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## Health Resort Construction in the North Caucasus: Exacerbation of the Land Issue

*The plans involving a number of health resort construction projects elaborated by OJSC Kurorty Severnogo Kavkaza [Health Resorts of the North Caucasus] (KSK), a company belonging to the North Caucasus tourism cluster, are now faced with some serious problems that have to do with land issues. These problems had already existed prior to the emergence of these projects, but it is largely due to them that the situation became more acute. It is further aggravated by the fact that the real economic interests of the current residents of the future health resort construction zone are interlaced with the issues of 'historic ownership' of the land plots earmarked for these projects.*

Referring, by way of example, to the recent developments in the Republic of Kabardino-Balkaria, we are going to demonstrate that the situation around the land plots earmarked for the 'health resort projects' began to heat up as early as the first half-year of 2012, although the major events in this connection occurred in the second half-year of 2012.

In January, the residents of three villages situated in Cherek raion of Kabardino-Balkaria created a 'task group' of 12 persons, who were to exercise public control over the implementation of the 'tourism cluster's' activity. According to the information previously released by OJSC KSK, their plans involved the construction of a health resort facility capable of housing simultaneously 15 thousand tourists and incorporating 170 km of alpine ski tracks<sup>1</sup>. As the company explained, some of the health resort facilities were to be situated in the territory of the Khulamo-Bezengi Gorge. Part of the lands in that gorge are owned by an agricultural federal state unitary enterprise (FSUE). However, the residents of the village of Bezengi claim that these lands are 'historically theirs' and insist that it is the village that the 'tourism cluster' should conclude the agreement with concerning the allocation of land for the construction project, and that its residents should control each phase of the project's implementation. The most vocal advocates of that idea are the public leaders who represent the opposition to the raion's head, Arsen Kanokov. One of the opposition's veterans, ex-head of the village of Bezengi Muradin Rakhaev, in March made the following declaration: 'The lands around these places – a 'titbit' for the oligarchs – is a recreation territory, to be fully occupied by the 'tourism cluster'. Probably, in a few years the village of Bezengi will simply disappear from the map of Russia'<sup>2</sup>. So, for political purposes, the 'tourism cluster' theme was simultaneously being exploited in two different directions: on the one hand, for providing a foundation for the opposition to the business interests of people attached to the Republic's bodies of authority, who were allegedly going to derive personal profit from the 'tourism cluster's' construction; and for the sake of safeguarding the 'historical territory' of the Balkarian people, on the other (Balkarians constitute the majority of population in the zone earmarked for the planned health resort construction project, although in the Republic of Kabardino-Balkaria as a whole they are third in number, and

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<sup>1</sup> Nezaviscimaja gazeta [The Independent Newspaper], No 174, 29 August.

<sup>2</sup> Kavkazskii uzel [The Caucasus Knot], 6 March (<http://www.kavkaz-uzel.ru/articles/202503>)

in the post-Soviet period their public organizations became expert in making use of the ‘ethnic minority’ rhetoric for the protection ‘the rights of their people’).

The first response of OJSC *KSK* and the Republic’s officials to the first manifestations of the public opposition to the health resort project was guarded, and they chose to abstain from any specific actions. In May 2012, chairman of OJSC *KSK*’s board of directors Akhmed Bilalov effectively shifted all responsibility for settling the situation onto the government of Kabardino-Balkaria, promising that no construction work will be started under the health resort project until all the land issues were properly regulated<sup>3</sup>. Meanwhiler, head of Cherek raion Makhti Temirzhanov announced that, on the initiative of Kabardino-Balkaria’s head, preparations are underway for the transfer of the aforesaid FSUE’s lands in the health resort project’s zone in Cherek raion into municipal ownership<sup>4</sup>.

