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Urbanization under Socialism

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The aim of this chapter is to define and analyse the special features of East Central European urbanization in the socialist period, up to its termination in 1989. I outline some important characteristics of this urbanization, which were present across the region, and differed from typical aspects of Western urbanization. I then analyse the sources of these differences. Finally, I discuss the relationship between East Central European urbanization and the global urbanization process: was the former merely a product of the state socialist system, or was it a regional variant of global processes, with some special features rooted in a longer-term historical development and with some continuities with the pre-socialist period? Of course, one could ask whether this last question is still relevant, as the state socialist system has disappeared from Europe. However, it seems reasonable to assume that there may be important lessons to be learnt from the analysis of the last 45 or more years and that now is an appropriate time to draw some conclusions about socialist urbanization.

The first requirements are to define 'East Central Europe' and 'urbanization'. East Central Europe, as a political geographical unit, was created by the political division of Europe after 1945. It was composed of eight countries which referred to their political and social systems as 'socialist': Albania, Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, Romania and Yugo-

slavia. There is no generally accepted definition of urbanization. Since all definitions are teleological – designed for a purpose – there have been numerous definitions of this concept. For the purposes of this chapter, urbanization is a spatial process. It is the spatial reorganization of society by which, first, the geographical distribution of the population of a given country changes and (at least in the first stages of modern urbanization) gradually concentrates in cities and urban agglomerations; and, second, the urban life style, urban social structure and technology diffuse into the countryside, so that an urban/rural continuum (or a unified settlement system) replaces the earlier sharp urban/rural dichotomy.

In the first part of the chapter I discuss how socialist urbanization is to be interpreted; the second part examines the costs and consequences of delayed urbanization; the third part examines the principles of urban development strategy adopted in East Central Europe; finally, I summarize the special features of East Central European urbanization.

WAS THERE A SOCIALIST URBANIZATION?

In answering this question, our starting point is similar to that adopted by French and Hamilton (1979) in their important study of urbanization in socialist countries. Their answer is in the affirmative, and virtually all urban geographers in the East and the West have agreed that there were crucial differences between socialist and capitalist urbanization. These differences originated from the collective (mainly state) ownership of urban land and infrastructure, from the centrally planned allocation of development funds, and from the existence of comprehensive strategies for the development of the national settlement network in the socialist countries. By contrast, capitalist urbanization is led by market competition, private property, real-estate profitability, local decision-making, and physical planning on a city-by-city basis.

For East Central European Marxist urban sociologists and urban geographers, the assertion of the special nature of socialist urbanization was theoretically grounded. In addition, Western neo-Marxist urban sociologists and geographers linked Western urban problems to the contradictions of class-based societies and the capitalist mode of production (Castells, 1983; Harvey, 1973, 1985). The implicit suggestion was that socialist urbanization would provide solutions to such problems as excessive urban growth, urban residential segregation and so forth. But this assumption was not borne out by the

empirical evidence. This in turn led neo-Weberian urban sociologists to argue that it was not the mode of production but rather its level that determined the nature of urbanization. Large-scale industrial technology had its own logic of location, which operated in all types of industrialized society, whatever their official ideologies. Thus urban problems in Western Europe only differed from those in Eastern Europe in so far as the latter were more developed (Pahl, 1977a).

My hypothesis is that socialist urbanization (more precisely, the urbanization of East Central European countries) was not a new model of modern urbanization. Rather, East-Central European socialist countries replicated stages of a more generally applicable global process of urban development. However, these countries also exhibited special characteristics at each stage of urbanization. These had two sources: first, delayed economic and urban modernization and, second, the socialist political system. Thus I completely accept neither the neo-Weberian nor the neo-Marxist view: differences between East and West were neither solely the result of delayed development nor wholly systemic.

First, let us consider the stages of the global urbanization process. In the 1970s, urban geographers recognized that urban growth and the growing population concentration in metropolitan areas were not ever-continuing processes. Census data from the most developed Western countries showed signs of the ending of the period of population concentration and the start of population relocation towards non-metropolitan areas (Berry, 1981; Hansen, 1977; Van den Berg et al., 1982). Theories were formulated to explain these spatial changes. These distinguished between different stages of modern urbanization. The first stage is characterized by industrial take-off, by the rapid growth of industrial employment, by a strong rural-to-urban migration and by the spectacular growth of the cities. The second stage involves technical and structural changes in industry, which result in a decline in industrial employment and a rapid growth in the tertiary sector. Population continues to concentrate in urban areas, but in a relatively deconcentrated manner, in the form of suburbanization and the extension and selective growth of the small and medium city network. The third stage introduces an absolute deconcentration of the population, with population growth centred on non-metropolitan areas. The economy is characterized by the rapid growth of tertiary and especially quaternary sectors, by a new internal organization of the production system and by the introduction and propagation of high technology. Some authors refer to this stage as 'counterurbanization' (Berry, 1980). Whether this stage is

followed by a fourth one, with a return to concentration or continued deconcentration, is not of importance for this discussion.

