesses and clubs supports my theory by showing that football still interacts with regimes as an exit strategy. My research conversely looks at oligarchs who capitalized on local teams and remained loyal to their regime. I argue for oligarchs who purchase teams within their area of political interest. Academic discussion has yet to shed light

⁴ Less sporting activities indicates the occurrence of corruption and illegal money transfers that cannot officially be confirmed due to the nature of the structure.

⁵ The discussion of exit strategies for oligarchs has been reinforced by recent political events relating to US and EU sanctions placed on Russian oligarchs in reaction to Russia’s 2014 annexation of Crimea. Russian politician and lawyer Alexei Navalny and other Putin critics called the US and EU to seize Abramovich’s assets and those of Alisher Usmanov, a major shareholder in Arsenal FC. However, neither man is publically connected to President Putin or the Russian government. Sanctions have not been carried out on either one of these businessmen (Holehouse, 2014; Navalny, 2014).

on the localized football opportunities created in the transition processes and the way oligarchs approach these clubs.

I now outline variables that help determine the way oligarchs use local football clubs to ensure political capital in Central and Eastern Europe. Although financial success is attainable in some cases, these oligarchs are less interested in financial benefits and more interested in political benefits. Rather than exit their regimes, these oligarchs remain loyal and therefore, face greater accountability to the system. Oligarchs who invest in local clubs respond to the local issues in the regimes in order to gain political capital in the form of approval for political leaders or the approval of the public.

Oligarchs ensure political capital and show allegiance to their regime by promoting youth programs and philanthropy projects, building stadiums, creating greater regional pride, and enforcing a positive image for their politics. However, oligarchs acquire their political capital in different ways. In this section, I explain these elements.

Quite similar to the way communist regimes established sports schools to produce good athletes, many oligarchs either inherited football academies or established them with the purchases of clubs. While not always inclusive of these components, football academies offer youth athletic programs, academics, and room and board. Team officials frequently market football academies as ways to cultivate good citizens and respectful members of society. Despite the fact that the goal is to produce future professional players, the academies aim to draw away from the commercial aspect of teams. Rather teams advertise the academies as relationship building projects with local communities.

In some cases, oligarchs even offer football academy enrollment “free of charge.” The intention is to offer something back to the community but the academies also serve as businesses

for trading skilled players. Similar to this, teams get involved in local philanthropy projects. Beyond financial funding, teams will invite their players to reach out to the local community and make public statements about giving back to society in a positive way. Social media has made this especially easy for teams because they can easily frame and publicize their philanthropy events all over the Internet.

The renovation or construction of athletic stadiums has also played an important role for oligarchs. Building a state-of-the-art stadium brings pride and prestige to the oligarch but also to the local community. Moreover, well-equipped stadiums attract attention, especially when the venue hosts international competitions. Creating greater regional pride certainly comes into play and in some ways, resolves recognition that was lost following the collapse of state-run athletics. In addition to the stadiums, acquiring famous players and in theory, making them representatives and members of the local community creates great excitement. Local populations warmly welcome high-profile players to their communities.

Finally, oligarchs may also utilize their football clubs to promote their politics. To varying degrees, the oligarchs all use their teams in some way to build a positive name and create the healthy image that Riordan (2007) highlights in his look at oligarchs in Western Europe. While some oligarchs let their business moves with the team speak for themselves, others will explicitly use their position as team owner to promote their political ideology through media coverage. Oligarchs may also use the team to conduct political activities that promote the name, image, or political party of an oligarch.

Furthermore, team media coverage grants the oligarchs stronger celebrity status. Oligarchs grow more famous from their association with football clubs because it gives them a different means of influence to reach the local population in a positive way. The top two

celebrity figures in pop-culture (at least in Russia) are oligarchs and sports heroes (Lenderman, 2010). A combination of these two forms of celebrity icons certainly draws great attention to the clubs. However, oligarchs will take advantage of this in different ways. Some position themselves under the spotlight but others avoid this all together.

These elements that I just described may be present with oligarchs who purchase clubs abroad but there is far less focus on these aspects because the oligarchs have little incentive to reach the local populations or regimes. Gaining political capital and adhering to the local system improves elites' self-gain within their regimes. Teams with a rich history and committed fan base offer even greater incentive for oligarch involvement because it brings visibility through pre-established networks of fans and media coverage. Newer teams still bring valuable attention but fan bases maintain reduced loyalty to a club. The following section describes how the regimes explain the variation of oligarchs and their football clubs.

Political Regimes & Oligarchs:

Far beyond the changes seen in the sports world, Central and Eastern Europeans also experienced significant shifts in politics and business. A key factor in this shift has been the emergence of oligarchs. Generally, oligarchs came to dominate politics and business in a similar fashion by capitalizing on previous political positions during transitions processes. Other elites also attained oligarch status by first achieving financial success and then becoming involved in politics. However, distinct regime transformations from communist regimes created different structures within each system. These unique transformations regulate various levels of autonomy for oligarchs based on the type of political capital that drives success.

A clear understanding of these changes helps to better assess how oligarchs function under the restrictions of their regimes and how this impacts their ownership strategies toward football clubs. Academic discussions on oligarchs cover a range of topics but I highlight how neo-authoritarian regimes, oligarchical democracies, and de facto state regimes specifically determine behavior of oligarchs within each system. Each subsection will assess important literature on oligarchs in these regime types, drawing attention to the oligarchs' autonomy levels through an understanding of their needs for political capital. Ultimately, regimes impact the way an oligarch utilizes their football club because it dictates how oligarchs connect to the public and fan base to promote their political gains.

Neo-authoritarian Regime:

A look at the emergence and development of oligarchs in Russia illustrates how oligarchs function differently in neo-authoritarian states than oligarchical democracies and de facto states because they must subscribe to the specific goals of the state in order to ensure political capital from other political figures. This structure gives the oligarchs the least amount of freedom to conduct their businesses and politics on their own agenda. Rather, in order to improve their political clout and climb higher up the neo-authoritarian ladder, oligarchs compete with one another to meet the needs of the head of state who they will never bypass nor overthrow for his position.

Russian oligarchy uniquely shows a political-economic model that arose in the chaos of Soviet collapse and retreated as the Russian state reasserted its authority (Rutland, 2003: 133). Following the collapse of the Soviet Union, consolidated emergence of private businesses led to

a fast forming informal network of select elites with political connections and economic resources.

By referencing Vadim Volkov's *Violent Entrepreneurship*, Riordan (2007) explains the opportunity for elites to consolidate and control power. Transitions to democracy led to corrupt neo-authoritarian states that suppress opposition and the media. Elite rose to power in wake of the breakdown of the law and a rise of crime and corruption. In the case of Russia, *violent entrepreneurs* became legal oligarchs under President Vladimir Putin. In agreement with Putin's power structure, Russian oligarchs serve the needs and desires of the Kremlin to ensure state control.⁶

In greater detail, Rutland (2003) outlines how Putin's rise to power led to the demise of oligarchic capitalism, or their free reign of business and politics. First, oligarchs were draining the Russian state of its assets. Second, the oligarchs lacked a political strategy for legitimating their rule in the Russian public eye and finally, oligarchs were divided among themselves and individual goals. At the same time, Vladimir Putin gained political power through his appointment as Prime Minister in 1999 and his election to president in 2000 (Rutland 2003: 138).

Under Putin, Russia became increasingly closed and authoritarian in the 2000s. Clear limitations of pluralism and promotion of Putin's executive power and control over political mobilization made the authoritarian transformation evident. While Putin kept many of Yelstin's officials in the Kremlin and announced that he wanted to continue market reform, it appeared that Putin wanted to reinforce state power but maintain the pluralistic system. Proving much more independent than expected, Putin started cracking down on oligarchs and distanced them

⁶ Violent entrepreneurs are those who used violence and coercion in Russia in the 1990s in creating the institutions of a new market economy. These violence-managing agents are part of criminal groups, private security services, private protection companies, and informal protection agencies that expanded with liberal reforms in the 1990s (Volkov, 2002).

from political power. He started by driving two oligarchs who owned media outlets into exile (Rutland 2003: 138). Putin further reinforced his message to oligarchs by arresting Mikhail Khordokovsky, the richest man in Russia and central potential threat to Putin's presidency (Rutland 2003: 138).

With the resources of the state and legitimacy of his elected position, Putin exerted his influence over the oligarchs by forcing them to subscribe to his control. Putin started appointing all governors and republic presidents throughout Russia. Realizing the path to continued power, businessmen became interested in acquiring positions in the legislative branch. Inside seats in the Duma means more immunity from prosecution and inside influence (Rutland, 2003).

When considering the role of business in Putin's state capitalism (as opposed to oligarch capitalism), Rutland (2003) describes how oligarchs have two choices, loyalty or an exit strategy. Rutland attributes pride, greed, and patriotism as the reasons some oligarchs remain in the Russian system. Loyalty subsequently becomes the only available strategy for oligarchs, forcing them to follow tax laws and actively help with the Kremlin's agenda. Loyalty to the system does bring some perks and a way for these elites to control their fate. For instance, many oligarchs with deputy positions in the Duma and Federal Council exercise their abilities to block new legislation that would diminish their success, such as tax loopholes and foreign investment (Rutland, 2003).

