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Long-term Stability through Reforms

The Power of Localism in the Northern Caucasus

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Abstract

The paper is devoted to an analysis of governance strategies in conditions for the reform of local governance and land usage. Two central Caucasian regions - Kabardino-Balkaria and Karachay-Cherkessia were selected for a paired comparison, for they have similar institutional, geographic and ethnic features though different means of handling conflict: i.e. when there was relatively successful lowering of tensions arising in the early 1990s in Kabardino-Balkaria, and a dangerous escalation of conflict in Karachay-Cherkessia.

In the context of reform, the strategy in Kabardino-Balkaria has been based on a freezing of democratic processes, like decentralization and pluralism, as well as a presidential veto on land privatization; whilst in Karachay-Cherkessia the privatization of agricultural land is going ahead at full speed, pluralism in the media is bringing activity to the political life of the republic, etc.

Thus, stability in Kabardino-Balkaria, based as it is on conservative and often non-democratic methods of governance, has led to social and economic stagnation - while tensions in Karachay-Cherkessia are going hand in hand with the growth of social development and economic activity.

Particular emphasis can be placed on tensions arising during land privatization and the reform of local governance. At the local level of governance, a "change of hats" has taken place, while most other features from the Soviet period remain. The state has announced that there should be a maintaining of self-management at a local level, while in reality a redistribution of resources and power has occurred. During the privatization of land, no conflicts between ethnic groups were revealed, though there *were* between the state and locals (peasants, villages, etc.). The most effective strategy via which to maintain a balance between reforms and stability is, it would seem, based on the development of institutional diversity and the involvement of local actors (a strategy of "localism").

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The views contained inside remain solely those of the author who may be contacted at gunya@policy.hu.

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Contents

Abstract	1
Introduction.....	4
1 Reform at a Local Level: Structural and Institutional Conditions	7
1.1 <i>Structural conditions: limiting factor of reforms?</i>	7
1.2 <i>Institutional framework and reform at the local level: the implementation of constitutional rules or one more redistribution of power and influence?</i>	10
2 Reforms and Stability: Strategies at a Deadlock?	14
2.1 <i>Conflicts over land between we-groups</i>	17
2.2 <i>Conflict between the state and local community over rules relating to the distribution and use of land</i>	20
3 Policy Options	28
3.1 <i>Trends and scenarios</i>	28
3.2 <i>Options based on a comparative analysis of policy experiences in case-study regions</i>	30
4 Recommendations	33
References	37

Introduction

Although the trials and tribulations in the North Caucasus have endured, local conflicts have not become sub-regional and/or deep-seated, and the basis of operations of daily life was and is being preserved. The anarchy so often predicted for the North Caucasus has not occurred. In every region there is a tense internal conflict over resources, posts, spheres of influence etc. A painful adaptation to the new conditions is taking place, to a large extent as a result of such competition. The inevitable tension in relations between different social layers and groups may even have played a positive role, especially in multi-ethnic regions, where large-scale conflicts and violence were to be most expected (Dagestan and Karachay-Cherkessia being prime examples). Here, conflict has not shifted from the occasional and local to being large-scale. In Dagestan, for example, the negotiations that came in the aftermath of sporadic clashes have managed to establish a balance under new conditions and have “played a stabilizing role in the political system as a whole”.¹

Despite the tensions, there are great motivations as regards development. Economic activities penetrate social life; and economic goals often link up with social problems, like unemployment, etc. What is better: undertaking reforms (with some risk of raising social tensions) or maintaining stability (albeit without reform)? All seven national North Caucasian republics are faced with this dilemma – and each republic has its own chosen route.

A good example is a comparison of Kabardino-Balkaria with Karachay-Cherkessia. These two neighboring regions have been selected so as to make a valid comparison of similar socio-economic, geographic and ethnic features going hand in hand with different governance strategies. In Kabardino-Balkaria, social life is strongly regulated by the state. There is censorship of the media, weak democratic institutions and there has been no land privatization. Weak democracy and media censorship in Kabardino-

¹ Kisriev E. Formirovanie demokraticeskoi sistemy upravleniya v postkommunisticheskom Dagestane. Mestnoe samoupravlenie mnogoetnicheskimi soobshchestvami v stranah SNG. Ed. Tishkov V. and Кисриев E. and Filippova E.. Moscow, 2001. Pp. 71-90.

Balkaria has contributed to a connecting of formal and shadow forces with a monopoly on violence. The unexpected events of 13 October, 2005 in Nalchik (the capital of Kabardino-Balkaria) might be seen as a result of defects in governing strategy accompanied by social and economic problems².

In Karachay-Cherkessia, in contrast, there is a permanent and relatively high level of tension, conflicts between different parties and strategic groups, there has been land privatization, and open criticism of regional authorities. The presidential elections in 1999 and 2003 brought about a great heightening of tension, which split society between different strategic groupings. A number of these strategic groups are based on clan associations with access to business resources. Precisely for this reason, inhabitants of the republic often describe the region as an “ungovernable democracy”.

This research addresses the **following questions**: what benefits have liberal modes of governance brought Karachay-Cherkessia? Will a centralization of power as a mode of governance in Kabardino-Balkaria be stable in the long-term? What is important for long-term stability - land privatization (Karachay-Cherkessia) or the keeping of land by the state (Kabardino-Balkaria)?

The main **working hypothesis** is that the short-term stability in Kabardino-Balkaria, which is based on formal institutions and centralized forms of governance, can only lead to economic and social stagnation and, in consequence, to a polarization of different strategic groupings and to a growth of tension; while, in contrast, the pluralistic and the more democratic environment of Karachay-Cherkessia, with a major role being played by hybrid institutions (state-traditional, formal-informal) is risky, though it might be seen as more adequate to a multi-ethnic region seeking long-term stability.

Fieldwork research. To answer questions based on the hypothesis, a traditional analysis of facts and figures from statistics and newspapers is insufficient. What is required is an in-depth study of the functional and social

² 200 militants attacked the regional offices of Interior Ministry, a local prison, the regional border guard offices as well as the headquarters of the republican branch of the Federal Security Service. During 13-14 October more than 100 people were left for dead.

bonds regulating conflicts, which can highlight enduring mechanisms that serve to reproduce such bonds. This is why - in addition to research gathering statistics, making a geographical and sociological mapping, analysing information gained from the media etc. - intense research, including interviews with different actors (administrators, formal and informal leaders, local people, politicians, etc.), direct observations of society (perhaps acting together *with* society) etc., was conducted. Along with primary data collection, there has been an analysis of local governance (using official data); and we have looked at examples of the workings of several villages in both regions. Especially important was the study of land privatization in Karachay-Cherkessia, the patrimonial and economic relations of different ethnic groupings, and the role played by state and traditional institutions during land privatization.