Empirical evidence has convinced me that the validity of this model is not restricted to the most developed Western countries, but that it is a globally applicable model (Enyedi, 1984). New stages were first developed in centres of economic and industrial innovation: the first and second stages in Western Europe, the third in North America. They were transmitted from these core areas to other parts of the world, with different countries embarking on different stages at different times. Each national pattern reproduced basic common features (that is, those criteria that define urbanization as a spatial process) of each stage, but not in the form of an exact copy of what had occurred in the originating centre of innovation. The reason why there were special features of a given stage in areas that urbanized later was due to the historical, nationally specific continuities in settlement development that persisted even in a changed environment.

So East Central European countries reproduced the basic features of the first stage of modern urbanization. Most of these countries then entered the second stage, reproducing its basic features. This shows that behind the facade of the differences and similarities of capitalist and socialist urbanization there was a common pattern of causality: the process of modern urbanization. This common process was more significant than the varying social structures that carried it; thus modern urbanization was able to develop in socialist and capitalist societies. Fundamental characteristics which were common to the urbanization processes of the two social systems include:

- rural-to-urban migration and the urban concentration of the population, a consequence of urbanization;
- the spatial separation of working zones and residences;
- suburban development;
- in the more developed northern half of East Central Europe, the decline in urban growth and relative increase in the importance of small and medium-sized centres in urban development;
- the growing importance of tertiary and quaternary employment, which changes the locational pattern of workplaces.

These phenomena were regulated by different mechanisms in the two social systems, but, I suggest, the basic processes producing these phenomena were closely similar or identical. Different mechanisms are simply different forms of expression of the process. For example, the role of market-level land values is one of the frequently quoted differences between socialist and capitalist urbanization. Although

Western cities have zoning and other land-use regulations and their governments have intervened directly in housing and infrastructural development, the development of functional zones within cities and the different types and forms of use of urban land have, nevertheless, been largely led by the micro-geography of land prices. More precisely, it was the locational value of urban land which lay behind the territorial regularities in its usage, that is its 'rational' usage (minimization of human efforts in terms of cost, travel time, etc., for performing the functions and/or maximizing the output of the function). In a market economy, the locational value is expressed in monetary terms. In a planned economy, the same basic ordering of locational values was expressed in detailed construction regulations, norms, comprehensive physical plans, resource allocations and so on. Locational patterns were similar in Western and Eastern European cities: government offices, shopping areas, residential and recreational zones have similar locational requirements for optimal functioning. Consequently, the locational map of an East Central European city did not differ substantially from a Western one of the same size, importance and functional type, even though governments had more formal power to shape the urban environment in the East than in the West.

So the importance of planning has been over-emphasized as the key feature of socialist urbanization. The complexities of the social system meant that in practice the urban system could not be planned and guided in a normative way. The role of planning, in fact, is to apply some 'corrections' to the spontaneous processes of urbanization. It is not possible to start anew with a planned system; at best (or rather worst) one can intervene in the normal process of urbanization by planning arbitrarily. We shall discuss below how the 'classical' goals of socialist urban policies had to be changed, because they were inappropriate in this context. In the 1920s, Western European and Soviet *avant garde* urbanists supposed that social processes could be changed by construction (Kopp, 1970). This proved erroneous. Built on a massive scale, standardized apartments did not make society more homogeneous; living at close quarters did not engender collectivism but rather social tension and neurosis.

Finally, there were two other factors which made the normal process of urbanization in the East and the West similar. First, the development of East Central Europe as a whole has lagged behind that of Western Europe for centuries, and it has tried again and again to close the gap. For this reason the countries of the region have imitated, or attempted to follow, Western patterns of political institu-

tions, economic organization and urbanization. After 1945, the newly established socialist governments again tried to catch up with the West through radical social changes, rapid economic growth and accelerated urbanization. Marxist ideology refused to adopt the life style of the Western societies, but needed to achieve their levels of material wealth to establish the socialist (that is, egalitarian) well being of the population in the generally poor East Central European countries. Consequently, these societies followed Soviet patterns in formulating their policy goals and Western approaches to technological development in cities. However, technology is not neutral. In the West this technology was based on economic prosperity and designed to satisfy differentiated individual consumption. Its adoption in East Central Europe increased levels of social differentiation.