Most importantly, oligarchs in a neo-authoritarian regime and specifically, in Russia, must remain loyal to the system in reaction to the way the system is maintained. Forms of loyalty produce benefits for oligarchs. Loyalty may include purchasing football clubs to promote the system and answer the needs of the government, enhancing state interaction with private business, and bringing an understanding between the government and the public. Oligarchs in

neo-authoritarian regime types promote their teams in stronger accordance with the regime needs in order to promote their self-gain within the system.

Oligarchical Democracy Regime:

Contrary to oligarchs in neo-authoritarian regimes, oligarchs in oligarchical democracies face fewer constraints and greater autonomy with their businesses and political careers. An oligarchical democracy includes a competitive multi-party system with an overarching control of elites. Therefore, the system doesn't guarantee nearly as much protection from the top and requires greater public approval from below.

Gabanyi (2004) argues, that the 1989 revolution in Romania resulted in an *oligarchical democracy*. The nomenclatura transformed into an economic domination of a new oligarchy, as elites of the old Romanian Communist Party benefited from their preexisting power. Despite control from a ruling elite, Romania is still considered a democracy with a free market.

Elites prospered during Romania's struggle toward democracy and have not been controlled like their neo-authoritarian counterparts. Rather, they continue to function in a state that is now a member of the EU and NATO with representatives in European Parliament. A multi-party system with competition for presidential elections and Parliament maintains democratic elements and greater competition.

However, issues of corruption and elite control continue to plague this system. Following suit with Prime Minister Petre Roman's ideology to "enrich yourselves," oligarchs cashed in on financial, material, and personal resources, along with state bureaucracy support. An additional group of elites, defined as "mafia" types, latched onto new legal economy companies but maintain a strong presence in the black economy (Gabanyi, 2004). These mafia

types gained notoriety for money laundering, corruption, and their political influence acquired by funding political parties (Gabyani, 2004: 361). Inevitably the economic power of these oligarchs translates into political power.

Economic power of oligarchs undoubtedly impedes on the democratic system by using networks to control political positions. However, protests from civilians against elite corruption forced change and new elected officials. As Antonesei (Antonesei, 1995; Gabyani, 2004) points out, “In a democracy of an oligarchic type, everyone minds his own business: the oligarchs take care of trade, industry, and the government, we take care of protests and parables.” Antonesei implies that public protest promotes greater accountability to elites, even if they monopolize political positions. Despite the elections of opposition officials, oligarchs still maintain significant power in the economic sphere, forcing “mixed” relations in every aspect of their system.⁷ This hinders true democratization and internationalization, exemplifying how the government has less control over their oligarchs than in authoritarian states (Gabyani, 2004: 367). Moreover, oligarchs have greater competition amongst themselves, utilizing whatever means they can to gain political support.

Greater party competition in this democratic system puts the oligarchs at odds with each other, which reveals division between the old and new elite (Gabyani, 2004: 362). Public opinion also plays a larger role for the success of these elites as seen in the Romanian public’s commitment to an anti-corruption campaign⁸. For these reasons, oligarchs in this system more freely utilize their control of football clubs to promote their politics rather than the needs of the

⁷ Mixed relations refers to mixed property relations, nationalization, and politicization of the economy and concentration through the connection of finance and industry, all of which is based on networks of personal relations dating from the time of Communism (Gabyani 2004: 367).

⁸ Public concern over Ion Iliescu’s corruption and control caused him to present himself as a person of honor through the media. The public continued to blame his party for widespread corruption in the government. The party responded with an anti-corruption campaign but they were not voted out of office but this served as a major turning point for holding official accountable to the public (Gabyani 2004: 363-364).

government as a whole. Instead of respecting the needs of the state, oligarchs use the clubs for public visibility and to promote their political agenda. Although this may not be the case for every single oligarch who owns a football club, this behavior would not be witnessed in regimes that maintain greater control over their oligarchs.

De Facto State Regime:

Since de facto states mirror elements of both a neo-authoritarian state and an oligarchical democracy, scholars consider them as intermediate or hybrid political regimes. While secessionist states claim to maintain democratic systems and appear to do so through pluralist electoral competition, many scholars agree that de facto states manipulate political processes and limit competition. Nevertheless, elite control of power and property defines a big portion of de facto political structure. Elites in this regime mainly turn to other political figures for political capital but some public approval proves important for elites to maintain their positions.

Former Soviet Union de facto states mainly argue that their self-proclaimed democracies should be internationally recognized. Elected officials govern secessionist states but a true understanding of representation and the political dynamics proves difficult to define without reliable data from these closed-off regions (King, 2001; Protsyk, 2009). Nonetheless, enough evidence indicates that these hybrid secessionist regimes limit democracy through elite control (Bunce, 1999; Protsyk 2009; Roeder, 2007). For fear of making too many generalizations in areas considered informational black holes, Protsyk's (2009) case study on Transnistria offers the best insight on the role of elites in de facto states.⁹

⁹ Protsyk's preliminary research indicates that similar political manipulation structures are present in Georgia's breakaway regions (Protsyk, 2009: 259).

The regime combines elements of genuine political competition with severe restrictions on the ability of opposition candidates to gain positions in parliament and articulate alternate policies to independence of territories (Protsyk 2009: 260). Analyzing these areas on ethnic lines proves beneficial in understanding elite control because in broad terms, territories seceded for ethnic reasons. The ethnic composition of Transnistrian elites in parliament shows a dominance of Russian and Ukrainians. However, in order to maintain political positions, ethnic Moldovans and other underrepresented groups side with separatist policies to maintain their positions (Protsyk, 2009: 264). Dominant groups aim to limit power of these underrepresented ethnic groups through media manipulation and intimidation because these groups pose the biggest threat to secessionist agenda. Therefore, dominant elites will gain more power based on their ethnicity but other issues are also at play (Protsyk 2009: 266).

State bureaucrats and business managers dominate parliamentary positions (Protsyk, 2009). Additionally, less than a third of these elected officials were even born or educated in Transnistria, proving that representatives simply saw a vulnerable area to achieve a high position of power (Protsyk 2009: 266). With continued control and manipulation of the media and intimidation of candidates, those who ran for an elected position as an independent lacked the strength to run a campaign. True signs of real party competition occurred in 2006 with the emergence of two new competing parties, “Republic” and “Renewal.” However, these parties also represented groups of ruling elite and shared the same core issue of independence (Protsyk, 2009: 271). Moreover, the election competition was undermined by the high degree of continuity in the executive government.

Despite the limited competition in these areas and the clear advantages of specific types of elites, accountability to the public still influences the political system. The ethnic ties among

Transnistrians and Moldovans and the peaceful coexistence between the regimes indicate that the ruling elites push for secession may not have been at the top of public agenda (Protsyk, 2009: 267). Furthermore, Protsyk (2009) argues that authorities use elections to address the challenges facing the de facto regime. Protsyk explains that stability of government was intended to offset the uncertain international status and continued elite control of property and power that was not recognized by the international community. Openness and contestation in parliamentary races reflect a need to respond to societal pressures for effective political participation and elite accountability (Protsyk, 2009: 272).

The system offers certain ruling elite extreme advantages over their underrepresented counterparts. Still the regime does maintain competition and a general accountability to the constituents. However, minimal contestation and public compliance with a status quo keeps the public at bay. Further explanation of these dynamics will be detailed in my case section.

Theory Conclusion:

My theory argues specifically in favor of oligarchs' investment of football clubs in Central and Eastern Europe. I argue that the historical and geopolitical implications of football as a mass spectator sport in communist and socialist regimes resulted in today's continued relationship between football and politics in this region. Crumbled athletic institutions created yet another avenue for modern oligarchs to seize power during the transitions from socialist Republic of Romania, the Soviet Union, and Yugoslavia. Understanding the preexisting structure and its reaction to regime change draws a clear picture for the type of opportunity waiting to be capitalized on by the oligarchs of today. However, how these oligarchs utilize their

clubs varies by regime type because the oligarchs must subscribe to certain levels of loyalty based on the political capital they need to achieve.

Although these areas connect on several levels through shared communist and socialist values, their respective disintegrations and transitions to new regimes has had a lasting affect on the athletic world. The looming presence and power of oligarchs remains influential throughout the region. Oligarchs all capitalized on opportunities at the onset of transitions and remain factors in the political, economic, and social structures region wide. However, different regime types prove to structure political success in different ways. These differences in regimes dictate how oligarchs connect to the public and football fan base to promote their political gains. This then translates into different forms of philanthropy or political activities associated with the clubs.

Neo-authoritarian systems require an oligarch to subscribe to the executive goals in order to gain political capital in the form of approval from other political figures, namely Putin in the case of Russia. Therefore, an oligarch has the least amount of freedom to operate with their club. In an oligarchical democracy, the competition in the multi-party system offers oligarchs less promotion and clout through the approval of other political figures. Since public opinion and constituents matter more, an oligarch has freedom to use the team more freely with a focus on visibility and less focus on philanthropy. In a hybrid de facto state regime, an oligarch promotes regime goals to maintain established power among the other elites but also to ensure the compliancy of the public. This structure promotes greater philanthropy of the team and more regional visibility rather than individual visibility.