There are two types of data collection and scales of analyses, depending on regional and local levels (Table 1):

Table 1. *Distribution of methods and key institutions studied at regional and local levels*

Stage	Territory	Main objectives	Approaches and methods
Regional	Kabardino-Balkaria and Karachai-Cherkessia	A comparison of regional analogues of land use and of local government institutions	Comparative, interdisciplinary, social, ethnographical
Local	Mountain (Balkarian and Karachai people) and plain (Kabardian and Chircassian people) areas of Kabardino-Balkaria and Karachai-Cherkessia	Primary identification of land usage and local government institutions, and a description of their features and functions	Social (interviews), social-geographical (statistical, interviews, mapping)

1 Reform at a Local Level: Structural and Institutional Conditions

Outlining the problem. Self-governance reform and land privatization are two objectives that are closely connected to each other because they both aim at a decentralization of power, a change of administration mechanisms existing from Soviet times, and take on board elite formation, resource distribution, etc. The realisation of these objectives has been hindered by social tensions that emerged among the population as a result of mistrust in the state and the conducted reforms. To what extent are institutional pluralism and land privatization in Karachay-Cherkessia beneficial if they maintain a high level of tension? Will it be stable in the future? And how effective has the centralization of power been in keeping conflicts down in Kabardino-Balkaria, or the marginalization of democratic procedures and the veto on land privatization? For how long can the situation last? How enduring is it? Is economic stagnation not too great a price to pay for a centralization of power? Traditional explanations referring to differences in history and culture between the two republics, comparisons between the mentalities/constructed characteristics of ethnic groups, and the personalities of leaders are insufficient – for we need to analyse the institutional framework of interaction between the different actors by accepting certain structural conditions (a multi-ethnic structure, a difference between mountains with weak economic conditions and the “rich” plains, etc).

1.1 Structural conditions: limiting factor of reforms?

The most important factors to look at when carrying out local reforms are natural distinctions inside regions and the ethnic differences.

Name of ethnic grouping	Language	Share of the ethnic group in the republic's population (%)		Basic form of traditional agriculture
		1989	2002	
Kabardinians	Adygian group (Caucasian family)	49	55	Arable farming (foothills/plains)
Cherkessians		9,7	11,3	
Balkarians	Tyurskaya group (Altai family)	9,6	11	Mountain stockbreeding
Karatchaevians		31	38,5	

Especially in the North Caucasus, land plays many roles in the daily life of ethnic groups, namely as a place of residence and as a resource. Primarily, land is a territory of we-groups (persons with ethnic or regional identities), a location of cultural monuments, and graveyards - the place where the forefathers of kinship groups are buried etc. Land enables the reproduction of identity - and we-group identity needs territories and borders distinguishing it from "others".

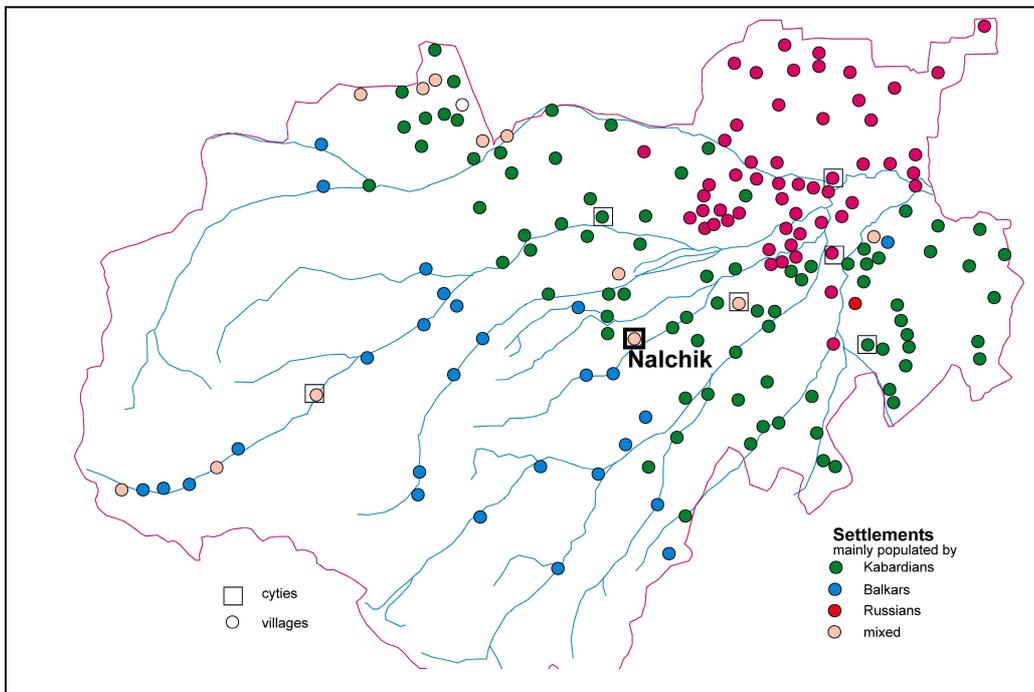


Fig.1. Settlement in Kabardino-Balkaria (made by the author during the fieldwork)

In general, there are three settlement zones in Kabardino-Balkaria: plain Russian (lower than 300m above sea level), foothill and plain Kabardian (300 to 700m) and mountain Balkar (above 700m) (fig. 1). For a long time, the main mechanism via which to regulate for the lack of lands was the long-term tradition of leasing arable and grazing lands. Kabardians were often privileged since they possessed both good arable lands and grazing lands in the middle mountains; Balkars had to exchange stock-raising products for Kabardian grain and use winter grazing lands on the plain. Cattle migration ceased when reforms began. Now, migration is non-significant in many valleys. Since the number of cattle has been reduced, extensive migration is no longer required.