Second, planned urbanization, based on state housing and the central allocation of infrastructural investment, created only the built environment, not the social structures and relations accompanying urbanization. This built environment was occupied by people making their individual decisions in terms of choosing a settlement location, accepting a new job, searching for a new apartment and choosing education for their children. Individual goals were quite straightforward: they involved access to adequate housing; access to places of work, services and family members; and social status - living in a well-regarded neighbourhood (Kansky, 1976). My belief is that the average citizen set his or her goals in basically the same way whether living in Eastern or Western Europe. In fact, these choices expressed a certain perception of urban space which is a part of a shared European culture. The goals set by government were very different: these served the purposes of regional and social equalization, industrial location, or strategy. When governmental and individual goals conflicted, government had the power to constrain the expression of individual interests, but not to change the aspirations and ambitions that lay behind them.

In all societies, people's individual, informal response to public policies has feedback effects on the latter. But this was especially significant in East Central Europe. Here individuals devised hidden mechanisms for defending their interests and for promoting urban social processes in opposition to official policies, rejecting some of the values of 'socialist' urbanization in favour of a continuation of 'bourgeois' attitudes and ideology. For example, citizens did not accept the egalitarian goal with respect to residential location; they attempted to raise their social status by moving to better-regarded areas. In the cities, where the private housing market was all but

abolished, the patterns of apartment occupancy were related in complex ways to the relative prestige of different areas. This sustained social segregation.

This individualistic approach to urbanization was largely based on the second economy. Services, goods and information related to housing circulated in this private network. The second economy was the locus of market relations, of consumer choice, of autonomous economic decisions – it was in fact a parallel society.

Thus, the similarities between Eastern and Western European urbanization were of fundamental significance. They derived from the common rules of modern urbanization and from continuities in the historical development of European urbanization.

LATE DEVELOPMENT

Late development is one of the most important and long-persisting sources of the peculiarities of East Central European urbanization. The region was located on the margins of the urbanization of the classical world. The Roman Empire established several cities on those parts of the territory which belonged to it in the last centuries of its existence (the first to the fifth centuries AD). But most of these cities were small military outposts, and they disappeared after the empire collapsed.

Medieval urbanization started later in East Central than in Western Europe, and Western-type cities only penetrated the northern half of the region. There is a controversy among urban historians about whether the Germanic cities built by German settlers were the only 'real' cities in medieval East Central Europe, or whether the Slavs, Romanians and Hungarians also built such cities. It appears as if the original Western type of medieval city originated in France, was adapted by the Germans in the tenth century, and was transferred, partly by German settlers and partly by French and Italian religious orders, to East Central Europe. Western types of city became widespread in Bohemia and Saxonia in the eleventh and twelfth centuries and reached Hungary and Poland in the thirteenth and fourteenth centuries. They never became important on the Hungarian and Romanian plains, where large market towns constituted the urban network for centuries. The urban innovation of the multi-functional medieval city with a regular street plan did not penetrate the Balkan peninsula at all, because this region was incorporated into the Ottoman Empire for 500 years (from the fourteenth to the nineteenth centuries). So European-style urban development was excluded from

the southern part of East Central Europe until this latter century (Enyedi, 1978).

In the Middle Ages we can identify a single highly urbanized area where a dense urban network developed. This area included Saxonia, Thuringia, Bohemia, the central part of Moravia, and Silesia. This territory is still the urban-industrial core of East Central Europe. The urban network was poorly developed elsewhere, especially south from the Carpathian mountains. There were only a few great cities at that time: Buda, Prague, Brno, Danzig and Krakow. There was no town with more than 5,000 inhabitants on the Balkan peninsula (except Constantinople).