Chapter 3: Case Studies

This section assesses three specific cases of oligarchs and the football clubs that they own. Oligarchs all use club ownership to create a positive public image to increase their political capital. This plays out in different ways according to regime type, which mainly roots itself in the type of political capital an oligarch needs for promotion.

While operating in different ways, oligarchs promote political capital and show allegiance to their regime by promoting youth programs and philanthropy projects, building stadiums, creating greater regional pride, and enforcing a positive image for their politics. My cases draw attention to these details but more importantly, show the variation in the way these activities are managed.

For each case, I first focus on a relevant discussion on politics that elaborates on my theory section. I then detail the oligarch's rise to power, political interests, and involvement with the football club. I also explain any important details about the establishment of these clubs and any local political issues relevant to the team and oligarch. In particular, I take note of any societal issues an oligarch claims to tackle through sport. I also address the impacts of well-established teams, new fan bases, and oligarchs' celebrity status and use of the media. However, I cannot impose an exact structure for the write up of my cases because they all take unique shape.

The section starts with Suleyman Kerimov and FC Anzhi Dagestan as the example for an owner and a club in a neo-authoritarian regime. This is followed by Gigi Becali and FC Steaua

București as an example of an oligarch who purchased a club in an oligarchical democracy. Finally, I conclude with the case of Viktor Gushan and FC Sheriff Transnistria to show an oligarch's football club control in a de facto state.

Case One: Suleyman Kerimov & FC Anzhi, Republic of Dagestan 2011-Present

Suleyman Kerimov's 2011 purchase of FC Anzhi dazzled locals and brought short-lived positive news coverage to the Republic of Dagestan. The area typically attracts more media coverage for its violence and Islamic insurgencies. Following Kerimov's purchase, Makhachkala, Dagestan's capital, witnessed the weekly presence of world famous football stars and renovation of their local stadium. What excites most fans proves equally exciting for Kerimov and his cronies in Moscow because it secures Kerimov's position as a protected oligarch and serves to infiltrate the region on behalf of the Kremlin.

In this chapter, I outline the way Kerimov's investment in FC Anzhi works in tandem with his loyalty to the Kremlin. In a neo-authoritarian regime, the more useful form of political capital is the approval of other political figures, namely to one higher authority. For this reason, as an oligarch climbs up the political ladder of increasing power, an oligarch aligns their business and political moves in conjunction with those of the state. Competition among elites, the appointment of elected officials, and the threat of Putin's control keep the oligarchs on a tighter leash with their use of football clubs. The trajectory of Kerimov's career, particularly his political career, proves his interest in subscribing to the restraints of the system for his own self-gain. Kerimov's purchase of FC Anzhi and his subsequent strategies with team philanthropy, economic projects, and visibility display how the regime determines Kerimov's actions.

Geopolitics:

Understanding the geopolitics of the Republic of Dagestan is important to the interest of the Kremlin and subsequently the role of Kerimov. There are 2.2 million citizens in the Republic of Dagestan, which is located in the North Caucasus. The citizens are ethnically divided among several dozen different groups and 30 different languages.¹⁰ The main problems in the region include ethnic division, poor economic status, and presence of radicalized wahhabism, a Western equivalent of "Islamic fundamentalist."¹¹ Dagestan has acquired an image relating to a violent reputation highlighted by assassinations, firearms, mafia activity, and most significantly, issues of ethnic tensions and Islamic insurgencies (n.p. BBC Web, 2012).

The Kremlin takes interest in this area for several reasons. In addition to its mountainous geography, large territory, and significant population, Makhachkala has the only year-round warm water port in Russia and a transportation route between the Eurasian steppes to the north and the Transcaucasus and the southern lands (Walker 2000: 2). Moreover, the Kremlin has interest in the oil pipeline that runs through Dagestan. Most importantly, Moscow wants to eliminate the violence and spread of wahhabism, especially because Russian military personnel have been targets of violence. However, scholars attribute the spread of Wahhabism as a

¹⁰ The Republic of Dagestan's ethnically divided population and location has long been an issue for any state that has attempted to control the region. Historically, there are many failed attempts to incorporate it into systems of expansive socioeconomic organizations or empires. The Arab, Mongol, Persian, Ottoman, and Russian empires each brought unique culture and organization but all struggled to rule the local populations and their indigenous social structure (Ware & Kisriev, 4). At the present, there are two main competing social organizations: Russian and Islamist.

¹¹ Inhabitants of Dagestan faced Chechen warlord operations throughout the 1990s, including significant events in 1995 and 1996 when hundreds were seized in hospitals for separatist reasons. Over a few weeks in August 1999, Muslims were asked to fight Russians for an Islamic declared independent state in parts of Chechnya and Dagestan (BBC, Web).

reaction to modernization and the pressures of economic and political transition (Ware and Kisriev 2002: 146).¹²

Moscow first made headway in Dagestan through moderate compromises toward traditional local requirements in the mid 1990s. In order to maintain power in the area, Yelstin and Putin compromised and cooperated with locals. One example is the extension of political authorization to the Spiritual Directorate of Muslims of Dagestan. Yeltsin and Putin also worked with leaders of the Sufi Islam to combat wahhabism (Ware and Kisriev, 2009: 11). Although these periods of compromise strengthened political stability, Putin's adoption of a less compromising strategy undermined these moments of stability and progress.

The Kremlin actively seeks to resolve issues of terrorism and security in the region through political transformation but more specifically, control through centralization. Putin's commitment to recentralization was a response to decentralization and constitutional, administrative, and security issues that began during Soviet Union and into Yelstin's era (Ware and Kisriev 2009: 3). However, the diversity, parochialism, egalitarianism, and self-determination of the North Caucasus prove incompatible and resistant to such control (Ware and Kisriev, 2009: 9). When Putin established centralized appointment of regional governors in 2004, the process further aggravated local structure (Ware and Kisriev, 2009: 3). Moreover, Moscow is also competing with systems of expansionist absolutism advocated by Islamist extremists (Ware and Kisriev, 2009: 9).

Without giving any widespread economic benefits or tangible security improvements to the people of Dagestan, the progress Moscow initially made undermined previous political compromises (Ware and Kisriev 2009: 11). In addition, subsidies from Moscow further

¹² Ware and Kisriev (2002) point to wealth disparities as one of the main reason why radicalized Islam is a response to Russian hierarchy.

exacerbated the issues that Moscow aims to combat. In accordance with federal mandates, the funding is allocated to material suppliers in Moscow and the rest of the funding has gone to elite politicians. As a result, the transactions of subsidies increased corruption and economic disparity, which further encouraged backlash of Wahhabism (Ware and Kisriev 2009: 12). Like many others who came before them, Moscow failed to control the region and only sparked more complications.

Oligarch's Rise to Power:

The crucial elements of Kerimov's rise to power include his roots in Dagestan, his financial success, his transformation as a politician, and his evident immunity from the law. Certain attributes of Kerimov display his strategic commitment to acquire political capital for self-gain.

First, Kerimov's local roots make him a strong candidate to purchase the club in Dagestan, despite the fact that he continues to conduct much of his business elsewhere. A local graduate of Dagestan's Political Institute in 1983 and an enrollee in the economic program at Dagestan State University, Kerimov started his career as an economist.

Kerimov quickly ascended to the Assistant Director of Economic Affairs for Makhachkala's electronic industry factory Eltav. By 1995, Kerimov moved to Moscow to work as the general director at Union-Finance, a banking and trading company (*Союз-финанс*). Over the next decade, Kerimov made his fortune through investments in airlines and several natural resource companies.¹³

¹³ In 1997, Kerimov became vice president of International Institute Corporations (*Международный институт корпораций*). In 1998, Kerimov bought into Nafta Moscow, an oil company, which he ultimately took over 100% of the shares. By 2005, Kerimov purchased Polymetal for \$900 million (Vedmosti, 2013 Ведомости).

As a member of the Liberal Democratic Party (ЛДПР), Kerimov made his official entrance into politics in 1999. Within a year, Kerimov became a member of the State Duma Committee for Security. On December 7, 2003 Kerimov was elected to a year position in the State Duma as a member of the Security Committee. Kerimov was then elected Deputy Chairman of the Committee on Physical Fitness and Sports in 2004.

Kerimov's ties with the Russian government were established but his interest in a more significant role and power becomes clear when he withdrew from ЛДПР and joined United Russian (Единая Россия), the party of President Vladimir Putin and Prime Minister Dmitry Medvedev. Only five months after his party change in April 2007, Kerimov was announced as the representative of Dagestan in the Federal Council until 2016 (n.p. Vedomosti Web, 2013).

The trajectory and overlap of successes in Kerimov's business career and political career become more evident in more recent years at the height of his career. As a member of the Duma and a representative for the Kremlin in Dagestan, Kerimov handles the responsibility to carry out the active goals of Moscow to solidify a presence in Dagestan. Like other oligarchs with high positions in the Russian government and a strong standing with the Kremlin, his position also offers immunity from the law.

The purchase of FC Anzhi and a recent scandal with his Russian potash company, Uralkali, display this ongoing dynamic. Senator Kerimov reached a deal with Dagestani President Magomedova for Kerimov to attain the remaining half of the Anzhi shares that were under the financial control of his colleague. Kerimov purchased the remaining Anzhi shares "free of charge" in exchange for his financial contributions to the team and region (Filatov, 2011).

