

## RUSSIA

### Perspectives on privatisation

The media often influences how the general public perceives issues in cultural heritage conservation. The following two examples about the possibility of privatising part of Russia's heritage show this clearly. The articles also highlight a major issue in all countries but particularly in those moving towards capitalist systems – how to fund heritage protection and conservation. Here issues regarding the selling of state-owned heritage buildings to private owners are fully canvassed.

#### Privatising Is the Only Way to Save Many Historic Monuments

*Governor Valentina Matviyenko's initiative to privatise historical buildings has caused a stir in Russia. Many have a sinking feeling in the pit of their stomach. Yet how should the matter be dealt with? The idea of handing them over is upsetting, yet not letting them go will be their ruin.*

*The authorities are consoling those who fear what might happen to these monuments. The matter is nothing to do with well-known establishments like the Hermitage, Peterhof, or the Russian Museum. Moreover, the establishments likely to be privatised are those which are in an unsatisfactory condition and lack efficient users (criteria which, truthfully speaking, have been seriously eroded.) Representatives of the Culture Ministry emphasise that if they are privatised, use of monuments will be strictly controlled.*

*The idea of privatising monuments was quickly opposed by one influential figure Mikhail Piotrovsky, director of the State Hermitage Museum. His arguments are as follows: „Cultural monuments cannot be fully owned by anyone – neither by private individuals nor by the state. We received our cultural heritage to pass it on to the next generation, not to do with it as we please”.*

*Critics of Matviyenko's idea point to two basic risks – unsatisfactory restoration, and the use of monuments for unsuitable purposes. „For example, to serve as a restaurant“ writes someone from the ranks of the conservatives. In theory, the state can easily control both these issues. All the same, it is well known how bureaucrats control businessmen. The effectiveness of such control is distinctly dubious.*

*On the other hand, even a cursory study of the situation concerning so-called „second-class“ monuments reveals two things. Firstly, they are in a horrific condition. Secondly, there is an obvious lack of state funds for restoration, and an absence of a notable number of businessmen willing to put their money into restoration under any conditions. The recent story of the private residence on the English Embankment being leased to LUKoil clearly demon-*

*strates the reason for the stalemate – the price of the matter, that is to say the cost of restoration, is huge. It amounts to tens of millions of dollars. Serious businessmen don't want to invest that kind of money without firm guarantees that the building won't be seized back after reparation. And in our country even right of ownership does not give a 100-percent guarantee. Thus entrepreneurs prefer not to take the risk.*

*Entrepreneurs are one thing. Yet even the Russian Orthodox church – an institution treated so well in every way by the authorities – is not exactly bursting to take back the churches once nationalised by the Communists. Why, for example, did the church choose Kazan Cathedral as its pulpit? Why not the spiritual St Isaac's? As far as we know, the main argument in favour of Kazan Cathedral was its better preservation and compactness.*

*City Hall's committee for the conservation of monuments has published a list of monuments that could be first in line to be auctioned off. The present state of some of them is no better than the Konstantin Palace before restoration, which cost, as we recall, more than \$300 million. Only the walls remain of stables belonging to the Znamenka estate. The Samoillovoi Palace with its park not far from Pavlosk is, without the slightest exaggeration, a pile of bricks. The Sheremetyev private residence on Shpalernaya is the left-over ashes of the former Union of Writers. The palace of Grand Duke Alexei Alexandrovich on the Moika is somehow still standing. But opposite stands the monstrosity of the Admiralty shipyards. This is the view from the windows. I don't think there will be many volunteers wanting to privatise and restore these monuments back to their original state.*

*But this is St Petersburg. Go a few kilometres away from the centre into the depths of the Leningrad region, and how many cultural monuments will we find there? And in what condition!*

*I believe the main argument of those opposed to privatisation is rooted on an emotional level. The truth is that the degradation of stables and their 'use for unsuitable purposes' did not begin under the Bolsheviks. From the middle of the 19th century stables were sold and used as factories.*

*Our decisive governor Matviyenko is offering a radical solution - to privatise. And it seems she has the right idea. Privatisation is the only way to preserve monuments - not only in a material sense but in a legal one too. Yet after all this, they say that Piotrovsky has succeeded in raising doubts at the very highest level about the expediency of privatisation, and thus a final solution is being delayed. What a century we live in ...*

Vladimir Gryaznevich  
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## Oligarchs line up to buy listed buildings...

### **The governor of St Petersburg has proposed legislation that will allow the sale of palaces for half their estimated value – but to be restored**

The St Petersburg city government has announced plans to privatise more than 2,000 listed buildings over the next few years, including several dozen important Czarist-era palaces. Several of Russia's oil barons have already expressed strong interest in acquiring grand historic residences in the city.

While the city currently rents [out], but does not sell, listed buildings to private companies, St Petersburg governor, Valentina Matvienko, said last month that privatisation is the only way to save the city's dilapidated historical centre from total ruin because the government does not have the funds to maintain these buildings properly.

"Businessmen say that if they owned the palaces they rent, they wouldn't be afraid to invest in renovation," said Ms Matvienko. "We need to be careful that the city's architectural style isn't altered but, at the same time, we can't allow our architectural heritage to crumble." It is not yet known whether the proposed new law would allow foreigners to purchase property in St Petersburg, a subject on which Ms Matvienko will not be drawn. Such a liberalisation would certainly provoke a strong response from Russian nationalists.

Ms Matvienko said that a list of the first group of buildings to be sold is still being compiled, but local media have reported that these include the suburban Znamenka Palace near Peterhof, the Kochubei Palace in Pushkin, and the Sheremetev Palace in the city centre, part of which houses a branch of the State Museum of Theatre and Music.

Ms Matvienko, who is close to President Putin, has asked city legislators to prepare a law allowing for the privatisation of listed buildings. It is expected to be ready later this year.

She has also said that she will ask the State Duma, which is currently controlled by the pro-Putin political party, United Russia, to amend a 2001 federal law forbidding the privatisation of federally protected sites.

According to preliminary plans, the city plans to sell listed buildings for half their market value, but the new owners must agree to undertake full renovation in consultation with specialists from St Petersburg's Landmarks Preservation Committee (KGIOP). The new owners of the listed buildings must also provide public access several times a year.

"This will be ownership with serious obligations and under strict State control," said Vera Dementieva, head of the KGIOP: "Owners will be required to repair listed buildings, or they will forfeit ownership".

Privatisation may have already begun. Last month the local media revealed that Russia's second richest man, oil magnate Roman Abramovich, who currently resides in England, is spending \$5 to \$10 million on renovations to the Tennishe Palace on the English Embankment, next to the State Historic Archives, which President Putin has taken over for his own administration.

A few hundred metres down the embankment, Russia's largest oil company, Lukoil, is preparing to purchase the Baron Stieglitz Palace, on which it currently has a 49-year lease. The company said it will spend \$30 million on renovating its palace and gardens over the next two years.

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