Modern urbanization started in the Czech-German region delineated above. Here, merchantile capitalism promoted a handicraft industry which then developed into a manufacturing industry. Industrial enterprises were small-scale, located near mineral resources or water power and on the large landed estates. This early industrialization created a dense urban network, in which small and medium-sized cities were dominant. The process of growth was slow and thus did not lead to massive migration and spectacular urban expansion. Even nineteenth- and twentieth-century urbanization did not disturb the balance of this urban network. In 1930, a third of Czech communes contained some manufacturing industry and three-quarters of the industrial settlements had fewer than 2,500 inhabitants. In this manner, however, by the beginning of the socialist era, the Czech region, Silesia, and the southern part of the GDR were already highly urbanized (Kansky, 1976; Musil, 1980).

Urban development in Hungary and Poland was delayed because both countries had lost their independence at an early stage. Hungary was divided into three parts in the sixteenth century. The central region was occupied by the Turks for 150 years, Transylvania became an independent principality, and the remaining area became a part of the Habsburg Empire. After the Ottoman occupation ended, Hungary and Transylvania became provinces of this empire too. By the end of the eighteenth century, Poland was divided between Prussia, Russia and the Habsburg Empire.

In fact, none of the present East Central European states was independent at the beginning of the nineteenth century (except what became the GDR, then part of Prussia), when the first stage of modern urbanization was already fully developed in Western Europe. The region was dominated by four powers: Russia, Prussia, and the Habsburg and Ottoman empires. The industrial-urban development of Bohemia was contained within the Habsburg Empire; when Czechoslovakia became independent in 1918, the new state con-

tained 75 per cent of the industry of the former Austro-Hungarian Empire. With the exception of the core area, modern urbanization only began in the second half of the nineteenth century and did not then become general throughout the region. Isolated examples of mining and industrial development occurred, mostly by foreign capital. Industrial take-off, leading to modern urbanization, was limited to a handful of cities, which remained isolated within a predominantly pre-industrial urban network.

Between the two world wars, economic stagnation characterized the whole region (Ranki, 1983). As urban development was so strongly tied to industrialization, service functions remained poorly developed in local centres. Backward farming did not need much in the way of industrial goods and services, and the peasants' monetary income was limited. The process of industrialization was hampered in Germany (as a consequence of World War I) and in Czechoslovakia (as a consequence of the break-up of the large Austro-Hungarian market). It was interrupted and went into decline in Poland and Hungary; for instance, in 1938 Polish industrial output was still below the level that it had reached in 1913. Industry did advance in the Balkan countries from the 1920s, notably in Romania. However, it was confined to a few settlements, leaving these countries as still basically rural ones.

Thus industrialization and modern urbanization were late, slow and, in some countries, interrupted for a time. Moreover, the industries that did develop differed from those that the classical Industrial Revolution had produced a century earlier. For example, the food industry played a far more important part than in Western Europe, and this sector did not engender major urbanization. Foreign capital invested in large, concentrated enterprises, located in a limited number of settlements, usually in the largest cities. Urban development remained geographically strongly polarized.

The territorial consequences of World War I disturbed earlier urbanization processes. New boundaries imposed by the Paris peace treaties in 1920 cut off traditional linkages within the urban network. The Hungarian network was seriously cut down; all its secondary centres were incorporated into the surrounding countries, and Budapest, the capital city, remained the only sizeable urban centre in the new state. At the same time, the newly established countries had difficulties in integrating their inherited, fragmented urban networks into unified national settlement systems. In Romania and Czechoslovakia two, and in Yugoslavia at least three, strikingly different urban systems existed within the new boundaries. Aspects of this fragmentation are still evident; it takes a long time to form a new

urban network (and recent events such as the civil war in former Yugoslavia will revive old divisions and promote a new pattern of fragmented urban network development). Uneven urban development plus these boundary changes have produced a unique situation where different stages of urban development have been contained within the settlement networks of small countries, which are, for example, no larger in area than Kentucky.

So in East Central Europe the first stage of modern urbanization penetrated the predominantly rural system slowly. As late as 1950, the region was overwhelmingly rural: the share of the rural population was over 80 per cent in Bulgaria and Yugoslavia, over 70 per cent in Romania and Poland, and 60 per cent in Hungary. Thus the theories and practices of socialist urbanization were introduced into a poorly urbanized, largely pre-industrial settlement network.

URBAN DEVELOPMENT STRATEGIES IN THE SOCIALIST ERA

Between 1945 and 1948, communist parties took over power throughout the region. Industrial, financial and commercial enterprises were nationalized, and attempts were made to collectivize agriculture. The building of a socialist society on the Soviet model was declared as the basic goal by the ruling parties and governments. The nationalizations represented the first step to achieving this goal, making collective ownership dominant.