As described in my theory chapter, seats in the Duma offer certain immunity to Russian officials. Uralkali, which is based in Belarus, came under scrutiny from InterPol and officials in

Minsk in August 2013. The announcement that Uralkali was pulling out of an international cartel with Belorussian company Belaruskali, dropped potash prices worldwide. Belarus arrested the CEO of Uralkali, Vladislav Baumgertner, and issued a warrant on Kerimov for charges on abuse of power. Russian officials, Putin and Medvedev, both made statements about the need to resolve the charges against Kerimov (Oreshnikov, 2013).

The issue was quickly resolved with Belorussian officials when Kerimov agreed to sell his share of BRIC for \$3 to \$4.5 billion dollars (Aminov, 2013).¹⁴ Although speculation can't confirm how this deal transpired, public statements made by the Kremlin on behalf of Kerimov, followed by his later dismissal from the law-related issues imply that he has established immunity. In addition to the trajectory of Kerimov's career, these examples show the attainment and benefits of ensuring political capital in a neo-authoritarian state.

Football & Political Interests:

The support and control of the Kremlin encourage Kerimov to make his investments in conjunction with the goals of Moscow. The restricted structure in Russia determines Kerimov's interest in FC Anzhi, commitment to philanthropy, and strategic use of the media. The following section analyzes the elements of Kerimov's use of FC Anzhi.

When Kerimov announced his purchase of FC Anzhi in 2011, he emphasized his intentions to bring joy to the people of Dagestan through the club. FC Anzhi was established in 1991 when it played in a regional league. Following the collapse of the USSR, the team began competing in the Russian Second Divisions, eventually working its way up to the Premiere league by 1999. The fan base mainly acquired supporters based on location.

¹⁴ Interpol has since withdrawn Kerimov from the wanted list.

In a 2002 article “Prospects for Political Stability and Economic Development in Dagestan,” Ware and Kisriev explicitly propose the development of the football stadium as a great means for potential economic development and something that would spark the passions of local constituents. Ware and Kisriev predict that Dagestan does not have the budget to build a stadium but potential help from Moscow could make it possible (Ware and Kisriev, 2002: 152). As mentioned earlier, many problems of Dagestan are rooted in the struggle for economic prosperity, making the stadium a vital prospect for change.

With the aid of Kerimov, Makhachkala has since seen Khazar Stadium transform into Anzhi Arena. In addition to the stadium, locals experienced the development of youth programs and a football academy. Built under Kerimov’s watch, the academy fields six youth teams. Although there is minimal information on the structure of academics or youth development, Anzhi humanizes the academy by including “Anji TV” Youtube clips of the youth players and professional players interacting during practices. The youth matches and interviews with coaches are also posted on the Anzhi website that legitimizes their worth and interest in developing youth programs in Dagestan.

Statements from the general director of Anzhi confirm the club’s commitment to philanthropy and goals of integrating Anzhi into the community. He notes it is important for attendees to, “become worthy citizens in society who have respect for others and honor their parents and elders.” Beyond playing football, there is a clear advertisement for the productivity of youth and social development in Dagestan (n.p. FC Anzhi Web, 2013).

The involvement of Anzhi with two outreach foundations Give Life (*Фонд «Подару жизнь!»*) and Territory of Goodness (*Фонд «Территория добра»*) further emphasize the newly established commitment to philanthropy. Give Life is a “mission of FC Anzhi to help children

suffering from cancer and other diseases.” The partnership with Territory of Goodness foundation aims to support hospitals, orphanages, veteran homes, and promote social projects surrounding sports, education, art etc.

Kerimov and the Anzhi administration utilize team media coverage to promote these projects and the general image of the region. FC Anzhi published several philanthropy related articles from RIA Novosti, a premier Russian news source run by the federal government. One article quotes world-famous footballer Roberto Carlos confirming his financial contributions and support for Kerimov. Carlos explains, “I am happy to be a part of the project and in Russia. For that, I want to thank our owner, Sulyeman Kerimov.” (n.p. FC Anzhi Web, 2013). While there are a few stories that actually give fans an idea about those whom Anzhi is helping, attention is awarded to the expensive players Kerimov recruited to the region. This promotes a healthier image on behalf of the club and the league.

Since Kerimov took over Anzhi, local fans boast of the world’s best football stars representing their region. The team received major worldwide media coverage for acquiring such stars as Samuel Eto’o and Roberto Carlos, among several respected Russian players. Although key players were released shortly before Kerimov’s potash scandal, as Anzhi players, they responded to questions about their interest in Dagestan diplomatically, without revealing that they reside in Moscow and merely visit Makhachkala for home games. Despite the players living far away, locals still express gratitude toward Kerimov and the positive image he attempts to build.

Despite the celebrity status of oligarchs, Kerimov rarely gives interviews and instead runs his business and politics more discretely. Aside from big purchases and business moves,

Kerimov doesn't flaunt his wealth for attention. In a rare interview with FT Magazine he opened up about his goals with the football club. Kerimov explains,

The football club stands out against all the negative news. People are starting to hope for the better... Such stars don't play everywhere, and, look, they're in Makhachkala! People have something to be proud of. It means they can see something positive there and they gain the motivation to work.

When asked about the ultimate aim of his activities, Kerimov confirmed the importance he places on community outreach. He responded,

Business is not the aim of life; it's a game. It's not the aim to be one day stronger than Goldman Sachs. It's not the aim to earn more than everyone. The aim is the ability to realize ideas. The main aim in life is to find it. But mainly it's a wish to change something in the world for the better, to fully realize one's life potential." (Kerimov, Belton interview, 2012)

Among a handful of other articles on the topic, Kerimov and his Anzhi investment allow him to emphasize philanthropic goals. This is beneficial because despite his Dagestani roots, Kerimov is ultimately a representative of the Kremlin, who is offering benefits that Moscow has otherwise failed to produce. My supplemental research further confirmed that Kerimov has successfully established himself as a positive figure in the region. By contacting Anzhi fans through Facebook, I managed to infer supporting evidence for my research and understanding of Kerimov's presence in Dagestan.

Using the image of a football as my profile picture and my first two initials and last name as my user name, I contacted 25 local fans to ask about Kerimov and his positions in the community. Many of my respondents actively participated in other online groups on a Dagestan community board and political groups. While all of my correspondences were conducted in Russian, many of the respondents had profiles in other languages, namely Arabic. After friend requesting and viewing their profiles, I was also able to understand that the majority of my respondents were between the ages of 25 and 60. I also gathered that many respondents were

religiously active as many had pictures, postings, and group affiliations that indicated heavy Muslim affiliation.

Although the majority Anzhi supporters have been fans since the establishment of the club, a handful of respondents said they became fans when Kerimov purchased the club. I asked whether or not there were any noticeable differences following Kerimov's purchase. While three people said they didn't notice a difference, most did. One recognized the youth projects explaining, "Yes there is a difference. Anzhi now brings a desire for the youth of Dagestan to engage in football." While another noted, "Kerimov has helped his people in Dagestan. The people are grateful and forever indebted to him."

When asked which was more important, his role as Senator or his role as the club owner, a handful of respondents recognized Kerimov's role in Russia and Dagestan. One man noted, "Kerimov is the son of Dagestan and of Russia. He always represents us with dignity." Similarly, another respondent said, "Both are important." Interestingly, many ignored answering that question.

Although most agreed with one respondent who said, "He [Kerimov] is a very good man and he has done a lot for Dagestan." I also learned through these interviews that Kerimov funds trips for individuals to go on Hajj and many respondents connected with him over Islam.

However, public forum comments indicate that not everyone feels positive about Kerimov. In particular, in response to an article on Kerimov, one commenter explained, "Kerimov is a Kremlin-linked criminal who built his empire by raiding middle-sized businesses." (Alexander Ugryumov, posted to Belton, 2012). Regardless of the way the public perceives Kerimov, the public is well aware of his financial capital and political capital in the Kremlin.

It is evident that Kerimov's financial contributions and his relationship with the Kremlin offered Dagestan something it otherwise couldn't realistically achieve. Rather than investing abroad like many of his business partners, Kerimov's financial contributions tie this business venture into his loyalty to the Kremlin and achievement for political capital in Moscow and Makhachkala.

With roots in Dagestan, Kerimov proves to be the perfect candidate to bridge years of tension with his birthplace and his business place. Resolving all issues in Makhachkala is certainly out of the capabilities of Kerimov and Anzhi. Nonetheless, his football investment positively brought a representative from the Kremlin into the local community and gives Moscow greater leverage in the region. By doing so, Kerimov ensures the support of the Kremlin with his other businesses and politics.

Case Two: Gigi Becali and FC Steaua, Bucharest, Romania 2004-Present

When mentioning Gigi Becali, Romanians undoubtedly associate him with his ownership of FC Steaua, their beloved Bucharest based football club that was once sponsored by the Romanian army. Still others may recognize Becali's name as a politician and someone who constantly makes outspoken and outlandish politically right comments in the media. Many only know Becali as a politician because of his team ownership. Acquiring a historically popular team gave Becali a great opportunity to achieve political capital through visibility to the Romanian public.

