Moscow’s Relic Spaces: Where Redevelopment Bogs Down

- Robert Argenbright

Introduction

In 1971 Leonid Brezhnev proclaimed Moscow to be the “model Communist city,” thus denoting the capital’s dual role as the command center of the Soviet bloc and as the monumental precursor of the perfect society. Today new leaders are rebuilding the post-socialist metropolis in line with a new utopian vision, however their model city would be a post-industrial, capitalist Shangri La abounding with freeways and shopping centers. The changes today in fact exceed those of the Stalin era in scope, and the pace of change is much more rapid. However, whereas Stalin and his successors shaped Moscow to be the capital and premier symbol of an autarkic, anti-capitalist empire, Mayor Yurii Luzhkov seeks acceptance into the ranks of leading global centers of trade, finance, and entertainment. While the monumental spaces of Stalin’s Moscow glorified the “dictatorship of the proletariat,” the capital’s new spaces are intended to make the city convenient for foreign business people and tourists and to foster the growth of a new Russian middle class.

The current reconstruction of Moscow takes place in a peculiar context, one that has been obscured rather than illuminated by overuse of the appellation “transitional.” All of life is transitional, but some things are more fleeting than others. The situation that prevails in Moscow is a mixture of newly-embraced capitalist institutions together with well-embedded indigenous practices that date from the Soviet era, or even earlier (Kolossov et al., 2002, pp. 181-182). In addition there have been innovations that appear to be specific to Moscow today. The economic and cultural pressures of globalization, together with currents of power that shape the national and regional contexts all affect Moscow’s transformation. However, the crucial agent is Mayor Luzhkov’s city government.

The main means by which Mayor Luzhkov’s government seeks to make Moscow “convenient” for the new middle class and foreign visitors is a massive restructuring of the city’s infrastructure and its pattern of land use. In this effort Luzhkov’s team of “city-builders,” as they are deemed sometimes in the Moscow press, has a great deal more direct control than do urban governments in North America or Western Europe. The most fundamental advantage is that City Hall, Moscow, owns almost all of the metropolis’s land. In addition, the mayor’s team not only has the final say on all major projects, but it micro-manages them at will. The city maintains “translucent” accounts that let in enough light to satisfy some investors, but do not reveal the back channels of accumulation on the part of the city and its private-sector partners. Finally, Moscow enjoys remarkable independence from the central government, which enables it to provide legislative support for programs and projects without worrying very much about Federal law or the country’s constitution.

Yet despite these advantages, redevelopment’s course is not always smooth. If in nineties, as Virginie Coulloudon concluded, “the seeming success of the city’s economic policy was largely the result of collusion between Yeltsin and Luzhkov,” President Putin’s Kremlin is much more often in conflict with City Hall (Coulloudon, 2001, p. 98). Moreover, some of the new projects have provoked well-publicized protests on the part of the “old middle class,” Moscow’s post-Soviet intelligentsia. Even Moscow Oblast’, the city’s docile junior partner for decades, has begun to assert its independence. However, at the moment the city-building program appears endangered the most by spatial scarcity, especially in the prestigious center and other just-emerging high-status areas. With few open spaces left that are both developable and
Moscow's Relic Spaces: Where Redevelopment Bogs Down

desirable, City Hall has come up with two programs to empty and rebuild two categories of urban space. These are what I call *relic spaces*, which originally took shape as materializations of Communism’s ideals, but which persist today as obstacles to the mayor’s ambitions. The “friction” encountered in the transformation of these urban spaces is taking a toll on the city’s budget, its store of political capital, and on the image of Mayor Luzhkov as the great city-builder.

**Space for globalization**

The entrepreneurial strategy of Mayor Yurii Luzhkov has successfully centered Moscow as the link between the Russian economy and the rest of the world economy and political support for this strategy still appears to be solid in the absence of any credible opposition or alternative model of development (Kolossov et al., 2002, p. 193).

Kolossov, Vendina, and O’Loughlin demonstrate that Moscow deserves to be seen as an “emergent world city.” Having identified characteristics of Moscow’s situation that conform to Castells’s (1989) concept of the “informational city” and sketched elements of the city’s “entrepreneurial strategy,” with reference to Harvey’s classic work (1989a, 1989b), Kolossov et al. explain some of the unique features of Moscow’s redevelopment process and examine in detail the emergence of new business districts in Moscow, a key component in the ongoing “world-citification” of the Russian capital (Kolossov et al., 2002, p. 192; Kolossov and O’Loughlin, 2004). Moscow clearly acts as an “entrepreneurial city,” but it should be kept in mind that the mayor is entrepreneur-in-chief and that city’s economic structure can be labeled fairly as “state capitalist” (Coulloudon, 2001, p. 98).