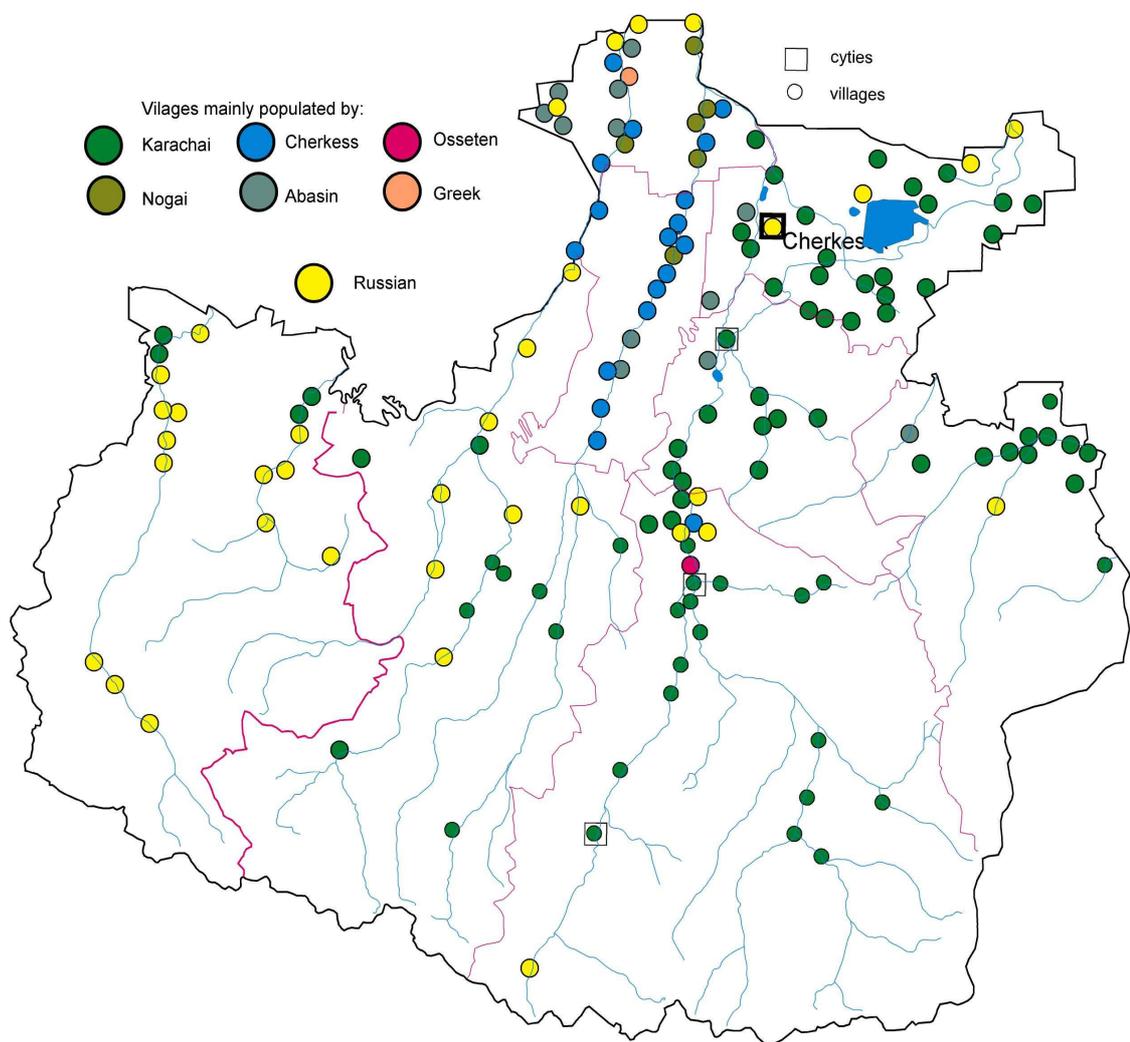


Fig. 2. Settlement in Karachay-Cherkessia (made by the author during the fieldwork).

In Karachay-Cherkessia the main ethnic groups have separate living areas in the Republic's territory. Karachays are in the mountains and in the Republic's Eastern side. Russians (Cossacks) and Cherkess occupy the plain in the West of the Republic. As a rule, an administrative division in rayons adheres to the ethnic structure (e.g. Cherkess people live in the Habesski rayon). The Karachay people actively migrate from the mountains to the plains, putting pressure on the Russians, the main motive here being a lack of land in the mountains - not the "natural aggression of Karachays".

Both Kabardino-Balkaria and Karachay-Cherkessia have major internal distinctions, which cannot be eliminated even via a strongly centralized model of governance. The structural conditions of mountain regions show the greatest inequalities, which require external regulation; and these attract the attention of the state. Objective inequalities additionally exist between different groups, caused by historical or natural factors. The rich plains and poor mountains, and also easily or poorly accessible regions, contrast with each other. Such differences are exacerbated by the fact that ethnic groups are not equally represented in the highlands and lowlands. For instance, the Balkarians were always in an unfavourable position, inhabiting not easily accessible and infertile mountain districts - while the Kabardinians have access to fertile land in the foothills and on the plains. These differences were partially compensated for by the state's policy of subsidising the mountain regions and offering more favourable conditions to ethnic minorities etc. After the collapse of the USSR, the danger emerged that the balance that had been supported by the state between the mountain and the plain populations would collapse – and that one ethnic group would be left to depend on the other.

1.2 Institutional framework and reform at the local level: the implementation of constitutional rules or one more redistribution of power and influence?

The law of 1991 "On local self-government in the RSFSR" established the principle of local self-government's independence, laid down the basic legislative provisions that were needed, established elective bodies and

determined the resources that these bodies controlled. Thus, almost everything was provided for, but the local authorities nevertheless were made responsible *not to their electorate but to superior authorities*.

Since the mid-1990s, there have been three types of institution in North Caucasus villages:

1. Administration – formally belonging to the official and local self-government, though it is overseen/controlled by the state.

2. Collective farms, changing their names in this period from kolkhozes and sovkhazes, with a variety of forms of joint stock company (KSKhP, AO, OOO, TOO etc.)

3. Traditional institutions, falling into two groups: those formalized by the state (e.g. a Council of Elders) and those remaining non-formalized (e.g. patrimonial networks).

Transitions between these types of institutions have been blurred. The contemporary local level comprises a cocktail of state, traditional and hybrid institutions. The state's exit from the local level and the replacement of state institutions by institutions of local self-management is taking place slowly. Local self-management (village administrations) does not yet possess the necessary powers. Formally, local self-management had great powers but, in practice, local authorities are greatly dependent on state bodies.

Attempts to transform the institutional structure

In June 2006, a council of municipal formations of the Kabardino-Balkaria Republic was created. Its declared goal was "to secure the rights of municipal formations as well as cooperate in dealing with social, economic and other problems". In practice, this institution has a formal character and only imitates an activity in postulated direction. In consequence, local organs of power remain under the tutelage and control of higher institutions at both a regional and republic level.

In recent years, "as an experiment", "taking on board special geopolitical conditions" and with various other pretexts, a number of laws have been adopted in the republic that aim to influence how local authorities are made up. Due to these measures, local authorities are being completely controlled and regulated. They might thus be seen as fully independent organisms (and

self-reproducing, by the same principles) that operate independently of the population; while their assessments of the needs of the population are poor. Members of this body undertake to hold onto their position by all available means because of the prestige and non-modest material resources these positions provide.

What are the mechanisms via which such local authorities exist? On one hand, they are a tool of a powerful administration during elections; on the other, they presume the total or nearly total passivity of population. The reason for the latter is people's lack of belief in the "noble" intentions of the state, disappointment when there is no opportunity to influence election results, an absence of any positive expectations irrespective of the outcome of elections («they are all the same»), and a dissociation of people who are engaged with their own troubles and do not feel as if they have any real power able to change their own lives.

Institutional transformation in the agrarian sector

According to the law of the Kabardino-Balkaria Republic (KBR) "About the use of agricultural land in KBR" from 2004 (30/07/2004 Nr.23-P3), there is a moratorium for 49 years in Kabardino-Balkaria prohibiting the privatization of agricultural lands. The passed moratorium can be conceived as an act of political will of the former President of KBR, Valerij Kokov; for he made public declarations that he would not make agriculturally important land private property. Two arguments were made use of: the first took into consideration the lack of land in the republic, and the second underlined the fact that a division of land would lead to social and ethnic explosions; as in the plain region (traditionally inhabited by Kabardians) there is more land and it is of better quality - while in the mountainous regions (which are predominantly populated by Balkarians) there is almost no plough-land.

The problem of how to divide up the land has been a subject for numerous debates by politicians, statesmen and scientists. The idea that such a question is subject to the decisions of those who do and work on this land is alien to everybody within the strongly centralized system of the republic. The central authority of the republic will keep full control as long as districts need to depend on resource allocations, as long as they are not able to form their

budgets independently and as long as decisions on economic issues depend on the ability to "to fight for" or "to obtain" resources from a higher level. Any positive examples coming from the neighbouring region of Karachay-Cherkessia were derided when the powers-that-be referred to the uniqueness of Kabardino-Balkaria.

In contrast with Kabardino-Balkaria, a large part of the agricultural land in Karachay-Cherkessia is shared property. The norm of a land share makes 2 to 6 hectares, depending on the district. Apart from state authorities, other actors are involved in privatisation concerns too: local structures of self-governance and representatives of basic ethnic groups. The obliteration of this example demonstrates a reluctance to carry out reforms and reveals a fear on the part of the authorities of losing influence over the "bases". This leads to a situation where constitutional rights are not respected or where their performance is postponed on no uncertain terms.