In this chapter, I show that the case of Gigi Becali and his association with FC Steaua greatly differ from the cases of FC Anzhi and FC Sheriff for a few key reasons. Most importantly, the competition and multi-party system in this oligarchical democracy permit Becali

to invest more in his political image with FC Steaua because public opinion and constituents matter more in this regime.

Becali aims to build political capital by creating a stronger presence in the media that aligns with his political platform. Becali openly concerns himself with football and financial wins rather than his role as a pillar of the community unless it otherwise relates to his pro-Christian platform. Becali's current incarceration also proves that positions of an oligarch in an oligarchical democracy do not create the same strong immunity visible in more authoritarian systems.

Political Structure & Rise to Power:

Unlike my other cases, I intertwine political structure and Becali's rise to power because his position with the team coincides with his political success. The section will look at Becali's roots, his financial success, and his entrance into politics as they all contribute to his ability to acquire political capital. I highlight his use of FC Steaua to create greater visibility for his politics and the lack of support he receives from other political figures.

The media and public often criticize Becali for his roots. He was born into an Aromanian family in the small village of Zagna, Braila. With such a strong Romanian nationalist stance, Becali's background factors into the way he overemphasizes extreme nationalism. Furthermore, the public often criticizes his father's career as a sheep breeder and lack of education. Although Becali himself first worked as machinist at ICCE platform at Baneasa, he started his entrepreneurship through businesses for jeans, cigarette, and soaps from Turkey. Later, the majority of his fortune was accumulated through real estate (Ilincescu, 2013).

As discussed in my theory section, many "mafia" type oligarchs entered politics by financially supporting a political party. Becali gained political recognition for his role in re-

launching New Generation Party (PNG). Following its weak launch in 2000, Becali stepped up to financially support PNG. Becali says he was encouraged to become involved in politics by his friend Viorel Hrebenciuc, one of the ruling party leaders. Becali planned to centrally position the party, incorporating ideology from the right and the left. The party's slogan is "Everything for the country," which was used by Romanian fascists before World War I (Amariei, 2004).

As a politician, Becali was ridiculed for his social origins as a shepherd's son and his lack of education. In response to these issues, Becali then campaigned on a radically right populist agenda derived from a Romanian nationalist and Christian Orthodox core. To emphasize such ideals, Becali also changed the name of PNG to PNG-CD for New Generation Christian Democrat Party.

Compared to other radically right Romanian politicians, Becali still stands out for his eccentric public behavior but he is not alone as an outspoken politician that feeds off ultra-nationalism. In 2004, Becali represented PNG as their presidential candidate and faced opponents who ran similar platforms. In the 2004 presidential election, Becali focuses on collectivistic traditions like his opponent, Corneliu Tudor. Scholars have noted the important symbiotic relationship between Romanian politics and Orthodoxy that the candidates utilized in their political successes (Norocel, 707).

Football and Political Interests:

The Romanian political system encourages Becali to channel his politics to the public rather than other political figures. Not only does public opinion count for more but the approval of other political leaders will not create significant benefits for Becali. With complete control of FC Steaua, Becali utilizes the media and publicity to promote his platform through the team.

Conversely, the freedom in an oligarchical democracy also proves to be a disadvantage to Becali when it comes to his immunity from the law or positions within his party.

Becali became a shareholder of FC Steaua in the 1990s but took over the majority of the shares in 2003. Becali explains how his connection to FC Steaua has impacted his political success,

My life has changed 180 degrees from the moment I entered into the soccer world. This is how I became a public person. Maybe I would have had chances in politics without Steaua... But I would have been just a simple deputy, not like now, when I am Becali (Ilincescu, 2013).

Becali's purchase of FC Steaua came at the same time he launched his political career with the New Generation Party. The strong fan base of the club, which was established in 1947 by the Royal Romanian Army, offers Becali the amount of visibility he needs to gain influence over the public. Without the club, Becali would still have a political career that was rooted in his financial contributions to PNG but his visibility with FC Steaua provided him an opportunity to ensure political capital and achieve a higher status.

As a football club owner, Becali promotes similar ideals to his politics. Racism and xenophobia plague the Romanian football stadiums. While not all, many team fans promote racism, which Becali further reinforces with his public behavior. Becali's racist remarks tie together the relationship between his political career and club ownership. During 2004 minor party elections, Becali's platform included a commitment to donate to Christian churches but not to synagogues. Becali explained, "I don't hate [Jews], I have nothing against them, but if I could, I would make them get baptized."

Similarly, when Senegalese player, Gueye Mansour, was being traded from Romanian team, Polytechnic Timisoara, Becali refused to approve the deal unless Mansour converted from Islam to Christianity (Stan, 2005). Becali also reportedly dismissed a coach for being "too

Muslim” (Scott-Elliot). Although players’ religion can’t be deciphered through the team website, the team roster of FC Steaua lists a generally homogenous Romanian squad.

While FC Steaua fans are divided, the hooligans of the stadium, known as ultras, appreciate Becali’s approach and mimic his racism through chants and posters they display at matches (n.p. Roportal, 2014). In contrast, many longstanding Steaua fans have contested Becali’s influence on the club. In 2007, fans, who were in disagreement with Becali’s behavior, opted to write a manifesto in protest of Becali’s actions that stain the longstanding pride and honor of the club. The manifesto was followed by chants at matches including “Becali go!” (Necula, 2007). Nonetheless, the Steaua fans account for almost half of all football fans in Romania, giving Becali a constant audience.

Contrary to most professional teams and my other two cases, Becali doesn’t promote football through junior teams and football academies. My other cases show how youth programs are advertised as a philanthropic gesture that aims to humanize the teams and owners. However, the case of FC Steaua displays a dynamic that goes against the norm. Currently, there are three youth teams for the age groups 13, 12, and 11 year olds. The website exposes minimal information on the youth clubs or the goals of the program. Only a few teams exist because Becali decided that the programs were not producing skilled players and abruptly cut the funding (FC Steaua. Web, 2014).

When Becali made the executive decision to significantly downsize the youth academy and cut the organization’s second club in June 2011, he left hundreds of children and several coaches without jobs. Leading into the budget cut, employees reportedly hadn’t received their salaries for half a year. Becali spoke out about his financial investment explaining, “I invested three to four million euros in the football academy and I got nothing...” Rather than

diplomatically approach the topic, Becali outright told the press that he wasn't happy with the results of the academy. Unlike many other teams, Becali doesn't show any concern with the community aspect or trying to paint an image of sincere concern for the people he affects. For Becali, there isn't a benefit to maintain a youth program. Rather, he can achieve financial and political success by promoting his nationalist and Christian values (n.p. "Steaua II, desființată").

Any sign of philanthropy from Becali actually masks political activities and his self-promotion. Becali connects the team to his own foundation, Fundației Creștine "George Becali" (George Becali Christian Foundation). In 2007, his foundation aimed to make imprisoned Romanians "good Christians and honest citizens" by donating t-shirts with FC Steaua colors and footballs to 280 convicts. While the political activity connected Becali's foundation and the football club, his self-promotion was much more evident than the way oligarchs use philanthropy in my other cases. The event was also supported by the Governor of Tichilești and exemplified further political relations. Ironically, Becali himself is now in prison (Matei, 2007).

The Romanian government does not offer Becali the type of immunity and protection seen in more neo-authoritarian regimes. As the owner of Steaua and a member of parliament, Becali was sentenced to three years in prison for acquiring Defense Ministry-owned farmland in an illegal deal that cost the state \$900,000. Becali received a worse sentence than his counterparts associated with the corruption scandal because of his prior offenses. Several Romanian politicians expressed sympathy for Becali but their condolences were not enough to excuse Becali of his illegal wrongdoings (Krauthamer, 2013).¹⁵

¹⁵ While the oligarchical democratic system could not save Becali the way a more authoritarian regime could, football could still offer Becali some salvation. Hagi, Romania's beloved football star and former national team captain organized an "open prison" regime that invites imprisoned citizens to work a full day at his football academy in Constanta. Media coverage on the topic claimed that Becali was not selected in the first selection round of prisoners but has the potential to be a good candidate because of his football background (n.p.Realitatea, 2014).

According to official records, Gig Becali no longer owns FC Steaua. Contrary reports, however, explain that Becali maintains an association with the club and makes executive decisions from prison. Becali turns to football for salvation with his political career and issues with the law. While the regime still allows for some leeway for Becali when it comes to his stronghold of power, it is not as forgiving and protective as an authoritarian state. The oligarchical democracy in Romania provides Becali with the opportunity to compete with other elites but football provides him with the opportunity to acquire political capital in the form of public influence.

Case Three: Viktor Gushan & FC Sheriff, Transnistria 1996-Present

Before the explosion of FC Sheriff on the international football scene, far fewer people could have even found Transnistria on a map. Viktor Gushan's investment in FC Sheriff and newly built world class stadium in Tiraspol, Transnistria attracted a great deal of international attention to an area otherwise designated a black hole. Fans from Transnistria and Moldova alike traveled to see the number one team in the Moldovan league take on international competition for only a few US dollars per ticket.

Gushan's international success with FC Sheriff has promoted common political goals for recognition. He simultaneously protects this manipulated system of elite dominance by giving back to the local population through his philanthropy projects. Gushan must answer to the authoritarian aspects of this system but he must establish a positive means of influence over the public to ensure political capital and continued dominance.