Most prominent among the new developments is the “Moscow City” complex, which is now under construction near the river on the Krasnopresnenskoe embankment. The first stage of construction includes a building for city government agencies concerned with promoting investment, a trade center, parking, and a metro station. A pedestrian bridge which includes a mall has already been completed. The plan for the future includes hotels, a water park, as well as new buildings to house all the legislative and executive organs of the city government (“Gradostroenie i Nastroenie”). While he was in Paris attempting to win the 2010 World Exposition, Mayor Luzhkov even claimed that he would build the world’s tallest structure on the site (“Samoe Vysokoe”). Because that bid failed, the status of this aspiration currently is unclear. But in general it remains true that the mayor and his team thirst for world attention. According to Vice-Mayor Vladimir Resin, upon completion of the “Moscow City” project, “the capital will attain the same rank as such major trade and financial centers as New York, Paris, Tokyo…” (“Gradostroitel’naya Uvertiura Moskvy”)

Old Moscow stands in the way of new global Moscow. For example, Moscow’s allure for foreign businessmen and tourists is offset by the city’s shortage of decent to high-quality hotel rooms. Mayor Luzhkov has launched an aggressive campaign to rectify this problem, but spatial scarcity in the city’s core area evidently requires that old hotels be torn down before new ones can arise. The homely 22-story Intourist hotel on Tverskaia has been demolished in order to make room for a 12-story, five-star Hilton (Munro, 2002; “Na Meste…”). The same fate befell the Kievskaya Hotel and several less well-known facilities (Kievskaya hotel 2002). Through the summer of 2004 wrecking crews worked on the highly controversial demolition of the Moskva Hotel just beyond the Kremlin’s north wall. Now the massive, tacky hulk of the Rossiia, to the south of Red Square, has been added to the list.
A number of other projects also contribute to the drive to change Moscow’s image, to make it a world center of fun and beauty. Many of them reflect the belief that global cities must feature spectacular attractions, but they also breathe new life into the Russian tradition of *gigantomania*, “giantism.” Construction began in 2003 on an elevated monorail line and in 2004 on “metro light” lines, both of which are meant to add twenty-first century zest to new Moscow, in obvious contrast with the metro system, the urban transit workhorse inherited from the Soviet era. At least three theme park ideas have received serious consideration: a “Russian Disneyland,” a “Children’s Park of Wonders,” and a “Holy Land” park that would replicate Jerusalem’s sacred spaces (“Moscow Offers;” Romriell, 2002). Plans have been announced to construct the world’s largest underground saltwater aquarium and the world’s tallest Ferris wheel (“Gradostroenie i Nastroenie; Archer, 2002). Moscow has had the largest skating park in Europe since 2002. Also, what was claimed to be Europe’s tallest residential building was under construction in 2004. All of these global spaces—business centers, office complexes, tourist facilities, and “urban spectacles”—have drawn on Moscow’s limited spatial reserve.

### Space for the new middle class

Before Gorbachev, the USSR officially was held to be evolving into classless society. However, in the late 1980s the *glasnost’* movement allowed scholars to begin discussing obvious differences between groups in terms of class (Beliaeva, 2000, p. 11). After the disintegration of the USSR in 1991, the middle class became more than the object of scholarly curiosity. In fact the ties between scholars and the ascendant “democrats” were very close. Many of the new reformers, including Luzhkov’s predecessor Gavriil Popov, were former scholars (Colton, 1995, p. 610). Liberal scholars began promoting the middle class as the “basis for economic prosperity and political stability” (Avraamova, 2000, p. 21). In this spirit Yuri Luzhkov, shortly after becoming Moscow’s mayor, declared that the “creation” of a middle stratum of property owners was a very important task for his government (“Yurii Luzhkov;” Colton, 1995, 702).

Today, following the disillusionment associated with the Yel’tsin regime and the 1998 economic collapse, few reputable scholars continue to champion the middle class without reservation. Instead, a healthy diversity of views has emerged in the course of an ongoing discussion of the people who are neither rich nor poor. To my mind, the gist of these discussions concerns two phenomena: one, the emergence of a group that fits, more or less, the “ideal” or Western stereotype of the middle class; and two, the persistence between the elite and the impoverished majority of a remnant of what once was a Soviet middle class composed of *intelligentsia* and professionals.

Although the current topic requires a focus on the new middle class, a few comments for the sake of contrast seem warranted. The “old” middle class not only dates sociologically from the Soviet period, but that its members actually are middle-aged or older. The “old” and “new” middle classes demographically are from different generations; both classes are often represented in individual households. Old middle-class people succeeded thanks to education, connections, and perks. To the extent that constituents of the “old” middle class take an interest in major issues, they appear to be much more concerned with the national economy and social stability than their younger counterparts. The old middle class appears to long for the sort of security, psychological and cultural, that must be nourished by rootedness in place. Wary of newcomers.
and dreaming of the “spirit” of old Moscow, these citizens frequently oppose Mayor Luzhkov’s redevelopment plans.

In contrast, the new Russian middle class appears much like middle classes elsewhere today. If anything, the new middle-class Russian—perhaps because s/he is a trailblazer in a new way of life—more closely resembles the stereotype of an individualistic and rational, even cold-hearted, earner and consumer than might a Western counterpart. “Soviet Man” has become “Economic Man.” The new professionals are recompensed primarily with money, not perks, and it appears that money is what they want more than anything else. New middle-classers are savvy consumers and typically display a well-cultivated status-consciousness based on possession of consumer goods. The new middle class is free of smothering Soviet paternalism, but also must face much greater insecurity. Politically, they too desire stability, but primarily because it is good for business. They exhibit little attachment to place—not to the public-housing apartments in which they were raised, the “dachas” where they toiled in their youth, or the city which is being transformed largely to suit them. As one commentator put it, the new middle-classers typically see society as no more than a “space in which the trajectories of individual careers leave their mark” (Andreev, 2000, p. 50).