What is not visible? Besides the obvious and/or implicit obstacles created by officials, an informal circle of land managers of has been established, whose income sources originate not only from leases but also from production (e.g. alcohol produced from wheat, and never registered). It is not easy to collect data concerning cultivated lands. Shadow land tenants are sometimes quite successful businesspersons. To a certain degree, ploughlands remain a combination of leased and private property, and are subject to uncontrolled usage; this phenomenon is known as a "shadow lease". Such a land lease remains unregistered and, according the documents, these lands are seen as being 'waste'. A complete inventory of lands (which should by definition precede privatization) as well as a registration of partial owners cannot suit those who currently benefit from the system.

Because of the specifics of the institutional framework and owing to natural conditions, state reforms from "above" are ineffective in the mountain regions. State intrusion into this sphere occurred in the past, of course, in the form of forced collectivisation, relocations, the merging of villages etc. - yet these moves were unsuccessful, for the local level constantly 'slipped beyond' the state's grasp.

2 Reforms and Stability: Strategies at a Deadlock?

Local reforms are tightly connected with preserving stability. This causal relationship - reforms (or lack of reforms) and conflict - is able to help us evaluate development strategies in the case of these regions. We need to understand conflicts as dynamic social processes. Conflict require people making choices - and conflict requires interpersonal action/activity. In such mountainous regions as the North Caucasus conflict exists as a “normal” and dynamic social process (with structural conditions always reproducing inequality). If we take conflict as a dynamic social process, the question is not why conflict exists but, rather, whether it is dealt with in a violent way and whether it is conducive to or disruptive of social cohesion and institutional adaptation. The focus of conflict analysis must therefore be to assess what it is concerned with, who is involved, how it is carried out and, finally, how it changes its own environment, i.e. changes the constellation of involved actors, the bearing of affected institutions and the distribution of required resources.

The complex settlement and land use structures in Kabardino-Balkaria and Karachay-Cherkessia have complicated the institutionalizing of conflict procedures occurring during times of reform. Conflicts in these regions have been characterized by local and short-lived outbreaks of violence:

Inter-ethnic face-offs, with violence (seldom, and only in 1991-1993);

Inter-ethnic tensions with a latent processes of migration, discrimination, etc.;

Conflicts over rules about distributions and the use of strategic resources, like land.

Some examples are given below:

Inter-ethnic / territorial conflict

Despite the generally peaceful co-existence that had prevailed hitherto, at the start of the 1990s conflicts escalated and involved not just individuals, but groups, based on ethnicity. Kabardino-Balkaria, the area where Balkar settlements are juxtaposed with Kabardinian proved to be most pregnant with conflict. It was here that the most acute cases of conflicts spilling over into violence occurred. They all originated in social disputes, but then grew into ethnic confrontations. For example, the trigger for the conflict between the Kabardinian village of Khamidie and the Balkarian village of Novaya Balkaria was the murder of a Kabardinian by a Balkarian in the town of Nalchik. Two days later, a group of 60 Kabardinians carried out a pogrom on Balkarian farms. The group comprised relatives of the slain man and villagers from Khamidie. Soon afterwards, a group of Kabardinians carried out an attack on the village of Novaya Balkaria. The conflict threatened to escalate into mutual violence. The Balkarians felt insecure, since they were the only Balkarian village in a Kabardinian area. The village had been founded at the end of the 1950s for Balkarians returning from deportation to Central Asia, persons wanting to settle not in their home territory in the mountains but in the foothills where there was more land.

Tensions between Balkarians and Kabardinians were exacerbated by the circulation of myths referring to “our” land and of the allegedly aggressive behavior of one ethnic group or the other. At Kabardinian gatherings, villagers asked the local authorities to liquidate Balkarian farms in their district. This was the background against which the conflict might have got out of control and turned into violence.

Means of conflict regulation: efforts at mediation both by state structures and officials (including the president) as well as by social-political organizations and individual leaders.

Politics and conflict at the local level

Regulation of local conflicts differs widely from village to village. In the village of *Kaidan* in Karachay-Cherkessia, a number of ethnic groups border onto each other. The village is inhabited by 60% Karachays and 40% Abasins (related to the Tcherkessians). The presidential elections in 1999 split the village. The Abasins voted for Derev, and the Karachays for Semenov. In 2003, the situation repeated itself, though the tension did not spill over into violence. Also, taking into account the sad experience of the presidential elections, in the elections for the head of the village administration it was decided to allow two candidates from one ethnic group to stand (non-competitive elections are illegal). As was the case with the presidential elections in 2003, the price of recruiting for one or the other camps increased, which reduced the motivation of ethnic 'entrepreneurs'. The council of Elders, comprising both Abasins and Karachays, plays an important role in such mediation.

The village of Khetagurov, an Ossetian enclave in a Karachay area, constitutes another example. In the presidential elections of 2003, the Ossetians voted in a majority for Batdyev. Between the first and second rounds of voting, a bomb was thrown in the yard of one of the Ossetian activists. That was decisive in causing a majority of Ossetians to vote for Semenov in the second round. In contrast to Kaidan, in Khetagurov traditional institutions of self-government are weak. The majority of Ossetians wish, in the future, to relocate to other regions, where they can enjoy more rights when, for example, seeking work.

Conflict over pasturage

At the start of the 1990s, and in consequence of the state's collapse, transhumance practically ceased. Small-scale clashes between livestock herders and locals were ubiquitous. Thus, at the start of 1992, the inhabitants of the mountain hamlet of Verkhonii Baksan (El'brus district in Kabardino-Balkaria) blocked the road along which sheep were being driven from the

village of Bylym to mountain pastures (i.e. the inhabitants of both Verkhni Baksan and Bylym were Balkarians). Their justification was that, in conditions of economic crisis, there would soon be insufficient pasture. It took two years for the conflict to be fully resolved.¹ A not insignificant role was played here by official and unofficial talks and improvements in the economic situation of the republic.

We need to additionally analyse the third type of conflict with low level of latent violence, which might be characterized as a socially embedded conflict³. During land privatization in Karachay-Cherkessia, this type of conflict occurred in two forms: a) within the village community, between the inhabitants themselves and b) between inhabitants and the authorities.

2.1 Conflicts over land between we-groups

Conflicts over land display two features: a) competition for a limited amount of land (either due to natural conditions or due to population growth); b) a struggle for surplus production, which can then be sold (for instance, a disputed pasture can give additional production for market). In the first case, the conflict takes place between individuals and local authorities, for they share one resource that is limited and difficult to divide. In the second case, conflict might arise between entrepreneurs, persons who are not necessarily resident in the region but who profit from the sale of the surplus product – and who are prepared to use all means possible to get what they want.

³ Zürcher, C. (2002). Institutionen und organisierte Gewalt. Konflikt- und Stabilitätsdynamiken im (post-) sowjetischen Raum. Berlin: Habilitationsschrift, Fachbereich Politik- und Sozialwissenschaft der Freien Universität Berlin. Koehler Jan and Zürcher Christoph (2004). Conflict and the State of the State in the Caucasus and Central Asia: an Empirical Research Challenge. Berliner Osteuropa Info. № 21. S. 57-67.

