

Peculiarities of Urban Transformations in Vilnius – Tracing Responsible Actor Networks

Donatas Burneika donatas.burneika@geo.lt
Institute of Geology and Geography

Vilnius has experienced fast growth and transformations in various urban sectors during last decade. Some of these processes are quite obvious some are hidden from the sight of population and researches. Some developments made positive impact on the city image some has negative or will probably cause problems in the future. These processes are the outcome both of the location of the city and its inner context. Possibility to understand and explain spatial processes shaping the space inside the city during last decades depends on understanding the wider context surrounding the city and on the understanding the roles that various actors plays inside it. The article deals with the analysis of best possible ways to explore the activity of various actors that were making influence on development of the city having in mind the wider factors, which limited their decisions.

Keywords: Cities in transition, urban transformation, post soviet cities

From Socialist City to Capitalist City? The Persistence of Socialist Places: The Case of Garage Areas

Tauri Tuvikene

University of Tallinn; tuvi@tlu.ee

My presentation will show how former spatial elements have persisted despite the transformation of society. While it is clear that the Estonian political and economic system have changed, it is far less explicit how everyday aspects have reacted to transformations. In this light, my presentation will analyse the persistence of particular socialist places—garage areas (areas with many, up to hundreds of garage boxes). While present all around the world where many apartment buildings have been built and private automobiles have abounded, garage areas have proliferated in former Soviet Union and Eastern Europe: they were bigger, there were more of them and they had a different function in societal context. One would expect that with the collapse of Soviet Union garage areas disappear from the city space, however, after two decades under the post-socialist (or even capitalist) era, they are still present and in fact, only very few have been demolished. I argue, that this is a result of ownership rights (as each owner of garage box owns land beneath its building), and persistence of former practices. Therefore, my presentation will show how ownership rights interact with everyday practices with garage owners seeing their box as ‘useful’ and ‘valuable’ and are not willing to sell it. The study is based on semi-structured interviews carried out among current and former garage users in Tallinn and Tartu complemented with observations and conversations in garage areas.

‘Small’ cities under post-socialism: exploring the typical experience of post-socialist urbanisation?

Craig Young, MMU

C.Young@mmu.ac.uk

This paper introduces the sessions on ‘Small cities under post-socialism’ and sets out the context for placing more emphasis on the multiple scales at which post-socialist urbanisation is progressing. Our understanding of post-socialist urban change – at least certainly in the English language literature - is dominated by the study of large cities, particularly capital cities. This is understandable as large and/or capital cities have perhaps seen the most marked changes as they are at the forefront of post-socialist urban restructuring, attracting the majority of flows of inward investment, international business relocation, migrants and culture, and they are perhaps easier to research. However, this focus on large/capital cities distorts our understanding and theorising of post-socialist urbanisation, as it does in the literature on understanding ‘Western’ cities. It neglects the experience of ‘second tier’ or medium or small cities which may be undergoing a quite different experience of post-socialist urbanisation. It is argued that post-socialist urban studies should develop to consider small cities in a way which also reflects recent moves in ‘Western’ urban studies to focus attention ‘beyond the metropolis’. This literature (eg. Amin and Graham, 1997; Jayne and Bell, 2006; Markusen et al, 1999; Markusen, 1999; Robinson, 2002, 2006, 2008) has focused on ‘small’ cities or ‘ordinary’ cities in order to broaden urban studies and challenge the dominance of theoretical perspectives such as the ‘world cities’ paradigm. This would allow us to tackle the complexity and diversity of post-socialist cities beyond the capitals and consider more cities from a greater range of contexts. This paper establishes a theoretical context for pursuing this agenda and contextualises the other papers in the session. It raises a series of questions that such studies must address, such as, is the ‘typical’ experience of post-socialist urbanisation more to be found in small-medium size cities, what is happening in post-socialist cities which are not at the forefront of European and global integration, and what is the role of scale in understanding post-socialist urbanisation?

Keep the Bubble Alive! A Real Option Perception of Urban Renewal and Demolition Subsidies in the East German Housing Market

Dominik Weiss

Halle Institute for Economic Research – IWH

Dept. of Urban Economics

German urban renewal programs are favoring the cities in the Eastern part since the reunification in 1990. This was accompanied additionally by attractive tax incentives, designed as an accelerated declining balance method of depreciation for housing investments during the late 1990s. The accumulated needs for comfortable housing after 40 years of a disastrous housing policy of the GDR era were generally accepted justification for the support. But the various subsidies and tax incentives caused a construction boom, false allocations and a price bubble in Eastern Germany. After recognizing, that the expansion of housing supply was not in line with the demographic development and that high vacancy rates were jeopardizing housing companies and their financial backers, policy changed in 2001. Up to now government provides demolition grants to reduce the vast oversupply.

With a real option approach is explained how different available forms of subsidies and economic incentives for landlords lift real estate values. It is assumed that property price consist of an intrinsic value, which is defined as capitalized rent revenues less construction costs and an option premium representing growth expectations and opportunities. The option premium is defined as observable market value less intrinsic value. Empirical results disclose higher option premiums for cities in Eastern Germany and a strong correlation of the option premium with urban renewal spending.

Keywords: Real Option, Housing Market, East Germany, Urban Renewal Subsidies