In this chapter, I tie together the synopsis of elite control in de facto state regimes in the context of Viktor Gushan and his purchase of FC Sheriff. This case of a hybrid regime shows

how an oligarch with an established and well-positioned role invests in a football club to further support this position by building political capital with locals as a response to and justification of overwhelming power.

Geopolitics:

When Moldovans seceded from the USSR and began to reclaim their culture against the Russian domination, the strip of land east of the Dniester River opted for independence from Moldova. Transnistrians first voted for a separate republic and then to preserve the Soviet Union. In 1992, civil war between Transnistria and Moldova resulted in Pridnestrovian Moldavian Republic (PMR), a de facto state that receives economic and political support from Russia (Bobick, 2010: 1). Prior to the conflict, Transnistria played an important role in the Soviet steel production and military section, which linked them to such Soviet institutions and the Communist party (King, 2001: 532). Many leaders in Transnistria, who previously held positions in Russia, felt the need to protect the Russian population from Moldova's potential unification with Romania. Transnistria was partitioned from the rest of Moldova and labeled a frozen conflict (Bobick, 2010: 17)

King (2001) argues that the conflict between Moldova and Transnistria, regarded a one of the wars of Soviet succession, has transformed the territorial separatists of the 90s into state builders of the 2000s (King, 2001: 525). King doesn't view these areas as torn conflicts but rather a reintegration of two distinct areas with respective administration, militaries, and societies. Each distinct area benefits from the untaxed trade and production flowing through the war zone.¹⁶

¹⁶ As noted by several interviewees, it is highly likely that the Sheriff Inc. benefited from this structure, although all indicate that it is only "speculation" that his businesses benefit from the current system.

Elites initially were a step ahead of the rest of Transnistrians because they received exclusive power mandates from Transnistrians for their organizational and political skills (Kosienkowski, 2012: 4). The PMR President, Igor Smirnov, emerged out of this socioeconomic breakdown that allowed for elites to control the region.¹⁷ Declaring themselves defenders of independence, specifically focusing on security and survival, a particular group of elites worked together to control the politics and economics of this newly established region. As described in my theory section, the power holders in the region maintain their positions and success due to their ethnic background, established positions of bureaucracy and management, and manipulation of competition.

Rise to Power:

From the beginning, Viktor Gushan found himself in an extremely powerful position to dominate this region. As a former KGB agent and ethnic Russian, Gushan acquired a monopoly of power over Transnistria through his company, Sheriff. In 1993, the authoritarian Smirnov regime helped to establish Sheriff, a limited liability company, with the goal to aid in the economic functions of Transnistria. Sheriff received many privileges including import duties and exemptions, which helped to quickly develop a monopoly of power over businesses. Sheriff businesses include petrol stations, super markets, a television and telephone network, a bank, an advertising agency, a publishing house, textile factory, Tirotext, a distillery KVINT, and finally, the football team and sports complex. (Kosienkowski 2012: 4-check page). Bobick (2010) concludes that there is a paradoxically clear, yet opaque relationship with Sheriff and politics

¹⁷ Igor Smirnov held a position as the president of Transnistria from its original break with Moldova until 2011 elections.

(Bobick 2010: 2). In addition to the fact that this holding company does not release any financial statements, the success of Sheriff is derived from its relationship with government authorities of PMR.

Within a decade, the Smirnov- Gushan working relationship faltered due to the fact that the Smirnov regime didn't take Sheriff's interests into account during privatization. Smirnov later requested Sheriff finance PMR's budget deficit. Gushan's derived his political activity from his economic interests that were now impeded by Smirnov's regime (Kosienkowski, 2012: 11). In conjunction with Gushan's discontent with the Smirnov regime, Sheriff served as the main sponsor to the Renewal movement in 2000.¹⁸ By 2006, this movement became an official party. Yevgeniy Shevchuk, former deputy to PMR Parliament, worked with the Renewal Party until he broke all ties with them in 2010. Shvechuk reportedly wanted to cut off any association with Sheriff due to surrounding rumors of smuggling, bribery, and shady business (Kosienkowski, 2012: 16).

Renewal party continued to gain support with the main goal to undermine Smirnov's power (Kosienkowski 2012: 11). Shevchuk then became the leader of a public movement Revival of Transnistria (Vozrozhdeniye Pridnestrov'ya) and Anatoliy Kaminskiy, vice-speaker to PMR Parliament, became the leader of Renewal (Obnovleniye) (Kosienkowski, 2012: 2). Together they earned almost two-thirds of votes. The December 2011 presidential elections brought an end to Igor Smirnov's 20-year authoritarian rule and the political and economic life Transnistrians had grown to like. Since being elected, Shevchuk has made a commitment to democratizing the region, which also doesn't agree with Gushan's corporate interests and the

¹⁸ As mentioned in the theory section, the emergence of parties in 2006 proved to be the first time of a real competition. However, as also mentioned, there isn't much success through party politics and interest groups (like Gushan and Sheriff) truly dominate the political realm. Gushan established enough power in this area to push back against Smirnov, something that one would not witness in Putin's Russia.

regulation of taxes. Sheriff's political disagreements with Smirnov and now Shevchuk are both based on Gushan's corporate interest and their respective political control impeding on his ability to maintain a monopoly of power.

King (2001) lists economic benefits of state weakness and complicity of central governments as the mechanisms of state building. Businesses can be carried out with neighboring states without paying production taxes or tariffs. (King, 2001: 536). The status of Transnistria as an unrecognized state has allowed for unregulated business under the 20-year-old regime of Igor Smirnov. Sheriff and Gushan have greatly benefited from this structure but have since faced President Shevchuk's attempts to regulate these practices.

As one local interviewee pointed out, the local population appreciates and prefers the perks of Gushan's control. My respondent explained,

FC Sheriff is much more complicated than one man. The son of the former President Smirnov is also a player and the new president started a little tax war on Sheriff. This was a big mistake, as most people here understand that there is corruption. However, this corruption often works to their benefit in the end. For example, when Sheriff stores didn't pay taxes, food prices were super cheap and salaries were high (for Transnistria). The president lost a lot of political points with the people. They blamed him for driving up prices and lowering salaries. Now things have gone back mostly to normal and prices here are still the cheapest in all of Europe. Mainly due to the lack of oversight of a massive state bureaucracy! And the people here like it that way.

Gushan clearly established enough control in the region to contest the authoritarian regime under Smirnov. Through his financial backing of Renewal party, Gushan promoted democracy in terms of competition. Nonetheless, his goals for competition aimed to reinforce his power. These goals have since been undermined by Shevchuk's attempts to promote democracy on other fronts. The size of PMR and Gushan's economic control and Russian background give him the freedom to strategize with FC Sheriff as he wishes. However, Gushan doesn't need public visibility or the approval of other political figures as seen in my other cases.

Rather, Gushan uses the team to give him additional leverage with other political figures and a justification of his position over the people of PMR.

Football and Political Interests:

As opposed to the oligarch scramble in Russia, Gushan didn't fight for control of private businesses and a football team; rather he easily dominated this region. Several aspects of this team reveal the way Gushan's power in the regime have impacted his management. First, FC Sheriff's position in the Moldovan league and international success align with the regime's goal for recognition. Gushan's promotion of Russian dominance with respect to Moldovan population also agrees with the overall power structure of the area. This promotion and Gushan's overwhelming philanthropy reinforce the way elites manipulate the structure and political capital.

Before achieving success as FC Sheriff, the 1996 football club from Tiraspol, Transnistria, "Tiras," participated as Division B contenders in the National Championship of Moldova. The team was based in the breakaway region of Moldova but competed as equal counterparts to the teams who represent regions of Moldova. Tiras soon received general sponsorship from "Sheriff" Ltd. Following competition in the National Division of the Championship of Moldova, the team was officially known as "Sheriff" in July 1998 (FC Sheriff Web. 2014).

Gushan's overwhelming financial backing first brought much on field success to the region. Following sponsorship of Sheriff, the team started dominating the Moldovan league. On a number of occasions, FC Sheriff has won the Championship and the Cup, known as the "golden double." For this reason, Transnistria has overpowered its Moldovan competitors and represented Moldovan league in international competition. Surprisingly, the wealth of this team

and its subsequent international success does not appear to have created an animosity or heightened political conflict between Transnistrians and Moldovans (FC Sheriff Web. 2014). Rather, this has brought support from locals on both sides of this frozen conflict.¹⁹

Interviews confirmed that FC Sheriff doesn't instigate more problems. One Moldovan affiliated with an opposing team FC Milsami Orhei explains,

There isn't a struggle with the football team in Tiraspol. If anything, the team has raised the standards of the league and forced the rest of the teams to increase their level of play to match Sheriff's.

A former FC Sheriff coach also confirmed that there are traces of the political aspects of Transnistria and Moldova but no serious tensions.

The team just wants to beat FC Zimbru Chisinau, it isn't a competition for Moldova. Although, politics is not completely out of it the dynamic of this team in the Moldovan league. This (divide with Transnistria and Moldova) is impossible to ignore because sports are a small part of politics but the team was formed in the 90s for the love of sport.

Although the team doesn't cause conflict, the overwhelming stadium and football success do bring recognition to the region, which aligns with the atypical political goals of de facto state regimes, parties, and leaders.