An analysis of figures (mostly coming via notices in papers) shows that the most controversial issue during land privatisation in Karachay-Cherkessia was the location of plots of land. The quantity of land did not cause any conflict, as this had already been fixed in 1992, when the land was divided equally between the members of collective farms and they were given the relevant certification. The fieldwork data indicates that, in connection with an unequal distribution and a deficit of resources, we-groups are forced to enter into cooperative relationships, which have rules pertaining to the joint usage of land and space. This is especially characteristic of mountain areas, where several “clusters” of such institutions and forms of cooperative relation can be seen:

1) **Exchange**, *based on specialization and the division of labour*. Historically, mountain dwellers (Balkars and Karachays) occupied the lands of the high and middle mountains, which were not suitable for dividing into plots but only for animal grazing. As a result, the mountain dwellers were forced to exchange animal products for arable products produced by the population of the foothills and plains (Kabardians and Cherkess). This mutually beneficial form of interrelation between we-groups (created according to the territory of residence) has a complicated history. Even in the Soviet period, when resources were redistributed from top to bottom, this way of operating continued to exist, for instance in the form of traditional bazaars where exchanges in kind took place. In the 1990s, the role of bazaars increased dramatically. Organized, special markets underlined the regional specifics of products up for sale: cabbage coming from upper Balkaria, wool products from Chegem, honey from the Cossack farms of the foothills etc. Ethnicity was a secondary issue.

2) **The leasing of land**. Two types of land lease are most common: a) leasing for the long-term use of pasture or plough land, and b) a seasonal leasing of pasture-land. Long-term leasing of pasture and plough land was practiced before the revolution. In Soviet times, lands that had been leased were secured by the kolkhozes and sovkhoses for long-term usage.⁴

⁴ Ghirugov R.T. Semelnaya arenda: realnost perspektiv. Nalchik, EI-Fa. 1999.

Previously, the leasing of land had often caused disputes over the ownership of such land. These disputes died down in Soviet times, though, i.e. when the state became the monopoly landowner. Yet questions related to the price of land emerged once again in the 1990s – and national-political activity played a significant role here. At its peak (in the first half of the 1990s), land became an object to be divided up between self-declared “republics”.

Only subsequently did land acquire a price set by the market, becoming an object of privatization in cities and semi-urban areas. In Kabardino-Balkaria, the president vetoed the privatization of agricultural land, the main type of land for appropriation, which meant that land remained outside the market process. In Karachay-Cherkessia, the privatization of agricultural land goes ahead at full speed. By July 2006, the majority of collective farms should have found owners. Lands left unappropriated will be transferred to the local state authorities.

The seasonal leasing of pasture land based on seasonal fluctuations in resources would seem natural: mountain dwellers need winter pastures, since the pastures they own are snowed-under in winter; while plain dwellers need summer pastures (the fields they own are used for crop growing and require irrigation). This form of mutual relationship, which is often not fixed in writing, is called transhumance. In Soviet times, transhumance was officially supported and extended. The driving of cattle served as an indicator of peacefulness or tension in a region. The cessation of transhumance within a republic as well as within some valleys indicated a worsening of relations. In this way, the existence of such institutions points to a peaceful situation, although they are hardly capable of providing a basis for the prevention of conflicts - yet they do point the way to a relatively peaceful coexistence. Some of these “naturally” occurring institutions are then consolidated in official plans of land usage, i.e. they are formalized.

2.2 Conflict between the state and local community over rules relating to the distribution and use of land

The conflict between administration and villagers in Karachay-Cherkessia can assume various guises. The management of a collective farm might contest the land that members intend to privatize, or the management may be entirely against privatization. The use of administrative pressure and legal support makes it easy to find a “catch” with which privatization might be hindered. The management might also prolong the transfer of land, leasing it to a third party without informing shareholders or forcing them to lease the land back again. The main factor increasing the risks inherent in reforms is a weak connection between reform and local specifics. For hundreds of years, reforms have been implemented in a top-down fashion; and local communities may avoid or ignore reforms, and this can at times lead to conflict.

The role of self-management in regulating land and territorial relations grew after the state’s strength had become weakened at the local level (in 1990s). The smallest units are the village municipalities (village administrations), which, as a rule, were brought into existence according to an ethnic settlement pattern. In addition, the framework of the collective farm exercised everyday control over land usage. Now, more than ten different forms of collective farms exist. The most common is the SPK, which stands for Agricultural Production Cooperative (usually a previous collective farm). Peasant-owned farms are a new phenomenon, upon which many hopes were founded as reforms were being carried out. However, this western form did not acclimatise itself, largely because the peasant did not himself become the real owner of the land. In addition, official registration, tax payments and other formalities were not to the liking of many peasants. Especially in Karachay-Cherkessia, peasants left the collective farms, but declined the status of farmer. Not unimportant in hindering the development of legal business in agriculture has been the absence of any concept of “taxation” among the peoples of the North Caucasus.⁵

⁵ Polyakov S.P., Bushkov V.I. Sozialno-economicheskaya situazia v Severo-Kavkazskom regione. Issledovania po prikladnoi i neotloghnoi etnologii. №108, 1997.

Already in the 1990s, many citizens and citizens' associations tried to obtain land shares by referring to the Law of the Russian Federation. One example is illustrated in the newspaper "Gazeta Juga" from September 2002. "In 2001 more than 400 inhabitants of the settlement Dugulubgej decided to unite themselves within a new agricultural association. They met and passed a statute, yet the Baksan District's Administration Chief refused registration. Only after arbitral court examinations, which took many months, were the actions of the Chief of Administration considered illegal and he was obliged to register the association "Dugulubgej". In addition, the imposed sentence of the court could not speed up the registration of the new association. Only after instituting legal proceedings and under the threat of a major fine did the chief of Baksan district administration register the association "Dugulubgej". Meanwhile, it took the administration chief only one day to register another association "Tambijewo" in the same settlement. According to complaints, the best land and most commodities will pass into the possession of this association. After registration of the association "Dugulubgej", the chief of the Baksan district administration refused to give either land shares or property to association members, which they desired and wished to put together for common production activities. The dispute between the members of the association "Dugulubgej" and the chief of the district went to the arbitrary court of KBR once again. The inhabitants of the settlement made demands to have an agricultural association "Kysburun" declared invalid. They claimed it had been founded in Dugulubgej in 1998 by the authority of the district in defiance of federal and republican laws. In the opinion of the barrister representing the settlements' inhabitants, the current situation for agricultural manufacturers is forcing persons to remain dependent: "Today, 2000 to 2500 hectares of land in every settlement are being leased. The leasing payments go to the administration. The chiefs of villages and districts can decide to whom they will give lands, how much, and at what price; otherwise, they will lose their powers and won't be able to influence people any more. Furthermore, the law "About the use of agricultural land" allows authorities to give lands to people of their choice. Great areas already have nominated owners".

The inhabitants of Dugulegbej, Baksanenok, Karagach, Psykhurej and Islamej consider the current situation to be prone to conflict: formally, lands

belong to communities but, in actual fact, are at the disposal of officials. Thousands of rural manufacturers do not have any rights, so are in essence farm labourers. And such people want to be freed from the “yoke of feudal oppression” and seek help to as to have recognized their constitutional right to land ownership and the right to engage in production activities of their choice. And they would like to have these officials called to account for the outrages.