Ironically, most members of the new middle class have been able to indulge in consumerism so intensely thanks to the persistence of a Soviet institution—the provision of shelter by the state. New middle-class people still enjoy essentially free housing with subsidized utilities. This explains why home ownership, which would be one of the key “objective” indicators of middle-class status in the West, is not yet significant in this context in Russia. Both federal and city governments are encouraging home ownership. As will be discussed below, Moscow in particular has supported the construction of so many new residential complexes that it is experiencing spatial scarcity. However, the market for the new apartments is limited because mortgages today are affordable theoretically for no more than 7% of the population, according to the Russian Economic Ministry. So far, however, relatively few from the potential pool have been willing to part with a 20-30% down payment, plus 13-15% interest over a ten-year term (Sandul, 2002). Most people of some means find it more sensible to renovate the apartments they inherited from the Soviet Union, and perhaps still have money left over for clothes, new appliances, or even an automobile.

This situation means that Moscow must largely do without what is an important, often the most important, source of income for the local state in the West, the residential property tax. Instead, because of the expectations of the vast majority of the population, the state heavily subsidizes the provision of shelter, which in effect means subsidizing consumerism on the part of those with above-average incomes. Average annual income in Moscow is 420% the national average (Menshikov, 2002, p. 2), which explains how Muscovites can spend up to 80% of their income on consumer goods, thus accounting for about one-third of the country’s total retail sales (Startseva, 2001). Such a high proportion of disposable income also makes automobile ownership affordable for families living on $1000 per month or even less.

In addition to subsidizing housing and utilities, Moscow supports the new consumerist lifestyle in other ways that explicitly are intended to enhance the comfort and/or convenience of those who have money to spend. In particular, the city government has encouraged and supported the development of huge department stores and shopping complexes. What had been a growing trend turned into an explosion in 2001, with about as much new Western-style retail space opening in twelve months as in all of the preceding post-Soviet years (Startseva, 2001; Kenneth, 2001). For example, one Turkish chain of large department stores, Ramstore, has been
opening many outlets in the city, planning to have 50 in all (Polikarov and Kuzminov, 2001). The trend has continued to the present day, as massive “hypermarkets” and sprawling “mega-malls” colonize the landscape, especially along the new highways.

The last crucial component of the drive to make the city “global” and convenient for the new middle class is a massive effort to retrofit the city for the sake of automobiles. This topic is too extensive to cover adequately here, but the main components of the avtomobilizatsiia of the metropolis deserve mention. The first highway project was the total reconstruction of the outer ring, the MKAD (Moskovskaia Kol’tsevaia Avtomobil’naia Doroga), which reportedly cost $1 billion (Petrosian 2000). Now the formerly humble road has become a divided, limited-access highway with 8 lanes. Sixty service stations have opened along the route, along with many sprawling shopping complexes and new residential towers. The development plan envisions opening 70 dining and shopping facilities along the outer ring (Ekologiia), including twenty new “hypermarkets” comparable to “super” Wal-Mart stores (Work Under Way).

The successful reconstruction of the MKAD emboldened the city-builders sufficiently for them to revive a Stalin-era project to build a circular highway midway between the Garden Ring, which circumscribes Moscow’s core, and the city limits (Colton 1995, 523-4). The Third Transport Ring (TTR) was the most expensive and important engineering project undertaken in Russia since the collapse of the Soviet Union. The World Bank estimated that it would cost $4 billion to build, but it seems very likely that total costs will exceed that amount (World Bank 2001). And it is a cost that the city will have to bear largely alone, since the federal government decided to do away with regional road-building funds (Tret’e kol’tso oboidetsia). In December, 2002, with almost the whole length of the TTR open for traffic, the city announced that it needed to raise over $1.6 billion for TTR construction projects in 2003. Total costs for road construction in the city until 2005-2006 were predicted to fall in the range of $8 to $9.7 billion dollars (Yeiskov, 2002d). This is a lot of money for a city “in transition” to raise without federal aid. It is also an indicator that Moscow is leaving the rest of the country behind. In 2002 the federal government spent a total of just $2.6 billion on all kinds of transportation improvements in the world’s largest country (Pronina, 2003).

Moscow’s leaders consider the TTR to be a spectacular success, and they intend to press on with avtomobilizatsiia to extent that their pocketbook allows. Plans and ideas for plans for a Fourth and even a Fifth transport ring have been aired many times in the press. Probably construction will begin on the Fourth Ring next year. However, it appears the focus has shifted somewhat to traffic problems along the radial routes that connect the center with outlying districts. One new limited access “prospekt” is under construction from the TTR out to MKAD in the west—an expensive, imported tunneling machine will enable the road to pass under the scenic Serebrianniyi Bor region. In this regard, the fact that most of the landscape has been built up, and most of the rest must be preserved as park land, is a daunting problem, just as it was for the TTR project. The city plans to build four “doublers,” i.e., highways that will parallel existing radii, probably along existing railroad routes. Officials have also announced the intention to build two more new freeways, one in north and one in the south. These roads currently are called “chords” because each will run from one to another point on the MKAD. Both chords will have sections cutting through residential and industrial areas (Moskovskie dorogi 2002).