The next task was to close the economic gap between the industrialized West and the peripheral East, hence the utmost importance was attached to rapid industrial growth. Industrialization, and consequently the development of the first stage of modern urbanization, speeded up remarkably after 1950. Agriculture and the rural population provided the resources for this, the former being heavily taxed and the latter confined to a low standard of living. The Soviet industrial pattern was followed: energy production, mining and heavy engineering were the leading sectors. All these were organized in large production units, in concentrated locations. So only some cities were transformed by this industrial take-off in the 1950s. These cities attracted many rural migrants and became 'strongholds of the working class', which entitled them to certain privileges at the expense of rural communes and the non-industrialized cities.

There were two basic principles of socialist urbanization: egalitarianism and planned urbanization. The former involved the equalization of living conditions within the settlement network and within

individual settlements. Egalitarianism was a popular slogan in East Central Europe, where there were striking differences in living conditions between cities and regions, and where there were highly segregated areas and shanty towns within the large cities. Egalitarian principles were followed in the production of large state housing complexes, all of whose apartments had the same layouts and amenities. Each person had a right to the same amount of space, and the population of the new housing was socially mixed. The aim was that the basic public services were evenly distributed within the residential areas, applying general norms, such as the number of kindergarten places or the size of general-store shopfloor per 10,000 inhabitants. *The shanty towns were torn down and replaced by government housing.* It was, however, more difficult to follow the egalitarian rules in the older parts of cities, although the local authorities tried to do so by partitioning large apartments and villas and by multi-occupancy of large units. Therefore, egalitarian urbanism had its biggest opportunities in the newly established 'socialist' cities.

There was a generally accepted hypothesis that, with the advancement of socialism, society would become more and more homogeneous, so the egalitarian use of urban land would be in harmony with the social structure. It was believed that many of the persisting inequalities were inherited from the capitalist past and that they would disappear in the process of socialist development. Those currently disadvantaged – sub-tenants, residents of workers' hostels and so on – would all have their own apartments in five, ten or fifteen years.

In reality, as its economy matured, the socialist society became more and more stratified. While East Central European societies became more egalitarian in the sense that the class of the very rich disappeared and the share of those who were very poor diminished, there was much more differentiation within the working classes than hitherto. The size and importance of the white-collar professions grew remarkably. In consequence, the meaning of egalitarianism was repeatedly re-evaluated from the 1950s onwards.

From the late 1960s, the slogan of egalitarianism was combined with that of efficiency. Governments were unable to meet their promises in terms of the output of housing and public services. Shortages in infrastructure became permanent, as such investment was postponed time and time again. However, egalitarianism under conditions of shortage creates inequalities. If governments fail to supply everyone with public services, they have to choose whom they will supply. Privileged classes, social groups and individuals will have better access to scarce goods or services than those who are poorer,

less powerful or less well informed. Hence the growing inequalities under 'egalitarian' central bureaucratic distribution first analysed by Szelényi and Konrád (1969).

The official belief was in fact that the dispersal of infrastructural investments and public services across the whole settlement network was inefficient, and equality had to be combined with efficiency. So infrastructural investments had to be concentrated in selected places only. This resulted in economies of scale being applied to the public services in an unjustified manner: economic efficiency is not a valid criterion to be applied to the location of a non-economic institution such as a school. Of course, Western European welfare states faced similar problems, and in the 1960s several research projects were carried out to define the optimal city size (Jacobs, 1964; Richardson, 1973). Despite their differing results there was a consensus on two matters; first, large metropolitan areas are less efficient (that is, more expensive) forms of urbanization than medium-sized cities; second, the rural population has to be clustered in larger settlements to provide an efficient size for modernization. However, East Central European urbanists were continually disconcerted by the existence of the rural settlements, because they could not apply the principles and tools of socialist urbanization to them, mainly because these settlements were excluded from state housing construction. Except for a few workers' colonies built by state farms, rural housing remained largely private and more differentiated than urban housing.

Planning in the socialist countries was much more comprehensive than in the West, and it also controlled the financial-economic basis of urbanization. In the classical Soviet model, planning embraced all aspects of urban development and was based on collective ownership and the strict government control of urban land and infrastructure. Central planning authorities decided the location of the various forms of infrastructural development, and the local authorities were simply expected to execute them.