The privatization of land in Karachay-Cherkessia takes place above all in the plains and foothills. Several factors explain the absence of privatization of agricultural land in the mountain collectives. Firstly, there is always a lack of land in mountainous regions, where land, since time immemorial, has been held in common (for instance, winter pastures). Private owners held onto small plots for haymaking and crop-growing even in Soviet times. There has been no need to register ownership officially since their owners have often been recognized as such for centuries. In many cases, land belongs directly to the local authorities (often not even the village, but the district authorities) who lease the land.

Publications in regional newspapers – announcements about peasants withdrawing their land from the collective - are the means by which privatization is legitimated and land areas are appropriated. The essence of notices published in the main republican newspaper lies in the formal publishing of agreements reached between villagers and shareholders from the collective farm regarding the latter’s withdrawal of land from land previously held jointly. Diverse motives for doing so are indicated; and the most frequent ones are “in order to lease”, to establish a private farm etc. In some cases, the motive is simply not indicated, and an intention to withdraw land is stated. In the village of Vazhnoe the standard phrase was “to expand individual private farming”. A typical announcement had in it the following: We, the shareholders of such and such collective enterprise (list of surnames, initials or first names) hereby inform persons of the withdrawal from the collective of this land share (size is indicated, as a rule between 2 and 6 hectares per person, with the type of land indicated – arable land, a hayfield or pasture); and there is its location and the reason for withdrawal. All such notices contain a phrase stating that “objections must be submitted within a

period of 1 month from the date of publication". In this way, press publication is one particular means of legitimising the appropriation of space.

Privatization of land in Kabardino-Balkaria

The flat country and foothill lands are of agricultural value – and such lands are subject to prickly discussions. The general and official opinion of Kabardian voters can be reduced to three possible scenarios concerning the future destiny of the most fertile and densely populated lands in the flat country: a) the land will be distributed free of charge in the form of shares; b) the land shall in no way be privatised; c) the form of ownership is not important, for the efficiency of the land tenure does not depend on this; and other instruments of regulation need to be developed, e.g. leasing or state regulation.

A) Dividing everything: This opinion can be summarized as follows: preservation of the existing state of affairs could mean a direct route to slave ownership and feudalism. The republic is not in possession of oil, gas, or gold. There are only two real resources: land and forest, the latter in lesser amounts than the former. Those who own land have power. These rights at present belongs to the heads of municipal authorities – and one can see how they take advantage of this.

Among political forces operating in the republic, the most active grouping in favour of privatization is the Union of the Right Forces. One of the leaders of the regional branch of the Union of the Right Forces gave the following opinion: "There is no freedom without property, and vice versa. By having property, that is, a share of land, a person will feel like a citizen. In the next stage, he will require political freedoms in order to protect his property. So he will not vote for somebody favoured from above - he will make his choice as regards an effective chief of administration according to his own interests. Today, he doesn't care for whom he votes – for a bottle of vodka he will vote for anybody. And even if he doesn't vote, others will put his "right" vote into the ballot-box. For many years, village inhabitants used to be a cheap electorate. At any moment the authorities might "block the supply of oxygen" - switch off water, electricity or gas. It is a slavish form of dependence. So the

“vertical of power” – a dream of Putin for Russia – has existed in our republic for a long time. If a countryman receives his own share of land, he can dispose of it - lease it, bond it, grant it to someone, sell it, etc. In this case, officials can play no important role. So it is obvious that local officials will hamper the progress of such reform”.

B) Dividing nothing. The short formulation of the case against privatization would be: for a republic with such a small land resource, such reform will lead to conflicts and social enmity. During the last 15 years, socio-political conditions have been finely balanced. Should a distribution of land shares be declared, everybody will wish to receive land – those who are entitled to it, and those who are not. On the domestic level, it would be difficult to explain to people that one’s neighbour is entitled to something, but they themselves are not. Also, the question arises: what to do with this land? Sell it? Who will buy it? Rich people will buy up land... And, tomorrow, the same question will arise as regards privatization vouchers: we have being deceived, robbed, so let's reconsider the results of privatization... In addition, there are no guarantees that privatization will increase the efficiency of land usage – indeed, efficiency may well show a decrease at the beginning.

C) Leasing and state regulation. This point of view is well represented by the deputy minister of Agriculture of KBR, Mr. Zhirugov: "Historical experience proves that the efficiency of land usage does not depend on the form of ownership – not here, and not abroad. As for processing, protection and other actions, the most favourable thing for the value of the land and for its quality is large-scale commodity production. Such a manufacturer needs greater areas, which are more favourable for leasing - one doesn't need to invest in the land purchase. Problems like, for example, a mortgage and the right of leasing on the security of credit, insurance of risks, and so on can be solved with a help of corresponding amendments to the land law and banking acts. Whatever the form of ownership might be, there is a need for state regulation in the agrarian sector. Farmers suffer a lot with the absence of any planning: what to plant, how much production is required, the price at which goods can be sold, etc. Often, peasants or small manufacturers who start the

'new art' of cultivation are financially ruined after only one agricultural season - so don't want to get involved in it any more. Time and again it happens like this: for example, this year garlic is sold at a high price. Next year, most farmers will plant garlic - so the price for it will go down dramatically, and some of them won't be able to sell any garlic at all. In the summer of 2005 we witnessed such a situation with tomatoes and red pepper; and in the summer of 2006 with cucumbers. In August 2006, one could see cucumbers lying along roadsides and rotting, even though one could buy them for 2-5 Roubles a kilo. At the beginning of September the sale price for cucumbers rose to 20-25 Roubles a kilo. There is no purchasing system. Expectations that prices will be regulated by the market are not met. In such a situation only state intervention can make land use more effective. It might be via the development of national projects, investments or even a regulation of prices for specific goods in order to give the population social protection. Being an official, I totally agree that the constitutional right to land ownership should be realized. But being a specialist I don't think it would raise efficiency."

Tricks of the state – the juridical jungle

The first potentially contentious factor is a differentiation of property. There is no inventory of land yet in KBR, and the borders between the republic's and the municipality's property are still undefined. Supporters of privatization suggest defining the shares of municipal and republican land simultaneously. Opponents suggest dealing with municipal property first and only then "thinking about securing the rights of the rural population". Some experts are convinced that, in such a case, rural dwellers won't get anything at all. If the land is legalized as municipal property, it might lead to civil war, as people will get no land. Municipalities do not offer anything free of charge even if, according to law, the property of municipalities cannot be sold. According to Article 10 of the Federal Law from 27.01.2003 "About the agricultural use of land" land that is municipal property can be sold only by auction or, in exceptional cases, to farmers, who will lease the land for no less than three years, and at the market price or at a price set by the relevant official body of the Federation.'

There is also another legislative dodge here. According to the Federal Law "About the agricultural use of land", lands which have not been privatised before January 27th, 2007 but which remain at the disposal of debtors' economies can be withdrawn by creditors into confidential management. Today, most assignees of collective farms and state farms are already bankrupt, or are keeping one step ahead of bankruptcy. They have debts of many millions, made up of what they owe to energy monopolists, financial institutions or the Pension fund.