Highways reconfigure the landscape, changing patterns of circulation and location intentionally, but also in ways unintended. But the big consumer of space is parking. The

---

1 I say “was” because the TTR was opened officially in 2003. However, very substantial projects along the route of the TTR have yet to be completed.
parking problem cannot be solved by a small number of massive developments, because it affects the whole city. Nevertheless, the city continues to try for a knockout. Time does not permit a discussion of all the plans and policies that have been announced by City Hall with respect to parking. Few of them have actually been attempted and none have amounted to significant improvements. One example gives indication of the lack of fit between plan and problem. Of the three reasons given for the demolition of Hotel Moskva in the city government’s newspaper, *Tverskaia 13*, number one was the need for parking in the center. The new Moskva’s underground garage, according to this source, will “finally solve the parking problem in the center of the city” (Kornilov 2002, 3). Actually, although the 2 or 3 level parking structure is figured to account for one-third of the hotel’s estimated construction costs of $300-400 million, it will hold only 800 automobiles (Yeiskov 2002c). Nobody who has been on the street in central Moscow would think for a moment that such a parking problem will be defeated by 800 spaces. Moreover, according to my rough calculation the number of cars in Moscow increases by about 4000 each week—the demand for parking will not be met by building spaces that cost at least $125,000 each!

Space is money (or The state makes space and the space makes money)

The scope of the transformation of the city is so prodigious, and the ambitions of the city-builders so vast, that projects which would have been derided as utopian fantasies just a few years ago are now taken very seriously. At present, lack of capital is the chief brake on the ambitions of the city-builders. Moscow is not a primate city in the sort of developing country where the head-of-state might draw on the resources of the entire nation in order to develop the capital as a monument of self-glorification. Because of St. Petersburg’s size, Moscow, technically-speaking at least, is not a primate city. Moreover, President Putin emerged in the political environment of St. Petersburg, and is widely assumed to favor the latter over the capital. More significantly, far from draining the central budget, in the first half of 2002 Moscow, with about 6% of the Russian population, accounted for over 27% of taxes collected by the federal government (Moskva v pervom). Thus Moscow so far is not only managing to finance its massive reconstruction program, but also to pay for considerable autonomy from the central government. If the city-builders succeed in transforming in their ambitions, Moscow will be not just a capital that dominates its country, but a new type of city-state. Moscow increasingly represents an alternative form of political-economic organization, one that may prove able in a globalized economy to out compete the nation-state from which it emerged.

But all this will take more money. The main means for Moscow to make more money is through property development, on land that it owns. Although the sale of land is now legal, City Hall prefers to sell 49-year leases because it wishes to maintain direct control. Also, it appears that the city’s rates have far exceeded what is allowed by federal law. Some recent rent increases reportedly have been in the range of 10,000 to 50,000% (Ostrovsky 2003b). Probably this is because in May 2002, Luzhkov directed his apparatus to increase the share of the budget covered by property deals from the current 15-20% to 50% (Yeiskov, 2002b). And this is just the visible

---

2 Take for example the plan, reportedly viewed favorably by the mayor, to build a ring route for a high-speed, magnetic train all the way around the outer ring highway. According to the plan, all passenger railroad stations would be relocated to the magnetic ring. In addition, all radial metro lines would extend to the new ring and open new stations there (Mitrofanov 2002; Magnitnaia doroga).

3 Moscow’s relative autonomy was established under Yel’tsin (Colloudon).
Moscow’s Relic Spaces: Where Redevelopment Bogs Down

part of the city’s finances. It is well known that City Hall is able to induce private developers, construction companies, and other businesses to give “donations” to support pet projects, such as the construction of the Cathedral of Christ the Savior (Coulloudon, 2001, p. 93). Presumably the “donations” accelerated the passage of developers’ projects through the bureaucratic gauntlet. The Moscow government also creates legislation that appears to contribute to the rational regulation of development, but which actually serves mainly as a source of income, through fines, or a means of applying pressure selectively in the pursuit of the mayor’s goals. In this regard, the enforcement of environmental-protection legislation has been notoriously uneven.

However, the degree to which the government depends on direct income from development makes the Moscow case very different from major cities in developed countries. City governments in the West are often dominated by “growth coalitions” and the idea that growth is good still packs an ideological wallop. But Moscow is not just engaging in boosterism. The city’s fiscal health depends on an unprecedented degree on its ability to provide land for the rapid development of shopping centers, office complexes, and condominiums in order to keep the budget afloat. The city government itself is something of a super-developer, deeply involved in every major project (Kolossov et al., 2002, pp. 181-182). Of course, the city cannot count on land sales forever to cover half the budget, because urban space is limited. The gamble is to expand tax collections fast enough to compensate for the inevitable decline in revenue from land sales. Theoretically, there is much potential in this direction—currently property taxes constitute just 8.2% of the city’s revenues ($735M City Deficit). The most reliable taxpayers are foreign enterprises and foreign individuals, Western-style businesses, and the new middle class. And the latter would be a much greater source of income if they would leave behind their Soviet-era housing and buy expensive new apartments, where they would pay greater property taxes and full cost of the utilities that they use.

So the city must accelerate property development now in order to be less dependent on property development later. The problem is that open, usable space is scarce and the city-builders are aware of this fact (Aleksandrov 2002). Consequently, the city has elaborated a two-pronged approach to making more space available for development. The plan is aimed at two categories of relic spaces, i.e., spaces that were delineated, designed, and constructed in the Soviet era both in response to practical problems of the day and in reflection of Communist ideals. The Soviet Union of course is gone as a state regime, but these relic spaces endure, not just because nobody has bothered to demolish them, but because they continue to meet practical needs and serve current values. The chosen course is to demolish and rebuild relic spaces found in residential and industrial districts in order to create new “civilized” spaces that will intensify globalization, foster growth and prosperity of the new middle class, and put the city’s finances on a stable basis. One suspects that if this process furthers Luzhkov’s political aspirations, or enriches his family or his associates, so much the better.