However, despite this detailed planning, actual urban development had many 'spontaneous' elements. Central planning was essentially sectoral planning. In this system the individual elements of urban development – housing, public health, transport and communication, education, etc. – were planned separately by different ministries. City councils had the task of trying to co-ordinate this development, but they had no decision-making power. So poorly co-ordinated sectoral decisions frequently produced bottlenecks in infrastructural development.

The countries of East Central Europe interpreted and applied

these socialist principles in widely varying ways. However, we can highlight a few general characteristics of the settlement development strategies that emerged. First, we can distinguish between the different periods of urban policy development in the socialist era. In the 1950s there was no explicit urban policy, and sectoral planning was dominant. Principles of socialist urbanization were applied sporadically, in certain sectors such as state housing and in certain settlements. Each country established a few 'socialist' cities, emulating the Soviet example. In the USSR over 1,000 new cities had been built since the October Revolution, in most cases located near natural resources. The economic development of Siberia and the Soviet Far East had opened up new territories, which therefore required new towns to be built. By contrast, in densely populated East Central Europe, the new towns served to demonstrate the rapid successes achieved by their communist governments and as locations for experiments in socialist urban planning. But after up to four decades of existence most of these cities had remained as company towns or had developed into industrial suburbs of neighbouring cities. Finally, during this first period a small amount of manufacturing industry was located in less well-developed rural areas, which promoted urban growth in these under-urbanized areas.

In the late 1950s and early 1960s, the first comprehensive regional and urban strategies were developed and applied, based on the principle of industrial decentralization. Modern industry was then located in some of the provincial cities, and this contributed to the development of a modern urban system, levelling out unemployment among different regions and reducing inter-regional migration. Cities were still regarded principally as sites for industry. In the first long-term Hungarian urban development strategy, published in 1962, cities were classified by planners according to their capacity for accommodating industry. Thus their development prospects were designated according to this criterion.

In the 1970s, an important change took place in views about the role of cities. They were no longer to be regarded simply as a sites for industrial production; now their central place functions were emphasized. The cross-regional and cross-city equalization of living conditions became the main theme of the new urban and regional policies. Thus the territorial organization and accessibility of public services became as important as industrial location, and the integration of the urban and rural settlement networks into a unified whole became the long-term goal.

A second general characteristic of settlement strategies in East Central Europe concerned the treatment of urban growth. On the

one hand, in order to diminish regional inequalities, the decentralization of industry, and later tertiary and quaternary activities, was welcomed, and regulations attempted to limit the growth of those large cities where infrastructural shortages were most acute. On the other hand, centralization and concentration were highly valued in the socialist political and decision-making system. Politicians and government officials as well as state enterprise managers were convinced that 'big is beautiful' – large enterprises, hospitals, restaurants and so on were more efficient than small ones. Urban and regional strategies constantly sought to find compromise solutions to this conflict between equality and (supposed) efficiency. Suggested solutions included 'centralized decentralization' (that is, locating industry in under-developed regions but in a few large centres), and keeping provincial production units under the strict control of the large enterprise headquarters.

The alternative development strategies were discussed by experts and decision-makers, focusing on political, economic and strictly professional issues. Little if any attention was paid to the opinions of the population at large about these matters, despite the fact that they had a great impact on its life. Public participation was reduced to a largely symbolic involvement (such as voluntary work performed in free time to help provide a new facility such as a playground), or to exhibitions of city plans with the opportunity for the public to leave written comments. The power of the citizenry and of the local authorities in urban and regional planning remained very limited.

A third general issue concerned the role of rural development in the long-term strategies. The abolition of the social differences between the town and the countryside had been a cornerstone of Marxist theory. This objective had a special significance in East Central Europe, where rural poverty and backwardness affected a large proportion of the population. Sectoral plans made important provisions to modernize the countryside (electrification and road construction, for example). However, in theory and in practice Marxist governments were biased in favour of the cities. As has repeatedly been noted, Marx and Engels, in the *Communist Manifesto*, bemoaned the 'idiocy of rural life' and called for the 'gradual abolition of the distinction between the town and the country'. Lenin described the cities as the 'centres of the economic, political and spiritual life of the people and the major source of progress' (Demko and Regulska, 1987). And in fact the new socialist power in the region was urban-based. It aimed to control the cities and govern the countries from them; consequently the cities enjoyed advantages in the allocation of development funds by the central planners. Socialist governments

were suspicious of the countryside, where the farming population, suffering from heavy taxes, compulsory deliveries of foodstuffs and collectivization, was reluctant to support ambitious programmes of industrialization. In addition, rural development offered no professional challenges for the physical planners, because there was little room for spectacular new projects. In fact, until the 1970s there was no valid strategy for the development of rural settlements.