The next round of public confrontation concerning the land issue in Cherek raion began after the presentation, on **28 July**, of the health resort construction project by OJSC *KSK*. Following the presentation, on **18 August** and **7 September**, meetings were held across the raion where the participants demanded that no construction of tourist facilities should be started until the relevant land plots were transferred into municipal ownership to be exercised by the local rural settlements. The number of participants in those meetings varied between 50 and 100 people. In response to the meetings, deputy general director of OJSC *KSK* Rostislav Murzagulov once again emphasized, on behalf of his company, that the necessary steps to settle the land issues should be taken by the authorities of Kabardino-Balkaria. At the same time, Murzagulov declared that until the conflict was not resolved, OJSC *KSK* would restrict its activities in Kabardino-Balkaria to organizing the construction of health resort facilities in Elbrus raion, where no public protests were taking place<sup>5</sup>. It should be noted that the new wave of protests against the health resort construction project in Cherek raion coincided with the signing, on **22 August**, of an agreement between Akhmed Bilalov and head of Kabardino-Balkaria Arsen Kanokov concerning the transfer into management to OJSC *KSK* of the controlling stakes in the companies *Kanatnye dorogi Prielbrus’ia* [The cableways of the Elbrus region], *Elbrustourist* and *Kurort Elbrus* [Health Resort ‘Elbrus’]. These companies (OJSCs) own the bulk of the alpine ski infrastructure situated on the eastern slope of Mount Elbrus (Elbrus raion).

After the suspension of the preparatory work under the construction project in Cherek raion and the transfer, by the republican authority, of control over the major infrastructure complexes in Elbrus raion, the public dispute focused on the impending health resort construction projects in Zolsky raion. The Government of the Republic of Kabardino-Balkaria on 22 November released information on the completion of the procedure of outlining the special economic zone in that raion (special economic zones are created in all the raions of Kabardino-Balkaria where health resort construction projects are planned or already being implemented). Almost simultaneously with this event, several deputies of the rural settlements situated in Zolsky raion of Kabardino-Balkaria informed the mass media that the settlements’ assemblies had vetoed any activity of OJSC *KSK* in the raion’s territory, because the land issues there had not been properly settled yet. The heads of those settlements responded by saying that their

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<sup>3</sup> Information Agency REGNUM, 11 May (<http://regnum.ru/news/1529618.html>)

<sup>4</sup> ITAR-TASS, 18 August (<http://www.itar-tass.com/c183/499203.html>)

<sup>5</sup> Kavkazskii uzel [The Caucasus Knot], 7 September (<http://www.kavkaz-uzel.ru/articles/212307>)

population was not opposed to the construction projects, while no decisions had been made with regard to the relevant lands because no proposals from OJSC *KSK* had yet been submitted<sup>6</sup>.

The land situation in the future health resort construction zone in Zolsky raion, which is situated in the northwest of Kabardino-Balkaria, differs from that in Cherek raion. Much of the territory of Zolsky raion is a mountain plateau covered by pastures. In the Soviet era, the pastures in Zolsky raion, famous for the high quality of their grass, were used by the livestock-breeding farms from several of the republic's raions. In accordance with the Republican Law 'On the Status and Borders of the Municipal Formations of the Republic of Kabardino-Balkaria' of 27 February 2005, Zolsky raion's pastures were placed in the category of inter-settlement territories. Since then, two Balkarian villages situated in the close vicinity of those pastures (Kichmalka and Khabaz) have repeatedly submitted their demands that the pastures be included in the borders of those municipal formations. Although in many other cases over the period of 2006–2009 the former inter-settlement territories were transferred to villages under the legislative acts issued by the Parliament of Kabardino-Balkaria, no such decision was adopted in regard of the pastures in Zolsky raion, which represent one of the most attractive mountain territories in Kabardino-Balkaria. Meanwhile, independently from the borders of municipal formations, the status of that territory is subject to the Republican Law of Kabardino-Balkaria 'On the Procedure for Determining Territories and Using Lands for the Purposes of Transhumance'. In accordance with that Law, which in many respects is a replica of a similar law adopted in Dagestan, the lands for transhumance are recognized to be republican property and are leased to the farms. Thus, at present there exist two legal barriers preventing the deputies of Zolsky raion to make any decisions concerning the destiny of those lands: they lie outside of the municipal borders of the villages and are subject to administration by the Republic's government. Besides, the local deputies have no precise information as to where exactly in the raion's territory the health resort projects are going to be implemented: OJSC *KSK* is planning to start the discussion of that issue only in 2013. However, it is a known fact that the initial demands voiced by the villages of Kichmalka and Khabaz were concerned with the incorporation in their municipal borders of all the relevant lands, including the northern slope of Elbrus, which means that the planned health resort projects are part of their 'sphere of interests'.