Relic spaces: Kommunal’ki, khrushcheby

In the Soviet period, local authorities maintained a list of residential buildings in central city that were designated for demolition or rehabilitation. Their inhabitants were resettled, with little say in the matter, in new apartments in peripheral micro-regions. In the Gorbachev years, construction of new housing slowed at the same time that officials grew reluctant to force people to resettle. One result was a decline in the quality of the housing stock in the center. Many pre-Soviet buildings were deserted or partially abandoned, to the extent that the vacated living space
Moscow's Relic Spaces: Where Redevelopment Bogs Down

could have housed 120,000 people had it been in good repair. After the downfall of the USSR, the Moscow government under Mayor Popov launched a campaign to rebuild the derelict buildings and to reverse the depopulation of the historic core. City Hall also pledged to provide a variety of housing in the center in the interest of maintaining social diversity. In practice, it proved much easier to reconstruct the old buildings, especially since often only the old façade was retained, than to provide housing in the center for the less-than-wealthy. In fact, the city guaranteed that outcome when it gave organizations and enterprises that undertook rehabilitation projects the right to dispose of half of the new housing themselves (Colton, 1995, p. 736). Naturally, luxury apartments and offices abounded. Overall, population in the center declined in the 1995-2000 period from 670,000 to 550,000 (Pereselenie iz tsentra).

Despite the failure to improve the socio-economic balance inside the Garden Ring, Mayor Luzhkov’s government evidently considered this approach successful. Since 2002 City Hall has been designating five-story khrushcheby, i.e. Khrushchev-era residential blocks, for removal and replacement. At first the project was confined to the central district (34 doma), but in the following year 268 residential buildings in ten districts were slated for demolition (Doma, is kotorykh). In 2004, an additional 205 five-story khrushcheby and derelict buildings all around the city were placed on the list (Stolitsa gonit).

The city intends to free up land in this process of moving people from relatively low to tall buildings. At first glance the cost of relocation, construction of new buildings, and demolition of the old would appear to be prohibitive. However, City Hall has devised a means to get out of constructing all, or perhaps most, of these structures itself. Typically when the city approves a new development proposed by a private developer part of the recompense is to be paid in kind. This may amount to 40% of a residential complex’s elite apartments. To avoid including public housing in the new complexes developers seek either to pay the city in cash to get out of the arrangement or to build public housing elsewhere (Bogdanova 2003). In a sense the city is borrowing from Peter to pay Paul by leasing currently available space in exchange for space in the future to accommodate more development. And of course, with respect to quality, when private developers build public housing simply to meet an obligation to the city there is no feedback from the market, so the only guarantee is government regulation, which waxes and wanes depending on public pressure.

The government insists that all the relocated residents will receive public housing that is of much higher quality, although that pledge has not calmed all fears on the part of a public that has endured decades of paternalistic, but hollow, promises about housing. Their skepticism proved justifiable in February 2003 when the shoddy construction of new public housing—some of it of lower quality than the Khrushchev-era slums that are to be removed—aroused substantial protest which was widely reported in the press. The mayor positioned himself as a friend of the people by publicly castigating First Deputy Mayor Vladimir Resin and firing the chief housing inspector (Ostrovsky 2003a; Po snosu; Yeiskov 2003a). The city set up a “hot line” directly to Resin’s office for residents to air their complaints concerning the new buildings’ insufficiencies. At first, according to Resin, 70-120 calls came in every day. However, he claimed that by April the volume had declined to 5-20 per day, so evidently the city was capable of responding productively to residents’ grievances (Piatietazhek vek nedolog).

Even when they are convinced that the new housing would be of sufficiently high quality, many residents are unwilling to move from their neighborhoods to the periphery. Soviet micro-regions were notorious insofar as the provision of basic services lagged years, even decades, behind the housing. Recent field observations indicate that the situation has improved, in large
Moscow's Relic Spaces: Where Redevelopment Bogs Down

part because of the profit incentive. Nevertheless, many of those designated for resettlement are turning to the courts. Just in Lefortovo and Kuz’minki districts in 2003 over 170 such suits were filed (Kirillin, 2004) Moreover, even with the best of intentions many new residential towers can be erected before a new micro-region gets metro service. And when the new station does open, a new micro-region resident will find an extra hour or so added to the daily commute. Alternatively, s/he can save to buy a car, a “solution” that very likely will be attractive for many of these new suburbanites.

City authorities persist in the Soviet habit of conceiving of shelter strictly in terms of geometric area and a checklist of conveniences. According to this logic, it is very hard to understand why a family might resist resettlement into a new apartment. The human attachment to place, to home and neighborhood, usually remains beneath their notice. Many of those slated for resettlement have been demanding to stay in the same neighborhood or nearby. But the city insists that those residents who have the right to public housing—limited to those who can prove residency dating back to 1992, in defiance of the Russian Supreme Court—do not have the right to choose their place of residence (Galina Khovanskaia: Pravo).

The newspaper Gazeta disagrees, and has published a list of resettlers’ rights including the right to refuse resettlement without a court hearing, among others (Reznik, 2004a). The press has also made the public aware that other cities, notably including St. Petersburg, are attempting to renovate the existing khrushcheby. Mayor Luzhkov was forced to acknowledge that such and approach would save the city a lot of money, and made favorable comments about the prospect of dealing with Moscow’s khrushcheby in this way (Snosit’ nel’zia). However, Luzhkov was referring only to the difference in cost between building new buildings and rehabilitating the old, as if public housing were the only issue. As noted above, the city actually gets out of paying for much of the new housing by requiring developers to do it in exchange for the right to build affluent-only apartment complexes in desirable locations. Considering all the other above- and below-board opportunities to receive income from the development process, the current arrangement is expected to persist. Five months after the mayor’s favorable comments about rehabilitation, the new list of buildings to be demolished was released (Stolitsa gonit).