A fourth issue was that, across the region, urban development strategies paid much attention to the development of an hierarchical urban network. As already noted, there was no well-developed urban network in pre-war East Central Europe, except in Bohemia and the (now former) GDR. Contrary to what had earlier occurred in Western Europe, the formation of a modern urban network was a process directed from above, in two respects. First, urban development was promoted and directed from the top governmental level by the allocation of development funds. Second, the first priority was to modernize the top of the urban hierarchy (the capital city and the large regional centres), then the medium-size cities were dealt with, and finally the process was completed by expanding and developing small cities, the base of the whole system. This 'reverse' urbanization is typical everywhere where modern economic development was delayed, including in the developing countries. As a consequence, there was a period when the settlement network was split into two parts: the modern cities and the traditional local centres, with an inability to maintain adequate linkages between the modern sector and the countryside.

Later on, as we have already noted, this urbanization from above did focus on integrating the urban and rural settlement networks. For this purpose it was assumed that it would be important to provide non-agricultural jobs for the rural population in the large villages. Basic public services also had to be made more accessible. But, because of the continuing shortage of infrastructural investment, it was thought necessary to speed up the process of concentration of the rural settlements for efficient modernization by running down the smallest villages. These 'non-viable' villages were selected by the planners arbitrarily, without taking into consideration the opinions of the people affected (Ronnas, 1984).

A final common characteristic was that urban planners regarded it as an important task to ensure the continuous increase in the urban share of the population. Having a high proportion of rural population became a symbol of the backward past; the gap between East Central and Western Europe in this respect also had to be narrowed. This accounts, for example, for the incorporation of many suburban areas into the administrative areas of the cities.

So the desire for rapid urban development was one aspect of the broader programme of 'catching up with the West'. However, the advocates of rapid urban growth miscalculated over two matters. First, the high proportion of the urban population in the West was the product of a centuries-old, organic development, originating 'from below'; while the post-war urbanization of East Central Europe occurred over a much shorter period and under different social conditions. Second, the size of the urban population per se does not have any wider significance with respect to economic and social development. There are high levels of urban population in several developing countries; for example, Latin America is as highly urbanized as Europe.

SPECIAL FEATURES OF URBAN DEVELOPMENT IN EAST CENTRAL EUROPE

East Central European urbanization had two basic but special features that I noted earlier: it was delayed, and it was centrally planned and managed for over 40 years. Scholarly literature has focused on these two characteristics. But here I want to mention four other elements.

First, there was the excessive role of industrialization in urbanization. Before World War II, industry was concentrated in small enclaves within the region. The post-war industrial take-off introduced industry to every part of the region. During socialist urbanization, tertiary functions and infrastructural investments were seriously neglected, as all efforts focused on industrialization. Infrastructural investment was classified as 'non-productive', a consumer of national income rather than a producer of it. However, the low efficiency of the industrial investments resulted in acute capital shortages. Only industrial investment forced the central authorities to allocate some money for infrastructural investments in transport, telecommunications and other facilities to meet the industrial needs; residential infrastructure developed as a spin-off from this. Moreover, infrastructural development was postponed in tertiary cities and rural areas. So, at least in the first phase of urbanization, industrial and urban development were identical. This situation was formally theorized by Soviet urban geography and was expressed in urban policies (Pokshishevsky and Lappo, 1976). Growth and decline in cities depended on their industrial functions. Urban attraction zones corresponded with industrial commuter zones, and the traditional central-place roles were degraded.

By the 1970s, industrial growth had slowed down and the take-off

phase was coming to an end in most East Central European countries. Now the state socialist system made it impossible for these societies to move forward into the post-industrial era: there were no resources for R & D or for expanding the service sector. The economies remained frozen at their late-1970s levels. Slow growth, then stagnation and finally decline in the 1980s again widened the gap with the West.

A second feature was the continuing importance of the rural sector in the process of urbanization. The persistence of a relatively large rural sector was the result of late development and of the short period of industrial take-off, as well as the neglect of the tertiary sector.