The state takes full advantage of the legislative jungle in order to expand its power, in particular, using 'change of territory' status as a tool. Several settlements have been given the status of towns: e.g. settlement Dugulubgej has been connected to the regional centre Baksan, settlement Chegem has been given the status of a town, settlements Hasanja and Belaya Rechka have been connected to Nalchik... After political decisions, settlements where inhabitants have traditionally led a rural way of life have been given the status of towns. One cannot speak about any urban infrastructure, of course - at least at present. Then, dwellers in these settlements have lost all their privileges concerning taxation, payment for energy resources, etc. Numerous protests by inhabitants of such settlements have not been successful. For example, in Hasanja (mostly populated by Balkars) even a referendum was held on this matter (the Central Executive Committee of Kabardino-Balkaria declared its results illegal). Only on the third attempt was a referendum successfully organized – for it was cancelled twice after rulings from the Nalchik city court. According to the initiative group, 52 percent of the settlement's inhabitants took part in the referendum, and 99.4 percent voted for independence from Nalchik. If this state of affairs doesn't change, tens of thousands of people will thus lose their right to a share of land.

Conflict over land between the state and the local community

Village of El'brus, Kabardino-Balkaria. With the start of privatization of non-agricultural land, the price of land has shot up, in some recreational areas reaching several thousand dollars for 0.01 hectares. The administrative

change in the category of land has deprived locals of the freedom to dispose of their own land, hayfields and common pastures. In 2005, inhabitants of El'brus protested against a change in the status of their settlement, from agricultural to urban, because it impaired their rights to land, in particular reducing the size of land plots for garden farming. The conflict has not yet been resolved.

Settlement of Kubina, Karachay-Cherkessia. At the end of June 2005, the administration of the town of Ust'-Dzheguta decided to add part of the lands belonging to the settlement of Kubina - inhabited mostly by Abazins - to municipal lands. As a result, the Abazin aul were deprived of lands that have generated major revenue. This led to a bitter conflict. The Abazins burst into the Parliament of the republic and occupied the building. The Abazins community demanded the immediate formation of an Abazins administrative district. The conflict has not yet been resolved.

Fieldwork materials thereby show that the most important conflicts are not between different groups (ethnic or regional) but between local communities and the state. At the present time federal, regional and local authorities have no clear strategies regarding how reforms should be carried out at the local level.

3 Policy Options

3.1 Trends and scenarios

Several scenarios are possible depending on how local reforms will be dealt with:

1. “Game of compromise” between state (federal) demands and regional conditions. This is the current scenario, which excludes the local population from decision-making. Instead, regional and federal officials make decisions about the game - in their favour. The following trends can be seen here:

Table 3. Trends evolving given adoption of the first strategy

Areas of activities with the new law	Factual trends according to the current low-activity operation of laws
1. A shift in the status of local self-governance	<ul style="list-style-type: none"> • A formal allocation of power, a real reduction in freedom (impossible to provide social protection, roads, water supply, etc. with local budget expenses). Thus, the self-financing threat will mean that there is even more dependence upon the authorities. • A growing role of paternalistic connections to deal with the deficit of local authorities being able to handle local problems (countrymen, businesspersons, relatives, etc., who possess power at the regional level or financial resources assumed as contact persons). • The co-opting of traditional institutions, formal revival and a loss of actual influence.
2. A shift in the status of land	<ul style="list-style-type: none"> • Privatization of agricultural land in the plain areas of Karachay-Cherkessia; lands in mountain areas are the state’s property. • The state remains the main distributor of land in Kabardino-Balkaria. Instead of privatisation, the importance of leasing will grow (as the state is represented by corporate groupings, such groups will gain control over land). • The infringing of interests of traditional users due to a change of settlements’ status, i.e. from rural to urban.

Strategy 1 is not effective and will have a negative impact on stability (as events in Nalchik in the autumn of 2005 showed).

2. “Pragmatic” solutions. Here, reforms are undertaken without any compromises being made with regional authorities: empowerment of the local level, a reduction in state subsidies, the introduction of market prices for land. Many ‘unpromising’ settlements (mainly in mountain areas) will be threatened with disappearance because local budgets cannot provide people with social support or work. An outbidding of land will lead to growing economic activity but may also heighten social tensions between the rich and poor, as well as between ethnic groups. And social conflicts could well eradicate any positive economic effects seen.

3. Pseudo-regionalism. This strategy is similar to the first strategy, although regional authorities have the central role to play in the bringing about of reform. This could have a positive effect. Such utopian schemes were proposed, for example, for the reconstruction of Chechnya (the granting of a wide range of freedoms, an off-shore zone, etc.). However, the regional authority is far from perfect. Seeking to imitate “specific features“ of the region may lead to conditions where regional corporate groups (clans) will monopolize access to land resources and have complete control of the local level. This could well turn out to be more economically profitable overall (having low transaction costs in relation to the federal level); yet it might lead to a major impoverishment of one social group at the cost of enriching others (such a process is evident now, though is still under control). While the threat of social conflict (see second strategy) may undermine the economic benefits.

4. Localism – means that the interests of local actors will be taken into consideration. The most effective but labour-intensive approach would begin with the solving of problems posed by local actors. Their interests are not considered, though. Nowadays, reforms come from above, irrespective of whether people want them or not. Yet the potential coming from a local level is by no means exhausted, for rural area dwellers are able to unite state and local interests, as well as to explore ways of reform. This scenario will require

ancillary institutional support, the organizing of local alternative institutions, NGO's, etc. - which will help in the realization of development ideas.

Table 4. *An evaluation of the contemporary strategies*

Strategies	Who determines the strategy?	An evaluation of economic efficiency	Impact on conflicts and stability
Game of compromise	Federal and regional officials	Low	In spite of there being apparent control of the situation, there is a danger of conflict intensification
Pragmatic solutions	Federal officials and outside experts	Relatively high, though a low aggregated form (social outcomes being quite limited).	An increase in tension
Pseudo-regionalism	Regional authorities		
Localism	Local actors	Relatively low	Decreased tension

3.2 Options based on a comparative analysis of policy experiences in case-study regions

A comparison of Kabardino-Balkaria and Karachay-Cherkessia reveals several institutional mechanisms that might be able to regulate conflicts over land and control powers at a local level:

1. *A monopolizing of conflict areas by the state;*
2. *A framing of democratic conditions for the self-regulation of conflict (e.g., free market).*

A temporary lessening of conflict potential can be induced via the mechanism of sidelining/neutralizing areas of conflict, for instance with a monopolization by the state of strategic resources or positions (thus eliminating risk). The most blatant example is the awarding of federal status to a number of territories. Such means of regulating conflicts cannot be assessed as being entirely positive as short-term, positive effects could be counterproductive in the long term.

In Kabardino-Balkaria, most of the land (agricultural land) is a state monopoly and, consequently, is not something that causes conflicts between groups. Conflicts between local communities and the state have escalated, however - which is most evident when peasants' rights to land are threatened (and even traditional lands that they have always held).

In Karachay-Cherkessia, a land market has begun to form itself, creating a whole slew of new actors, as a rule representing mini-social groups (such as family and kinship associations).

In Kabardino-Balkaria, the state has continued the Soviet policy of penetrating the area right down to the local level, in spite of all the directives that have been arrived at in Russia in recent years. Municipalities essentially remained part of the state; state structures control the land; and peasants are tied to the state via the institution of land leasing. Measures taken at a federal level to free localities from excessive state regulation have only remained on paper in the republic. The state continues to control local spaces. The spirit of federal laws is being re-interpreted for the benefit of regional authorities. Citizens' initiatives that go against decisions made by the regional authorities come to a standstill. Officially, such stalemates are justified by there being a likelihood of conflicts occurring should land be privatized.⁶

In Karachay-Cherkessia, the privatization of agricultural land is proceeding rapidly, although the state is endeavouring to retain a strong hold at the local level. State officials make use of a variety of means to obstruct the development of private land holdings. One of these is the transfer of land to a

⁶ One of the other original versions: «...land in Kabardino-Balkaria means grain – for distilling spirits. The quantity of this resource is not known and is not taxed. But there are around 20 registered, private distilleries in the republic.». Luiza Orazava, NatsBez.ru, 12 July 2004.

legal category in which private ownership is to be excluded. There are a large number of categories existing for state land: a land reserve, state forestry, urban municipality land, a nature reserve, etc. Nevertheless, in comparison with Kabardino-Balkaria, a large step towards the de-monopolisation of state land rights has now been taken.