Sheriff's sports complex represents a central point of pride for Transnistria and Moldova. The Sheriff Sports Complex offers athletes great amenities for football training and living quarters. Moreover, the Sheriff sports complex has served as the training grounds for the Moldovan national teams and hosted a variety of international teams. Sheriff takes pride in the international visitors to the stadium as they specifically list important teams and football

¹⁹ Interviews with multiple football fans in Transnistria and Moldova have supported the success of FC Sheriff. Not a single person felt negative about their international role.

management who have visited to the sports complex. In doing so, these visitors have also presented their passports at Transnistrian borders, officially recognizing its independence.²⁰

An interview with the manager of the sports complex confirmed that Sheriff maintains a commitment to philanthropy. He explained, “Sheriff is most proud of the soccer academy. It connects us to the community and gives many young men a chance to go to school and train [football] free of charge.” Inviting players from all over and giving them an opportunity for a future proves to be FC Sheriff’s main effort to connect with the people of PMR and promote a working relationship with Moldovans. This may be a business but it is not financially beneficial for Gushan compared to his other ventures.

Sheriff is the only team in the league to train young players at a soccer academy that includes free academics, athletic training, and room and board. With approximately 400 young male athletes, the Sheriff sports complex competes as the most charitable organization. The philanthropic aspect of Sheriff far exceeds my other cases. The academy even invites players from Moldova and elsewhere in Europe, raising international awareness of the region (FC Sheriff Web. 2014).

FC Sherriff promotes Russian dominance through its use of Russian language.²¹ Direct quotes from their published videos, interviews, and website content still show an interchangeable use of the word Transnistria for Moldova.²² In some ways this speaks to the structure of this

²⁰ The Sheriff website specifically quotes FIFA representatives who have visited and inspected the complex. Words of approval from an international governing body prove to give one of the best international forms of recognition Transnistria could achieve at this point. This is especially important because FIFA has historically made many officiating calls on teams and their international participation on political grounds.

²¹ All interviews and team events are conducted in Russian or English. The team website offers readers to change the language from Russian to English, French, or Spanish, which are the official languages of FIFA. Romanian/Moldovan is not accessible on their website.

²² In an interview conducted in Russian with a Brazilian player, the player is asked about learning Russian language and Moldovan language. The player says he learned Russian and a little Moldovan. The player is then asked

frozen conflict and presence of FC Sheriff in a Moldovan league but there are also elements that mimic the ethnic power structure of elites in this hybrid regime. When it comes to topics of success, online content of FC Sheriff presents it as a win for Transnistria rather than Moldova. Otherwise, Transnistria and Moldova are used interchangeably. A commitment to Russian language with forms of recognition to Moldova further manipulates the way this territory is run.

Rather than using the club as an explicit public political platform, Gushan built aspects of team around the need to respect elements of democracy that run through Transnistria. Gushan strategically gave himself a unique political cushion by making an investment in the football club. By owning this team and giving a great deal back to the community without much financial gain, Gushan sets himself up as an oligarch who cares about the well being of locals. In addition to Gushan's ability to keep PMR a relatively cheap place to live, the team encourages locals to accept his and others' authority instead of contesting their control.

Moreover, since the competition in Transnistria awards ethnic Russian elites and interest groups who aim for independence, Gushan's ability to make FC Sheriff a successful champion of the region promotes ideals of the power structure. By promoting Russian superiority over the Moldovan region while still including and respecting the underrepresented Moldovans/Transnistrians in the process, Gushan also justifies the structure of elite control.

Conclusion:

Football proves to not only be a lucrative business but a means to show loyalty to the state and ensure political capital. Based on the historical and geopolitical relationship of communist states and sports, this region exemplifies a strong intersection between sports and politics. Leaders have and will continue to utilize football clubs for their own self-gain and

whether or not he will get Moldovan citizenship. The player answered that he will not because he is a Brazilian and he will not alter this in any way.

political success. Central and Eastern European regime leaders of the twentieth century set the structure for future elite to take full advantage of sport, but the newly established regimes also had a great impact on the way this transpired.

My theory argues that regime has the biggest impact on the political strategies that oligarchs use with football clubs. More specifically, the forms of political capital that award oligarchs determine how a regime influences the strategies of oligarchs. The case of Kerimov and FC Anzhi exemplifies the way the approval of other political leaders or one authority figure encourages oligarchs to modify their strategies to align with the rules and needs of the overwhelming central power.

Still, I nod to other important factors to consider that include celebrity statuses and other means of influence that oligarchs possess. As seen in the case of Becali and FC Steaua, interaction of the celebrity status and other means of influence will count more where public visibility and competition are more important. Gushan's power and control in PMR provide an example of a very unique case of an oligarch and his use of a football club. Despite Gushan's monopoly of power that influences his strategies, this case reinforces my theory by showing how Gushan still reacts to a need for political capital in order to justify and reinforce his power.

Although these oligarchs can achieve financial success with their clubs, they seek less financial benefit and more political paybacks from their club ownership. Rather than exit their regimes, these oligarchs remain loyal and therefore, face greater accountability to the system. Greater accountability means that these oligarchs appropriately aim to ensure whichever form of political capital helps them maintain or increase power. Oligarchs who invest in local clubs respond to the local issues in the regimes and utilize this to promote their political power.

Across this region we have seen oligarchs transform privatized football but can now examine their strategies toward clubs with more certainty of their behavior.

In the coming months, it will be more interesting to watch developments in Ukraine where two oligarchs who own football clubs have been recently appointed governors. Future scholars can compare and contrast their strategies toward clubs before and after events settle in the respective regions. Scholars should also be mindful of the behavior of Russian oligarchs in response to recent sanctions from the US and EU. As previously mentioned, experts can also use this research to examine the dynamics of football teams in other de facto states, especially Abkhazia. As laws ease up in the Balkans for greater private ownership of football clubs, this area will also serve as a prime region for further research on this topic. Finally, this work can be used to analyze similar structures in other parts of the world.

WORKS CITED

- Amariei, Razvan. "Romania: Leopards Changing Spots." *Transitions Online* 20 Jan. 2004. Web. 25 Nov. 2013.
- Aminov, Halil. Аминов, Халиль "Сулейман Керимов прошел свой ПИК." 26 Nov. 2013. Web. 10 Oct. 2013. <http://www.kommersant.ru/doc/2352574>
- Ash, Lucy. Dagestan – the most dangerous place in Europe. 23 Nov. 2011. Web. 10. Oct. 2013 <http://www.bbc.co.uk/news/magazine-15824831>
- "BBC Regions and Territories: Dagestan." BBC. 7 Nov. 2012. Web. 10 Oct. 2013. http://news.bbc.co.uk/2/hi/europe/country_profiles/3659904.stm
- Belton, Catherine. Suleiman Kerimov, The Secret Oligarch. 10 Feb 2012. Web. 12 Oct. 2013. <http://www.ft.com/intl/cms/s/2/ad4e8816-52d0-11e1-ae2c-00144feabdc0.html#axzz2l81UL9iH>
- Bunce, Valerie, *Subversive Institutions: The Design and the Destruction of Socialism and the State*. Cambridge, UK: Cambridge University Press, 1999.
- Bobick, Michael. "Society: In Transdnier, One Company Is a Law Unto Itself" *Transitions Online*. Issue: 10/05/2010 Web. 10 March 2013. www.cceol.com
- Borgen, Christopher J. "Thawing a Frozen Conflict: Legal Aspects of the Separatist Crisis in Moldova." *The Association of the Bar of the city of New York*. New York, New York. 8 Jun. 2005.
- Chamberlain-Creanga, Rebecca, and Lyndon K. Allin. "Acquiring Assets, Debts and Citizens: Russia and the Micro-Foundations of Transnistria's Stalemated Conflict." *Demokratizatsiya* Fall 2010.
- Chifu, Iulian. "Religion and Conflict: Radicalism and Violence in the North Caucasus." *Turkish Policy Quarterly* 10.3 (2011): 121-132. Sauliuc, Adriana. Chapter 12: Republic of Dagestan.
- ConIFA, Web. <http://www.conifa.org/> 4 April 2014.
- Duke, Vic, and Liz Crolley. *Football, Nationality and the State*. Harlow: Longman, 1996.
- Edelman, Robert. *Serious Fun: A history of Spectator Sport in the USSR*. New York: Oxford University Press, 1993.
- European Parliament. "European Parliament MEPs: Profile Gigi Becali." n.d. 20 Nov. 2013. http://www.europarl.europa.eu/meps/en/96846/GEORGE_BEICALI_history.html

Filatov, Anton. Филатов, Антон. Совладелец «Эльдорадо» продает свою долю ФК «Анжи» Керимову 1 Jan. 2011. Web 5 Oct. 2013.

<http://www.vedomosti.ru/companies/news/2011/01/19/1191051>

Foer, Franklin. *How soccer explains the world: An unlikely theory of globalization*. New York: HarperCollins, 2004.

FC Anzhi. Web. 5 Oct. 2013. <http://www.fc-anji.ru/>

FC Sheriff. Web. 5 March 2012. <http://www.fc-sheriff.com/ru/istoriya-kluba/>

FC Steaua. Web. 26 Nov. 2013. <http://www.steauafc.com/en/>

Gabanyi, Anneli Ute. "The New Business Elite: From Nomenclatura to Oligarchy." In *Romania since 1989: Politics, Economics, and Society*, Edited by: Carey, F. Oxford: Lexington Books, 2004.