Yet clearly, because the announced number of khrushcheby to be torn down was about 25% less than the year before, the program is not accelerating. The mentions of suits, complaints, and foot-dragging that appear in the press indicate that a certain social-geographical friction is at work, slowing down the process, not because of organized resistance, but essentially because of the will of countless individuals and families to make the best of the situation, from their point of view, not City Hall’s. Every apartment that is to be torn down and replaced by a new apartment elsewhere presents a complex of problems and opportunities for a number of individuals.

For example, let me tell a story that involved friends—it is a true story, I believe, but I only know it from the friends’ viewpoint. My friend, let us call her “Lena,” raised a fine son, “Mitya,” by herself working as a teacher in a technical institute. Mitya graduated from an engineering institute, started a new middle-class career designing projects using computer technology, married, and had a son. They lived with the wife’s family outside the city limits, and Mitya commuted to work downtown in his car. Meanwhile, Lena’s mother’s health began to decline. She lived in an old kommunal’ka in Zamoskvarech’e, across the river south of the Kremlin. The family believed that her health problems were compounded by the pressure put on the residents—the family believed the city was working with a private firm—to give up the building and relocate. Most of the old people chose to remain, although they faced interruptions...
in provision of utilities and their neighborhood banya was closed, eliminating an important ritual in their lives. When Lena’s mother died, the family inherited her right to a share in the kommunal’ka, but none of them had use for it. Then Mitya’s wife “left” him, which is to say he had to move out, so he moved into the kommunal’ka. But the neighborhood was too noisy and he did not like the lack of privacy. When Lena was diagnosed with Parkinson’s disease, at the early age of fifty, Mitya confronted a serious problem—neither the kommunal’ka nor Lena’s one-room apartment in a khushcheba were really suitable for two adults, one in decline, plus regular stays by Mitya’s son.

The problem apparently was solved by a neighbor in the kommunal’ka who had gone through the formal procedure to obtain the right to resettle in a new apartment in a building that was under construction out near MKAD. The neighbor wanted to swap this right for Lena’s and Mitya’s right to a place in the kommunal’ka—whether he simply changed his mind about relocation once he learned the location of the new apartment, or anticipated a chance for greater profit in the future, is not known. At any rate, the new apartment seemed a good solution—it’s distant location was not an insurmountable obstacle since Mitya had a car, and it was new and roomy. But one last wrinkle appeared in the form of the soon-to-be-but-not-yet ex-wife who claimed that she also had a stake in the new apartment, which she would relinquish only in return for $20,000 in cash. This was a huge problem, but they came up with the money, although just how was not related to me. Evidently, other friends helped, thus extending even farther the network of individuals involved in this one change of location.

Relic Spaces of Soviet Industry

The other way for the city to obtain land is through the closure, consolidation, or relocation of industrial enterprises. Over one-fourth of Moscow’s landscape, approximately 1500 hectares, is occupied by industry, most of it concentrated in over seventy industrial zones (Razvitie Moskvy 1999, 8). Soviet industry once was the country’s pride, and the capital boasted some of the most legendary plants. But today, rather than contributing to Moscow’s budget, many of these industries remain in business thanks to subsidies from the city, which reached nearly $65 million for the year of 2001, ten times as much as at the beginning of the “transition” nine years before (Yeiskov 2002a).

Closing these industries and redeveloping their sites would cause subsidies to decline on the debit side of the ledger, while the city would boost its income from sales or leases of land, not to mention the benefits, such as a share of parking space, offices, or housing, which the government often acquires as payment-in-kind from developers. And, not least, there is the prospect of income from types of business that can be expected to pay taxes; there will be new homeowners who will pay property taxes and unsubsidized rates for utilities—currently only 8.5% of Muscovites pay the full cost of utilities (Dolia Moskvichei, 2002). Last, but not least, Moscow’s image will become that much less proletarian and that much more global and “civilized.”

However, phasing out industry is an even pricklier issue than the khushcheby because the plants and factories, even in this period of decline, are still likely to have more political and economic clout than individual citizens. There is also the question of the working class, some members of which may be seeing both their jobs and homes placed in jeopardy by the city-builders’ projects. Probably for these reasons, the city at first moved relatively slowly on this front. Even when the political tangles are smoothed out, reclaiming industrial sites will also
incur additional costs compared to undeveloped plots. In particular, probably many of them will need expensive environmental cleanups.

The city announced in 1999 that it planned to take over 10% of the ground occupied by industry as soon as possible, and 10% more over the mid-term, presumably by 2020, the end of the period covered by the General Development Plan (Razvitie Moskvy 1999, 7-8). Sixty enterprises, out of Moscow’s inventory of approximately 1500, were removed from the Central Administrative District in 2002, freeing up over 40 hectares. Then the pace of recolonization quickened. The following year reportedly 419 enterprises were listed as subject to inspection and “liberation” (“Territorial’nyi defitsit 2003).

