Nov. 5, 1988

Dear Ed,

As promised, I enclose the Underhill paper on Soviet new towns, plus the Von Eckardt paper from the Greenbelt conference, which unfortunately will not be published. You could still refer to the latter one (if you want) in your final revision, by citing it as a conference presentation.

It looks like K.C. Parsons' paper on Clarence Stein will be published in the Journal of the American Planning Association. We have contacted the editor of Town Planning Review (Liverpool), David Massey, about publishing your paper, and he will now contact you directly.

Thanks for your patience, and an excellent article.

Best wishes,

Barry Solomon
SOVIET NEW TOWNS, HOUSING AND NATIONAL URBAN POLICY: AN UPDATE

by
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1. Scope and Purpose

Since 1974, I have enjoyed the privilege of traveling to the Soviet Union seven times under the Joint U.S.-U.S.S.R. Agreements on Housing and the Environment. These trips have provided a unique opportunity to witness the evolution of Soviet housing and urban development policy.

The trips left these lasting impressions:

- The beautiful architecture and historic restoration projects of Estonia, Lithuania and Latvia - the three Baltic Republics;

- The legendary 2500 year old city of Samarkand on the ancient silk route to China;

- The finely-crafted restoration of Peter the Great's Palace and the proud city of Leningrad which he created;

- Housing in the nation's capital, Moscow; the most modern and best designed in the country;

- The beautiful Ukrainian City of Kiev with its commanding river view and new housing with super-graphic colors;

*The views herein are those of the author and not necessarily those of the U.S. Department of Housing and Urban Development
The human scale and quality landscaping in the academic communities of Dubna and Akademgorodok;

Many poorly built and look-alike high-rise housing developments throughout the country, often with no color or vitality;

The huge auto plant at Togliatti with 16 million square feet under roof and 60,000 workers;

A view of the setting sun on Mount Ararat from the rural restaurant near the 2,700 year old city of Yerevan, Armenia;

The hospitality of Soviet hosts throughout the U.S.S.R., who are proud of their accomplishments and want to reach out and be appreciated by the world community.

This chapter is an effort to record some of these impressions and update my prior books and articles on Soviet housing, new towns and national urban policy and three joint reports with the Soviets.

During this period, we have witnessed the unfolding of several broad themes in Soviet housing and urban development:

The attempt to direct industry and human settlement away from the European heartland into the vast and often unforgiving lands of Siberia west of the Ural Mountains.

The attempt to catch up with acute housing shortages brought about by past housing policies and the destruction of World
War II, by launching an ambitious and comprehensive housing program which will place housing near the top of domestic priorities.

The yearning for respectability and good relations with the United States and other nations on the part of ordinary individuals and the officials with whom we have worked.

More recently, "the revolution from above" by Communist Party Chairman Gorbachev which, if successful, could restructure the Soviet economy and society, add to voter and consumer choice, and introduce a new and refreshing honesty and openness in Soviet publications.

The study focuses on what the Soviets had hoped to achieve in new towns, housing and urban development (Section 2), what methods were used, (Section 3), some results of these efforts (Section 4), and a personal assessment of the achievements (Section 5).

Although trends in the U.S.S.R. may be observed, some conclusions are speculative since there are many limitations in doing research on housing and urban development in the U.S.S.R. Among the limitations are the relative lack of hard data and evaluations in the Soviet literature (which only recently has discovered glasnost or openness), the tradition of secrecy in Soviet (and Russian) society, in which even city plans are considered confidential information; the relative lack of detailed statistics on individual cities collected by the Soviet census; and the small
number of American scholars working in the housing and community development field.

2. Goals of Soviet Housing and Urban Growth Policies.

National Urban Growth Policy. One of the basic goals of Soviet national urban policy for many decades has been to limit the growth of large cities and to strengthen non-metropolitan and satellite small and medium-size communities. Soviet policy also encourages industry and population movement eastward away from the European heartland to beyond the Ural Mountains. The rationale to better exploit the great oil, timber, coal and hydroelectric resources of Siberia and, for geopolitical reasons, to deconcentrate critical industries and to upgrade less developed and backward areas. However, not all actors in the Soviet system have the same set of goals and priorities and there are pressures in some ministries to increase industrial development in European U.S.S.R.

All cities, regardless of size and location, are to be planned in a way that will protect the environment and national historic buildings, conserve agricultural land, and minimize expenditures on water and sewer lines, streets and transportation. Small and medium-size cities are to be grouped in clusters which are interconnected and well-serviced with regional centers to overcome the traditional isolation of rural villages. The new towns throughout the nation, as well as planned expansion of smaller cities, are instrumental in achieving these goals.