Hirschman, Albert O. *Exit, voice, and loyalty: Responses to decline in firms, organizations, and states*. Vol. 25. Harvard University Press, 1970.

Hoberman, John. *Sports and Political Ideology*. University of Texas Press, 1984.

Holehouse, Mathew. "Roman Abramovich should face sanctions, says Vladimir Putin critic" 20 Mar. 2014. Web. 22 Mar. 2014.

<http://www.telegraph.co.uk/news/worldnews/europe/russia/10713040/Roman-Abramovich-should-face-sanctions-says-Vladimir-Putin-critic.html>

Howell, Reet. *The USSR: Sport and Politics Intertwined*, Comparative Education. Vol. 11, no. 2 (June 1975), pp. 137-145

Ilincescu, Adrian. "Cine este Gigi Becali, controversatul deputat condamnat la trei ani de inchisoare" 20 May 2013. Web. 5 Dec. 2013. <http://sport.hotnews.ro/stiri-fotbal-14841335-cine-este-gigi-becali-deputatul-condamnat-trei-ani-inchisoare.htm>.

Jackson, Steven J & Haigh, Stephen. "Between and beyond politics: Sport and Foreign Policy in a Globalizing World." *Sport in Society* Vol. 11, Iss. 4, 2008.

King, Charles. "The Benefits of Ethnic War: Understanding Eurasia's Unrecognized States." *World Politics* Vol. 53, No. 4 (Jul., 2001) (pp. 524-552)

Korsunov, Pavel. Корсунов, Павел. "Сулейман Керимов уходит из большой игры в российской экономике" 26 Nov. 2013. Web. 10 Oct. 2013.

<http://www.kommersant.ru/doc/2353219>

Kosienkowski, Marcin. "Testing Pluralism: Transnistria in the Light of 2011 Presidential Elections." *Europe-Asia Studies* Submission Reprint © 2012 Taylor & Francis. Web. 20 Mar. 2012. <http://www.tandfonline.com/loi/ceas20>.

Krauthamer, Ky, et al. "Around the Bloc: Russia Launches Public TV, Romanian Soccer Boss Jailed." *Transitions Online*. 28 May 2013. Web. 6 Dec. 2013.

Lenderman, Max. *Brand New World: How Paupers, Pirates, and Oligarchs are Reshaping Business*. Harpercollins Canada, 2009.

Matei, Elena. "Donatie din partea Fundatiei Crestine "George Becali" pentru tinerii de la Penitenciarul Tichilesti" 24 Mar. 2007. Web. 26 Nov. 2013. http://www.obiectivbr.ro/donatie-din-partea-fundatiei-crestine-george-becali-pentru-tinerii-de-la-penitenciarul-_id10225.

Mills, Richard. "Velež Mostar Football Club and the Demise of 'Brotherhood and Unity' in Yugoslavia, 1922-2009." *Europe-Asia Studies* 62.7, The Yugoslav Communist Legacy (2010): 1107-33.

Mills, Richard. "'It All Ended in an Unsporting Way': Serbian Football and the Disintegration of Yugoslavia, 1989–2006." *The International Journal of the History of Sport* 26.9 (2009): 1187-1217.

Missiroli, Antonio. "European Football Cultures and their Integration: The 'Short' Twentieth Century." *Culture, Sport, Society* Vol. 5, Iss. 1, 2002.

Navalny, Alexy. "How to Punish Putin" New York Times Op-Ed Contribution. 19 Mar. 2014. Web. 24 Mar. 2014. http://www.nytimes.com/2014/03/20/opinion/how-to-punish-putin.html?_r=1 A

Necula, Simona. Suporterii echipei Steaua au protestat impotriva patronului clubului. 13 May 2007. Web 15. Nov. 2013. http://www.realitatearomaneasca.ro/content.php?c=articole&id_categorie=12&articol_id=1681&p=9&article=suporterii+echipei+steaua+au+protestat+impotriva+patronului+clubului Accessed

Norocel, Ov Cristian. "Romania is a family and it needs a strict father: conceptual metaphors at work in radical right populist discourses." *Nationalities Papers* 38.5 (2010): 705-721.

n.p. "Becali, condamnat la trei ani de închisoare cu executare în Cazul "Valiza"! Selecționerul Pițurcă, un an cu suspendare. Ce riscă Steaua." Prosport. 4 June. 2013. Web. 16 Nov. 2013. <http://www.prosport.ro/fotbal-intern/liga-1/becali-condamnat-la-trei-ani-de-inchisoare-cu-executare-in-cazul-valiza-selectionerul-piturca-un-an-cu-suspendare-ce-risca-acum-steaua-10923477>

n.p. "Дмитрий Маргаринт: "Перед "Динамо-Авто" стоит задача выйти в Национальную Дивизию." Moldfootball. 14 Aug. 2012. Web. 7 Mar. 2014. <http://www.moldfootball.com/?index=news&news=13425>

n.p. "Veste teribilă pentru Gigi Becali: Penitenciarul Poarta Albă nu l/a trecut pe lista deținuților care vor lucra la Academia lui Gică Hagi!" n.d. Web. 14 Feb. 2014.
http://www.realitatea.net/gigi-becali_1354539.html

n.p. "Romanian Judges Bar Populist MEP." BBC. 9 Jun. 2009. Web. 12 Oct. 2013.
<http://news.bbc.co.uk/2/hi/europe/8092434.stm>

n.p. Roportal. n.d. 2014. Web. 26 Nov. 2013. <http://www.roportal.ro/stiri/steaua-acuzata-din-nou-de-rasism-390451.htm>

n.p. "Steaua II, desființată" Adevarul. 1 Jun. 2011. Web. 16 Nov. 2013.
http://adevarul.ro/news/sport/steaua-ii-desfiintata-1_50ad1ca97c42d5a6638edb4c/index.html

n.p. "Time to start fretting; Scary elections in Eastern Europe." *The Economist* 13 June 2009: 33(EU). *Infotrac Newsstand*. . 1 Jan. 2014. Web. 16 Nov. 2013.

Oreshnikov, Alexander. "Interpol Puts Russian Billionaire Kerimov on Wanted List." 2 Sept. 2013. Web. 15 Sept. 2013. <http://en.ria.ru/politics/20130903/183127829.html>

Pannenberg, Arnold. "Big Men, big gains? The involvement of African club officials in the transfer of players." *African Historical Review* 42.1 (2010): 63-90.

Protsyk, Oleh. "Representation and democracy in Eurasia's unrecognized states: The case of Transnistria." *Post-Soviet Affairs* 25.3 (2009): 257-281.

Riordan, Jim. "Football: Nation, City and the Dream. Playing the Game for Russia, Money and Power." *Soccer & Society*. 14 Aug. 2007.

Riordan, James. *Sport in Soviet Society: Development of Sport and Physical Education in Russia and the USSR*. Cambridge: Cambridge Univ. Press, 1977.

Roeder, Philip G., *Where Nation-States Come From: Institutional Change in the Age of Nationalism*. Princeton, NJ: Princeton University Press, 2007.

Rutland, Peter. "Putin and the Oligarchs." *Putin's Russia. Past Imperfect, Future Uncertain* (2003): 133-52.

Scott-Elliot, Robin. "Racist, sexist' and an MP – meet Gigi Becali, the owner of Steaua Bucharest." 6 Mar. 2013. Web. 26 Mar. 2013.
<http://www.independent.co.uk/sport/football/european/racist-sexist-and-an-mp--meet-gigi-becali-the-owner-of-steaua-bucharest-8523542.html>

Scott Gehlbach, Konstantin Sonin and Ekaterina Zhuravskaya. "Businessman Candidates." *American Journal of Political Science*, Vol. 54, No. 3 (July 2010), pp. 718-736

Stan, Filon. "Football: The Disreputable Game." Transitions Online (Transitions Online), issue: 25 Nov. 2005 Web. 26 Nov. 2013. www.cceol.com.

Sugden, John & Tomlinson, Alan. "*Football, resentment and resistance in the break-up of the former Soviet Union.*" *Culture, Sport, Society*. Vol. 3, Iss. 2, 2000.

"Сулейман Керимов Биография." Vedomosti. n.d. Web. 5 Oct. 2013.
<http://www.vedomosti.ru/persons/1761/>

Vinokur, Martin Barry. *More than a game: Sports and politics*. New York, Westport, Connecticut, London: Greenwood Press, 1988.

Volkov, Vadim. *Violent entrepreneurs: The use of force in the making of Russian capitalism*. Cornell University Press, 2002.

Walker, Edward W. "Russia's Soft Underbelly: The Stability of Instability in Dagestan." (2000).

Ware, Robert Bruce, and Enver Kisriev. *Dagestan: Russian hegemony and Islamic resistance in the North Caucasus*. ME Sharpe, 2009.

Ware, Robert Bruce, and Enver Kisriev. "Prospects for political stability and economic development in Dagestan." *Central Asian Survey* 21.2 (2002): 143-156.

Ware, Robert. Recent Russian Federal Elections in Dagestan: Implications For Proposed Electoral Reform. October 5, 2010.