The acceleration in the conversion process may have occurred in reaction to a perceived loss of control over development in the city. Or perhaps a crisis was generated in order to justify the change. Stories such as “Corporate Raiders Divvy Up Moscow” and “Moscow Bureaucrats Declare War on Aggressors” appeared in March and April 2003 (Borisova 2003; Yeiskov, 2003b). The former article related an archetypical story to explain the phenomenon. City Hall wanted to remove a shoe factory from the city, ostensibly because the glue caused air pollution in the center. The plant’s workers resolved to keep the plant and they persevered through the bureaucratic process and bought the building from the city. By means unspecified, they managed to transform the building into a successful office center which continued to employ most of them in various capacities. However, somehow a “shadowy corporate raider” acquired a share in the company from a few retirees and was able to manipulate the judicial system to accomplish a “hostile takeover.” Some 300 such cases were reported to have occurred in the previous six months.

It is impossible to tell which stung worse, the appearance of powerlessness or the implication that the city itself was behind many of the “hostile takeovers” as part of its deindustrialization campaign (Borisova 2003). Besides, elections were approaching and it appeared that the “hostile takeovers” were generating unemployment. Whatever the reason, the mayor decided that the way to stop the “aggressors” was to set up a “special operational headquarters” to govern the conversion of Moscow’s industries to other purposes. According to the plan, without this agency’s approval it would be impossible for a new owner to change an enterprise’s business to another field. This was justified as necessary to keep the new owners from “destroying the market” (Filatov 2003). However, not every plan, program, or policy actually is put into force.

Already in February 2003 City Hall together with the City Duma (Parliament) announced a program to remove selected industries from the city and relocate them in Moscow Oblast’. Articles on this topic continued appear throughout the year. The city administration had already set up the “Moscow Center for the Liberation of Reserve Territories” the previous year, but now its representatives began to address the press, along with Duma Deputy Irina Rukina, confirming the planned character of the relocation of certain industries. Among other projects, they announced the imminent creation of Industry City, North Moscow (PromSiti—Moskva-Sever), to be located in the Molzhaninovskii region, which protrudes beyond MKAD, which for the most part marks the city limits, on the way to Sheremetevo International Airport (Rudometkina, 2003).

In early September much the same announcement was made following final approval of the government’s plans. City Hall would put a stop to all unauthorized conversion of industries. Instead, the government would compile a list of industries subject to location. An approved buyer of a facility in the city would have to pay for relocation of production to the oblast’ as well as modernization of equipment in order to win use of the old site. An unspecified number of
Moscow’s Relic Spaces: Where Redevelopment Bogs Down

Industry Cities would be established, with the first on a 100 hectare site in Molzhaninovskii region—PromSiti-Sever (Riutina and Vinogradova, 2003). However, a field investigation to the region in June of the following year discovered no major construction site, nor did any of the local residents who were consulted know anything about the project.

One of the first relocation projects to be planned was discussed in detail in the newspaper Метро (Kondrashova, 2003). An industrial zone in Sokol’niki region was slated for reorganization; specifically, a 3 hectare site mostly occupied by warehouses belonging to a tractor equipment plant, Elektrozavod, was supposed to be relocated to make room for new residential buildings. The builder is a branch of the federal construction agency, Gosstroi Rossiia and the investor is Inteko, a financial “structure” said to be close to the city government. So, as the article noted, lack of clout should not be a problem. As part of the deal, the builder was to receive 30% of the apartments, while the investor took possession of the remainder.

The city government approved the project and issued its directives, but the job has yet to be started. According to the builder, there are some more stages to go through, particularly with the enterprises currently located on the site, although their directors reportedly met together and expressed their willingness to participate in the relocation. However, when the reporter inquired directly the directors made clear that this willingness referred to the general principle as viewed over the long term only. In particular, they do not want to have to pay for the new property and they demand that the new site be located less than 10 km. from the Elektrozavod’s main plant. They are not willing to be forced out under current circumstances and are prepared to go to court. They also remind the government that Elektrozavod employs 10,000 people and the removal of the enterprises would erode the district’s tax base.

Actually, the tax base would be improved by replacing warehouses with housing. And a field investigation in June 2004 found that the employees on the site would appear to number in the dozens rather than thousands. Moreover, the only activity noted was in the tire repair service and other retail services that obviously had rented space from the factory, which according to the article was supposed to be forbidden. Nevertheless, their presence is a fact, and perhaps the resulting income bolsters Elektrozavod’s disinclination to comply.

The article concludes with two important points about the relocation policy in general. The first is that no directors of enterprises or other facilities are going to be eager to give up valuable, conveniently-located land in the heart of the city for new sites on the outskirts or in the oblast’. The second is that the city will have to resolve such disputes by making sure the relocated organizations are compensated, at least with free land elsewhere, but perhaps monetarily as well. It might be added that the new sites will need to be fitted into the infrastructure, where such exists, or infrastructure will have to be provided. These factors, along with the cost of clearing the sites and making sure they are safe for habitation, will drive up the costs and hence the price of the apartments. Luxury housing has been selling in prestigious locations in Moscow for astounding figures. However, to ask $1000 per square meter when the view is of rusting industrial enterprises may not be realistic.

In response to my inquiry, I received an e-mail 24 June 2004 from City Duma Deputy Irina Rukina (Rukina, 2004). In it she acknowledged that so far no one had managed to relocate any industries and the previous program had not worked. However, she now believed that they were on the right track. They had compiled a list of enterprises that were to be preserved, but their old technology would not be relocated. Instead the plan was to create new industrial “clusters” organized in five sectors, in order to “preserve scientific-industrial potential” and create a new basis for innovation and development.
Obviously, the new program is more complex than the old, which in retrospect appears not to have been a coherent program at all. It makes sense to become “post-industrial” in a productive way, to encourage “Silicon Valley” type post-industrialism rather than simply closing down all the industries for the sake of luxury apartments and shopping malls. However, such a program is inevitably a long haul, involving the active, civic-minded participation of many agencies, organizations, and enterprises.

