

‘Cities in Transition’ after the Boom? The Need for New ‘Adjustment’ ?

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Against the background of a now transformed – so it seems - world of neo-liberal global capitalism and related investment prospects, Doreen Massey’s argument of some 30 years ago on ‘local restructuring for global capital’ seems to have regained currency. This applies in particular to those economies, such as in central and eastern Europe, whose approaches to post-socialist transition have been fundamentally depending on, and shaped by, western paradigms of ‘life style’ and flows of international investment – either actual or expected. Much of this process was driven by speculative investment, especially in the property development sector, but was also a result of a booming short-break tourism driven by low-cost flying and the associated ambition to offer what the (mainly western) visitors were deemed to be expecting to see. It was in this light that much of the re/development and regeneration of cities has been framed and put into practice.

Times seem to have changed, though, with former communist Eastern Europe now branded in the press as ‘the European subprime’, and expected continued economic growth suddenly appearing to have been blown off course. Many of the ambitious and optimistic plans for urban development may no longer look so realistic in their likely realisation, and a less externally dependent, but more modest, locally-driven and supported approach may need to follow. Resulting developments may yield less immediately spectacular results, but they may be ultimately more sustainable in a sense of maintaining local ownership of the places and localities ‘reshaped’. Less driven by competitive international agendas, and the search for joining a perceived (western) ‘standard’ of place qualities and appearances, this break in the pace of change may allow to take stock and re-evaluate the changes witnessed so far, the viability and reality of planned further changes, and the desirability of continuously striving for an international ‘western’ ‘norm’ of urban development and place qualities. This paper will explore some of these questions, drawing on examples from central European countries, including the Baltic states.

Local Politics and Development Choices in the City of Kazan, Russia

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This paper contributes to the theoretical debates on post-socialist urban governance. It is common to analyse urban governance using a dualistic model of the external influence and local reaction. This approach claims that cities' choices are structured mainly externally and that cities have to react to them in a smart way (see Savitch and Kantor, 2005). On the other hand, the literature on urban regimes (Stone, 1989) prioritises the role of local actors and coalitions in identifying priorities and governing cities. The emerging literature on "glocalisation" shows the global is defined through local political practices (Swyngedouw, et al. 2002; Brenner, 2004).

The paper seeks to put these debates into test to explore the relative significance of the external and internal factors in defining the development choices faced by a post-socialist city. Using the case study of Kazan (Russia) the paper analyses the role of powerful local actors in shaping the city's future. It shows how the use of globalisation and competitiveness rhetoric helps the political leaders to identify development priorities and justify development projects and programmes. In this study urban projects are used as a lens to understand the process and structure of urban governance in its concrete historical form.

Hosting the International Events in a Time of the Global Crisis

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Given that many post-socialist cities, while undergoing a multifaceted transition, find themselves simultaneously in a global context and imbedded in what is sadly known in Russia as “vertical power”, the question arises about the extent to which the state influences the social and spatial impacts of different elements of globalization. How, in a locality’s striving to become a globalization site, a general intensification of intercity competition combines with the state’s positioning itself as the ultimate distributor of all resources?

I use Ekaterinburg’s intense and costly preparation to host 2009 session of the Shanghai Cooperation Organization leaders as the empirical case. The plans of the host city and region were made when federal money was generously distributed, ambitious national projects devised, and nationalistic pomp was at its peak. Today difficult tasks arise: of conveying confidence when in reality there is loss of it, of investing in pompous displays in times of a dramatic and rapid decline in the purchasing power of the populace, and of investing in things that many deem unnecessary in times of full-scale economic crisis.

I’ll address the following issues: first, the complex dynamics of urban, regional, national, and global scales; second, the continuation of authorities at all levels thinking in terms of “grand projects” and whether this thinking will change with the crisis; and third, the new temporal dimension of urban transformation that the crisis has brought.

The Evolution of problems in the East German housing sector. Is there a path-dependency due to public funding?

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After reunification of the German Democratic Republic and the Federal Republic of Germany in 1990, politicians promised a fast process of convergence in the standard of living between the eastern and western parts of the Country. To boost private investment, several instruments were implemented in the early 1990s, especially in the housing and construction sector. Tax-subsidies caused a boom in the construction of new homes and the refurbishment of the existing housing stock, combined with a sharp raise in house-prices. Today, the housing sector in the former socialistic GDR is widely marked by high vacancy rates, on average around 14 percent, and declining real-house-prices. Public subsidies for demolition aim to reduce the dwelling stock by 350.000 units till 2010.

In the present paper, we argue, that there is a path-dependency in housing-politics, based on the housing policy of the former socialistic GDR, which strongly influences spatial equilibriums in the housing market until now. We also argue, that many decisions made in the early 1990s (caused by urgent problems) were individually rational but lacked in spatial accuracy which now cause the observable disequilibrium in the housing market. Due to lacks in data availability, the paper presents an evolutionary review of the housing policy for the transforming area of the former GDR from 1990 until now, especially with regard to investment incentives and ownership structures in the housing market.

On the geography and typology of building construction in Tbilisi: Before and after the crisis

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The purpose of the paper/presentation is to define processes, trends and outcomes of building construction activities in Tbilisi, especially since 2000s, the time when construction business became fast growing until summer of 2008.

After dissolution of the Soviet Union housing construction and other building development underwent dramatic decline in Georgia. The situation changed to the positive only by mid 2000s, stimulated by significant economic growth, increasing income per capita, and development of real estate market infrastructure, especially the banking sector and property registration. In relatively short period construction activities embraced many different sectors from individual houses to gated condominiums, on the one hand, and various parts of Tbilisi from the city center, in the early years of independence, to the urban outskirts, more recently, on the other hand.

In 2005 and during three consecutive years volume of housing construction, which is completely provided by the private sector, reached and exceeded the level of the best Soviet years. Prices of living houses, flats and other real estate grew significantly and on average tripled during four years. Armed conflict with Russia and the following overall financial/economic crisis changed these positive trends and slowed down development since the autumn of 2008.

Large scales of building construction and development have caused remarkable changes in composition of housing fund and living environment of Tbilisi. It put a significant imprint on a structure and appearance/image of particular neighborhoods and districts of the city. This process also resulted in emergence of new trends in residential mobility and affected patterns of allocation of different population groups in the city.

A research that includes a field study and interviews with developers and dwellers of new houses or flats, reflected market priorities, segments and areas of preference and main customer groups for building construction business in Tbilisi.