In the second half-year of 2012, the reaction of the government of Kabardino-Balkaria to the land-related problems that arose in the future construction projects' zones had two facets. On the one hand, it was evident that the republican government intended to prove to the local population that their claims had no substantiation, because their interests would be taken into consideration when coordinating the construction projects. Head of Kabardino-Balkaria Arsen Kanokov, in his November interview with the Internet edition of *Kavkazskaia politika* [Caucasus Policies], said as follows: 'Of course there are those who excite the population by spreading rumors that lands allegedly will be taken away from the local residents, and that there will be nowhere to graze their livestock or to open their businesses. But this is absurd! Nobody is going to take away anything... Some people are attempting to gain cheap popularity in this way. There are no more than 50 of those who stage the meetings, and half of them are not locals, they

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<sup>6</sup> IA REGNUM, 4 December (<http://regnum.ru/news/1600606.html>)

are newcomers'<sup>7</sup>. On the other hand, the head of Kabardino-Balkaria thus confirmed the plans to implement land reform in the region. Speaking on **24 October** at the meeting of the Public Council under the region's head, Kanokov named the four core ideas of that reform: 'Land is allocated from the general land pool and is legally formalized as the private property of a certain group of rural residents, the forms of economic activity can be multiple, agricultural lands cannot be divided into plots less than 10 hectares, and big and medium-sized efficiently operating economic entities are to be preserved'<sup>8</sup>. Then he also declared that the reform must gradually be completed by 2015–2017.

However, the implementation of land reform in the zone assigned to the health resort construction projects will inevitably give rise to the question as to whether the land plots earmarked for construction will be included in the lands to be transferred to 'a certain group of rural residents'. It should be noted that no matter what solution is offered for that issue, it will inevitably be fraught with a new upsurge in political protests because, since 2005, a tradition has emerged in Kabardino-Balkaria that involves disputes between different public organizations: the public leaders speaking on behalf of Balkarians insist that all mountain lands must be transferred to Balkarian villages, while those who speak on behalf of Kabardinians refer to the disputable character of the 'ethnic borders' in the mountains and to the fact that, in the Soviet era and even earlier, the mountainous lands around Elbrus could also be freely used by the people who lived on the neighboring plain<sup>9</sup>.

Thus, the land-related problems that arose in connection with the North Caucasus 'tourism cluster' are far from being resolved, as seen by the example of Kabardino-Balkaria. An overview of the main events of the second half-year of 2012 has led to the following conclusions with regard to the land-related situation in the area pinpointed for the future health resort construction projects:

1. The current status of many lands in that zone is such that the lands are administered by structures that are in no way connected to the local residents. The latter can neither influence the future destiny of those lands in the capacity of stakeholders nor through their village administrations.
2. The public declarations on behalf of the residents of local villages to the effect of protecting their rights to these lands can be heard precisely at the moment when the plans for implementing the health resort construction projects begin to be discussed. Thus it can be assumed that the relevant lands are regarded by the local population (or by those public figures who speak on behalf of that population) primarily as a source of rent, and not as an agricultural resource.
3. The federal structures responsible for the health resort construction projects, and first of all OJSC *KSK*, refrain from any participation in settling the conflict situations

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<sup>7</sup> Kavkazskaia politika [Caucasus Policy], 20 November (<http://kavpolit.com/arsen-kanokov-turizm-prioritetnoe-napravlenie-dlya-kabardino-balkarii/>)

<sup>8</sup> Interfax, 24 October (<http://www.interfax-russia.ru/South/main.asp?id=355348>).

<sup>9</sup> For more detail, see K. I. Kazenin. Kabardino-Balkaria: politicheskie protsessy v. 2000-2010 gg. [Kabardino-Balkaria: Political Processes in 2000-2010]. // I. G. Kosikov (Ed.): Severnyi Kavkaz v 2000-2010 gg.: mezhnatsional'nye otnosheniia i vzaimootnosheniia s federal'nym tsentrom [The North Caucasus in 2000-2010: Inter-ethnic Relations and Relations with the Federal Center]. M.: Nauka. 2012.

around the relevant lands, expecting, instead, that some decisions would be taken in this respect by the region's administration. However, the freedom of manoeuvre for Kabardino-Balkaria's government is severely limited by the fact that the land issue is closely interlaced with ideology and belongs to the so-called sphere of *Geschichtspolitik* ('historic policy').