4 Recommendations

This analytical report emphasizes the necessity of developing a strategy of localism, one that supports the institutional sphere - which is the main nexus of reform - to strengthen the equality of local, regional and federal levels. According to our *working hypothesis*, short-term stability in Kabardino-Balkaria, which is based on centralized forms of governance, will lead to economic and social stagnation and, in consequence, to the polarization of society and a growth in tension. In order to avoid this, local actors and institutions should have greater roles to play in the area. This would comply with structural conditions in the region. The example of Karachay-Cherkessia proves the adequacy of this strategy: the pluralistic and the more democratic environment in this republic has its risks, but is more adequate to a multi-ethnic mountainous region that seeks long-term stability.

More specific recommendations within the framework of the strategy of “localism” might be adopted depending on the specific features of the region. Still, some recommendations, which are important for each region, can be highlighted.

1. Decentralization. It is now obvious that state officials are not only unable to implement progressive laws of municipal and land reform as such, but may also commit sabotage and find ways of avoiding them. A strong ‘vertical of power’ and a centralization of power in Kabardino-Balkaria is blocking the development of other actors and any diversification of institutions. With their own interests, and given a conflict between the population at large and the state, public organizations (though only gingerly, so far) have started to seek the protection of citizens’ interests. In Kabardino-Balkaria, for example, a Council of Elders is actively trying to intercede in the regulation of disputes between actors from local, regional and republican levels. Nonetheless, at the local level an institutional vacuum still exists, for there are weak structures of local self-governance and weak traditional institutions. This is the main obstacle to the occurrence of reforms. In consequence, the speed

and direction of reforms will strongly depend on officials. One research respondent - an official in a quite high position - said: "Concerning the issue of local reforms and land as property, *everybody's* interests should be taken on board. If the mechanism of reform is not convincing and does not take into account, for example, the interests of bureaucrats - well, believe me, they will find any opportunity to halt or at least to block reform..."

2. Institutional capacity building. It is important to improve institutional capacities with regard to reform achievement. The state should create favourable conditions for the development of regional, non-governmental organizations, which can bring together the different local actors. Taking into consideration the fact that NGOs used to be discredited as "agents of the West", it will take time until public and traditional organizations and also institutions reappear. Trust in these institutions is based upon natural connections being had with the local population. Thus, NGOs should develop from the bottom up, i.e. and not be foisted on persons from above. Another approach towards building up institutional capacities at the local level is used in some CIS countries - where local communities in mountain regions primarily rely on traditional institutions. In Kyrgyzstan, for instance, to ensure the legitimacy of local institutions, so-called territorial self-government bodies were set up, staffed by villagers working on a voluntary basis, who aim to help bring about land and water reform. In spite of the relatively small number of these bodies they have given a certain impetus to village life; and this has done much to generate legitimacy and confidence on the part of other villagers and on the part of central government authorities⁷.

3. Creating trust. Decision-making concerning local self-governance and changes in land ownership need to be discussed at a local level. The most important issues should be discussed in Councils of Elders or via other traditional institutions. The law on self-governance empowers the population as regards self-organization and the forming of authorities. Besides the centralized bureaucratic mechanism, which seeks to prevent reform, rights' realization is also hindered due to social apathy as well as to active anti-

⁷ Gunya Alexey. Cross-border cooperation at local level in the Alps, the Caucasus and the mountains of Central Asia. Berlin, 2007.

propaganda. “Explanatory work” conducted among the population may lead to a situation where people try to withdraw from the public sphere. For instance, many people in Kabardino-Balkaria do not realize that if they obtain a share of land this needn’t oblige them to cultivate it. Indeed, there is a lot of propaganda about a lack of technical equipment for land cultivation, a lack of finances for seeds purchasing, and about land taxation. Thus, the rural population sees land as a burden! This is why clear information about privatisation should be actively spread, for example lists of persons involved in privatisation processes as well as the locations subject to privatisation.

4. A territorial approach “from the bottom up”. Regions cannot be regarded as homogenous territories, having problems that are similar for towns and villages, capitals and provinces, mountains and plains. Problems and conflicts differ from place to place, from the territory of one ethnic grouping to another, from the mountains to the plain, from the centre to the periphery. Thus, the applied mechanisms should vary. Finding the mechanisms that are most appropriate for any territory depends on the competence of the local actors. Reform “from the bottom up” is the best tool with which to adapt federal and regional initiatives to local conditions.

5. New mechanisms. In order to be able to make use of new approaches, local businesspersons need a certain freedom of choice. In addition, means of obtaining credit should be diversified and there should be the elimination of the “state racket” (taxation, customs duties, limitations of credits, etc.). For example, to get credit in KBR, enterprises are supposed to receive a ‘guarantee’ from the ministry of agriculture – which points to way to official circumlocution. A state program should thus be developed to support initiatives from the local level in the creation of special and independent developmental funds.

6. Effective control and regulation. A change in land ownership will inevitably lead (due to purchases and sales) to a concentration of big tracts of land in the hands of specific persons. So as to prevent monopolization, a limitation of land shares (in property) in the hands of just one owner should be introduced legislatively. Members of the republic’s commission on land could suggest, for example, limiting land ownership to a maximum of ten percent within the boundaries of 1 municipal district and up to 30-40 percent within the

boundaries of a municipal settlement. Regardless of whether the issue is brought up, it is obvious that the inhabitants of different regions of the republic will not get equal status for the quantity and quality of allotted land. Still, this should not go against reforms. The local population will have no real claims to other land except their own. The most optimal alternative seems to be a situation where those categories of rural inhabitants who have a legal entitlement will be able to obtain shares of land – and to undertake this in a ‘quiet’ atmosphere, certain conditions should be met. First, a complete inventory of land should be made: only lands that are available for land sharing may be allotted. Secondly, the government should come up with a complete list of those persons who are able to make a claim to land shares; and if this condition isn't met or is postponed, there may non-predictable consequences. Thirdly, it is important to provide ‘enabling arrangements’ in order to support new owners, at least at the beginning, in their decision-making: for example, whether to cultivate one’s land, to cultivate it alone or within an agricultural association, to lease additional land or not...? Such decisions could have as their basis franchise credits or even interest-free loans. Such forms of support already exist in the program for the priority national project of KBR, “Developing the agricultural-industrial complex” - though they are not being used in the most suitable way. The presence of the state will be justified when it comes to the area of control over credit agencies and insurance companies.

7. To make it work effectively, the process of privatization should be **transparent**. Every citizen should have access to information about the quantity and quality of land shares and about categories of citizen who are entitled to claim land. Also, explanatory work among the population should be done both as regards procedures via which to prepare oneself for ownership as well as regarding the founding of agricultural associations, opportunities to lease owned land, etc.

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