Unfortunately, the city builders may not consider such patient plodding to be feasible. An indication of this emerged in the press a week before I received Rukina’s response. Gazeta.ru reported on a draft law that was under consideration by the Moscow government and the Duma (Reznik 2004b). The law would authorize the city to violate a section of the Federal Sanitary Norms and Rules dealing with industrial pollution. Specifically, the city was considering supporting development in the “Sanitary Protection Zones,” which the Russian government mandated be maintained around industrial facilities in order to protect the local population’s health. The city’s view was that it would be better to force industries directly to reduce harmful emissions, and then the protective zones would not be necessary. But obviously, since the seizure of the protective zones was to precede any legislation forcing emissions reduction, this was a thinly-veiled effort to acquire more open space for development, without having to go through the conflictive and costly process of relocation.

Prospects

Yuriii Luzhkov is the most powerful city leader in his country’s history. Never has a Russian mayor accomplished so much. Yet he remains far short reaching his goals. Nor is it certain that the “state capitalism” that he has built in Moscow will endure much longer. The mayor seems to be balancing a house of cards while running on a treadmill—despite his formidable skills, nothing lasts forever. In this case, political and economic dangers appear the most important, but the living social geography of the city also takes its toll.

Politically, Luzhkov must always look over his shoulder to the Kremlin, despite the capital’s relative autonomy. The metropolis contains a considerable amount of valuable real estate which is contested by the two governments. For the Kremlin, Moscow is first and foremost the capital of the Russian Federation; any tendency to move away from, or above and beyond, that role is likely to be resisted. Finally, although Luzhkov regularly displays his loyalty to the President, the mayor is basically the only other credible leader in the country at present, which makes him not only a former rival, but a potential one as well. The city-builders also face challenges from domestic movements to preserve Old Moscow, as well as increasing assertiveness on the part of Moscow Oblast’.

Perhaps even greater threats to the mayor’s development program are economic in nature. First of all, globalization in general depends on the health of the world economy, which is entirely outside Luzhkov’s control. Almost all of the global economy’s core countries are in the economic doldrums at present, and there are more clouds on the horizon. Russia’s national economy has recovered from the 1998 crisis, but it remains highly dependent on oil exports. Currently the prospect for sustained high oil prices seems likely, but if this allows Putin’s government to avoid substantial reforms for a longer period, eventually the shock will be greater. Foreign investment has more than doubled since 1999, although much of it appears to be capital that fled Russia and now is returning from Cyprus and other tax havens. Russia’s banking system, as it is currently organized and regulated, is not capable of absorbing and reallocating the
increasing flow of liquidity (Rühl 2003). The provinces suffer from an investment famine, while in Moscow housing prices continue their dramatic ascent, propelled in large part by investors willing to gamble that the bubble will continue to grow. None have wagered more on the boom continuing than Mayor Luzhkov. Among other things, the construction industry is vital for the city’s economy—not to mention the fact that the mayor’s wife has made over a billion dollars from the industry. Finally, due to the strategy that has been implemented, the city’s financial health depends on providing land for development today, while tomorrow its fiscal foundation is supposed to shift to global business and a tax-paying middle class. For this to work, the boom must continue for more than a few years. Unfortunately, booms tend to go bust.

These problems are fairly evident to Moscow newspaper readers. However, there is much more going on that rarely reaches public attention, going on behind, or perhaps beneath, the scenes. I think of it as social-geographical friction, which is produced by real people living in specific places in the city, people trying to take advantage of their situations in order to improve their lives, or that of their families, friend, or associates. Such friction slows the implementation of urban projects everywhere. But in Moscow it appears to be more entrenched. Specifically, the relic spaces of public housing and Soviet-era industry, despite their creation as integral components of an extinct social structure, still prove very useful to individuals and groups seeking to meet their needs and realize their desires in the world as they know and live it today. We could see these relic spaces as nooks and crannies in the structure that the city-builders are creating, but then we would have to imagine a metropolis composed more of nooks and crannies than anything else.
Moscow’s Relic Spaces: Where Redevelopment Bogs Down


Aleksandrov, Andrei. 2002. Mesto pod solntsem. Gorod (supplement to the newspaper Izvestiia),
July-August (found through the portal “Stroitel’nyi Mir,”


Bogdanova, Marina. 2003. Kuda pereseliaiut zhitelei 5-etazhek. Gazeta.ru, January 24,


Tverskaya, 13, No. 57, May 14 (found through the portal “Stroitel’nyi Mir,”
Moscow's Relic Spaces: Where Redevelopment Bogs Down

Gradostroitel’naya Uvertiura Moskvy. 2002. Moya Moskva, No. 1, January 30 (found through the portal “Stroitel’nyi Mir,”

http://www.themoscowtimes.com/stories/2001/02/13/054.html


Kondrashova, Ol’ga. 2003. VAO: voina stroitelei i energetikov, M², no. 39(145), October 8-15,


Piatietazhek vek nedolog. 2003. Tverskaya 13, no. 43, April 8. (found through the portal “Stroitel’nyi Mir,”

Robert Argenbright October 2004 16
Moscow’s Relic Spaces: Where Redevelopment Bogs Down


http://www.russiajournal.com/weekly/article.shtml?ad=3859