Rural development has had a contradictory character in East Central Europe. On the one hand, there were radical changes in the social structure. On the other hand, there was still an urban/rural dichotomy in living conditions. A marked sign of the social change was the high proportion of industrial workers among the rural residents. Daily commuting was widespread in most countries. These commuters were mainly blue-collar workers who lived in rural-type suburbs. They were generally first-generation industrial workers who did not settle in the cities, partly because of the urban housing shortages but mainly because of the economic advantages of combining urban and rural work. In fact, in some countries the proportion of industrial workers in the rural population became higher than that in the urban population. The cities became strongholds of white-collar employees.

Before World War II, rural areas were seriously under-developed in most countries of the region. Despite the substantial improvement in rural living conditions post-war, the rural population – whatever their social status – continued to suffer from serious disadvantages. The general neglect of infrastructural investment hit the rural areas more seriously than it did the cities. Rural people found it very difficult to gain access to a number of subsidized public services, and rural incomes lagged behind urban ones. These settlement inequalities were a serious aspect of social discrimination in East Central Europe.

However, urbanization remained imperfect in the cities too. In fact, a section of the urban population retained some rural attributes. These included the strong links that they kept up with their rural areas of origin. Much of the urban population consisted of first-generation rural immigrants. Former peasants poured into the cities in such numbers that they modified traditional patterns of urban life: they partly 'ruralized' the cities (Simic, 1973). In 1970, two-thirds of

the population of Belgrade, Yugoslavia's capital city, consisted of first-generation immigrants from the provinces. Rural populations helped their urban relatives in many ways (food, financial aid for housing and so on), making an indirect contribution to urban development from rural resources. New urban dwellers returned to their villages during their paid holidays, for example to help with the harvest. In countries where second homes are common, the land round these was intensively cultivated by urban families. In Hungary, for example, a quarter of urban households had auxiliary farms.

In addition, there were rural elements in suburbanization, unlike the situation in the blue-collar suburbs in Western Europe and the USA. In East Central Europe, suburban workers continued to maintain a rural life style by living in large, single-family homes, built, at least in part, by themselves, with large, intensively cultivated gardens with orchards, vineyards and some sort of livestock. Rural migrants were also able to relocate some of their other rural habits and traditions to the suburbs. For example, migrants from the same village often tried to live in the same streets or neighbourhoods in their new settlements.

A third commonality was that there was little cohesion within the urban networks. They were created by centrally guided urbanization 'from above'. The economic and service relations between the settlements were designated by the government. In state socialism all services were 'public'; they were organized and sited by the public administration. So the hierarchy of public administration provided the framework for almost every form of inter-urban relationship. There were no locally or regionally based economic networks; the state economy was commanded by the various centralized government agencies.

Finally, the structure and functioning of urban society differed greatly from that of Western cities. Even before the communist take-over, East Central European cities had special features: the middle class was extremely limited, the business elite was intermingled with the political and aristocratic elite, and social strata were partly organized on non-market principles, whether on the basis of position, authority, hierarchical rank or respect – a form of post-feudal, status-based system. In the socialist urban social systems a new elite was formed by the 'nomenklatura', which included the party leadership, the managers of the state economy, and the leaders of the public administration. There was also a massive proletarianization, in which most people became state employees. Local social systems disintegrated as grassroots social organizations and interest groups were abolished. Centrally controlled and organized professional, cultural

and other associations were the only ones that were permissible. Many forms of social activity were related to the workplace, so this replaced the settlement and its urban community as the locus for political socialization. By the late 1980s, however, this important and contradictory chapter in the history of East Central European urbanization was at an end.

5

Privatization and its Discontents: Property Rights in Land and Housing in the Transition in Eastern Europe

Peter Marcuse

PRIVATIZATION AND ITS MEANINGS

Privatization

'Privatization' is the dominant theme in the contemporary reform of housing policy in Eastern Europe.¹ Property rights lie at the heart of that process. And property rights in residential land, on which this chapter focuses, are among the most controversial aspects of privatization.

Yet privatization is a surprisingly murky concept. 'Privatization = Divestment of government ownership' is not a sound conceptual formulation of the process; privatization is not the same thing as destatification. Ownership, to begin with, is a bundle of rights (see P. Marcuse, 1994a); they were divided between government and individuals under state socialism, and they are divided between government and individuals in Western capitalist countries. Rights to use and to limit use, rights to build and to limit building, rights to sell and to tax the proceeds of sale, rights to transfer on death and to determine survivors' claims, all are divided in varying ways in varying countries; nowhere are they absolute on either the private or the governmental side.

'Private' is itself a troublesome category. Divestment by government is only a negative formulation; it matters to whom property is