Housing Goals. One of the critical goals of housing policy is set forth in the revised Communist Party Program adopted at the 27th Congress.
of the Communist Party in February, 1987. It is to provide a separate
apartment for practically every family by 2000. That goal was originally
set for 1981 by Krushchev in the 1961 party program and was routinely
extended to 1990 and beyond. Significantly, this commitment does not
include any specific solution for the nearly 6 million people living in
group quarters, including young singles, divorcees and the elderly. The
12th Five Year Plan anticipates building two billion square meters of
housing by 2000. About 700 million square meters of housing will have to
be built for the 1991-95 and 1996-2000 five year plans. This would be
substantially above the current production levels of Soviet housing. The
housing production goal for 1986 - 1990 is 630 million square meters,
considerably above the previous five year plan. The fulfillment of this
goal will require a major reallocation of resources and breakthroughs in
the efficiency of construction.6

Another goal is to reduce the disparity between the quality and
amount of housing and support services among various cities and regions.
Housing production and space per person lags considerably in the Central
Asian republics and is quite advanced in the Baltic republics and large
cities of the Russian republics. In 1981, living space per person ranged
from a low of 9.3 square meters in Uzbekistan to 16.3 in Estonia.7

In order to reduce the housing inequalities among regions and cities
and to improve the overall housing production levels, there is a concerted
effort by the current Soviet government to increase labor productivity and
control the steady advance of housing costs.
Soviet housing policy also strives to maintain fairness and ensure that differences in housing size and quality are minimized among various social groups. The State housing allocation system is supposed to give priority to the needs of persons who have less housing space or are doubling up with other families. Those who have more housing space are put further down the waiting lists. There is a conscious attempt to minimize apparent differences in housing types among different groups, although the newly-built housing is of higher quality than the old. An exception to the policy of equality is the provision of extra housing space for professors, athletes, and other people doing "creative work." Also, highly placed officials are provided dachas in the country as a perquisite of their official position. Increasingly, less wealthy Soviets are building smaller dachas or renovating abandoned farm houses.

An unstated goal of Soviet housing and urban development policies is to restrain consumer spending. The national system of norms and standards sets legal maxima for community services and housing space which cannot be exceeded in publicly-provided housing without special permission. Another goal in the past decade has been to increase the quality and attractiveness of housing to offset the drab and look-alike buildings which have been constructed in most Soviet cities.

This whole housing system, unlike the U.S. system, is not driven by diverse consumer demand, tastes, and ability to pay. It is driven by what the government chooses to provide. American builders (other than public housing authorities) would go broke if they did not meet consumer demand. Soviet builders don't go broke: they have a "sellers' market."
3. Organization and Methods to Achieve Goals

Soviet policy goals of achieving balanced national growth, developing backward areas, and ensuring adequate housing for the population do not differ markedly from Western policies. What is different is the organization and methods by which these goals are achieved in the U.S.S.R. The methods used for achieving the goals include a system of integrated national economic and spatial planning, control over the spatial location of industry and people, a unified system of development controls, the use of centralized funding mechanisms for construction of housing and urban development, the use of industrialized methods for housing construction, and the new liberal policies enacted during the Gorbachev era.

Integrated National Planning System. The national settlement goals are achieved in the U.S.S.R. through an integrated centralized system of long-term and comprehensive economic, social, and physical planning. The five year plans for the nation, individual republics and regions constitute the heart of economic planning and budgeting for the nation. All industrial ministries, cities, regions and republics submit their proposed capital improvement plans and cost estimates upward to higher authorities. Included are proposed construction of production facilities, housing, community facilities and all other expenditures. They are integrated at the national level, matched with available resources, promulgated and issued for five year periods. They form the basis for virtually all development activity in the nation. These plans have the force of law when they are approved by the Supreme Soviet and the Soviets (councils) of republics and cities.
The location of the projects and activities covered in the five year and one year plans is determined by an interlocking system of spatial plans for industry and population for the whole nation, for the various republics, economic regions, and oblast plans.

The national plan for the country (Figure 1) shows the future directions for industry and population to 2000, with population nodes expanding in previously undeveloped areas in Siberia along the Baikal to Amur railroad.8

**Financing Housing and Urban Development.** Centralized financial planning is a major means of policy execution. Budgeting is tied in directly with the five and one year plans cited above for the nation as a whole and for individual industries and cities. A construction project must be listed on the one year plan before it can be funded.

Typically, in the new towns, industry will finance and build the housing as well as a substantial part of the community facilities for its workers. This comes from a centralized fund for that industry. In large cities much of the housing is provided by the city government. Housing is provided to the workers virtually "free" in that only 2.5 to 3 percent of a worker's salary goes for rent. This rent, which has remained constant since 1928, barely covers one a third of maintenance costs, let alone the cost of construction.

Actually, housing is not "free," but rather subsidized in lieu of higher cash wages. Similarly, health care, vacations, and college educations are also provided by the State and there is a price subsidy paid
of over 100 billion rubles in the U.S.S.R. Thus, the real wage paid the workers is substantially higher than the average cash wage of around 200 rubles a month. To compute the true wage (and therefore the cost of labor), it would be necessary to impute the value of the services and subsidies provided by the State. Private financing is also available. Members of the cooperatives get government loans of up to 60 percent of the total apartment prices for 25 years (formerly 10-15 years) at only 0.5 percent interest annually.

Normal city operating funds are primarily derived from national sources and each city budget is part of the budget of the larger jurisdiction. Only five percent of the local budgets come from local taxes and fees. The net effect of this method of financing is that the local governments have very little control over their own budget and are dependent upon higher authorities.

Unfortunately for the poorer and more isolated cities, there is a tendency by central authorities to provide local budget levels based upon prior year funding (however inadequate), thus making it difficult for backward communities is to catch up to the more advanced cities. Thus, there is a conflict between the goal of national decentralization, restricting the size of large cities, and the unintended results of the centralized resource allocation system.

Central Controls on Population and Industry. To execute the spatial and five year economic plans, there is a series of stringent central