

**RUSSIAN FEDERATION**

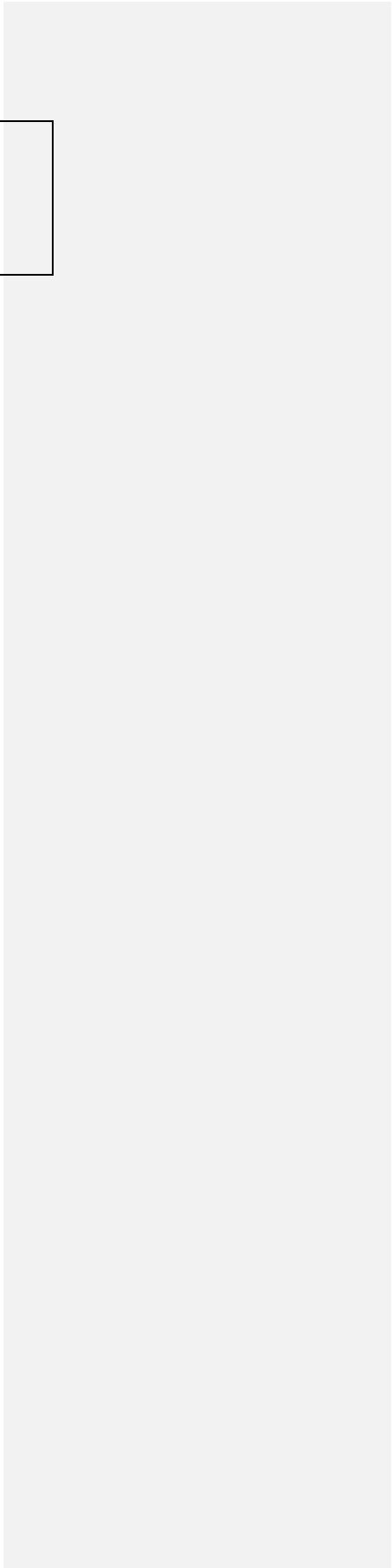
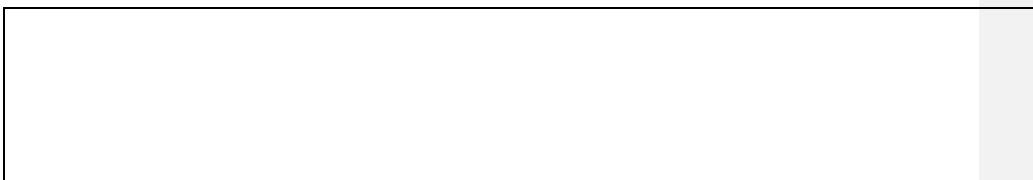
**NATIONAL REPORT**

**The State of the Cities  
in the Russian Federation**

The report was prepared for the submission  
to the Special Session of the United Nations General Assembly  
for an overall review and appraisal of the implementation  
of the Habitat Agenda

Approved by  
the National Committee  
under Gosstroy of Russia

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## INTRODUCTION

Perestroika and democratisation of social and economic life in Russia during the 1990s necessitated revision of views of city development in terms of their ways and instruments to govern their development processes. Urbanisation processes which provide a possibility for the performance of their objective regularities require a new adequate policy capable to regulate city planning and development, to prevent the negative urbanisation trends and activate positive aspects of urban life. Formulation of such policy is in full compliance with the urban development goals declared in the Habitat Agenda adopted by the UN Conference-Habitat II in 1996. National Report reflects the basic tasks of the Habitat Agenda and their implementation in Russia during the 1990s. Each of the urban development directions adopted by the world community at the UN Conference-Habitat II is analyzed with regard to the following aspects:

- results achieved;
- difficulties encountered;
- directions and possibilities for the problem solution.

Based on the Guidelines for country reporting all statistical materials and current information are given as of early 1990s if not specifically indicated otherwise. It should be noted that the reported period is characterised by the serious structural changes in the economy and crisis phenomena aggravated by the 1998 August crisis. Taking into consideration the above factors and the fact that the report is to be considered by the international community in summer 2001, a number of positive tendencies beginning to show in the first half of the year 2000 and which later can become a turning point in the course of some negative processes of the 1990s are worth mentioning. Based on the Goskomstat evaluations during the first 6 months of 2000 production and services delivery in the main industries increased by 8.6%, real wages grew by 23.4%, investments in the fixed capital increased by 14.3%, the total number of unemployed reduced. All this indicate the positive tendencies taking shape in the economic and social development.<sup>1</sup>

## Chapter 1. SHELTER

### 1. Adequate and affordable housing

As of today the housing stock of Russia comprises more than 2.7 billion sq. meters of total living area. People are provided with average 18.9 sq. meters per capita. This indicator insignificantly varies in different economic regions in the range between 17.3 in the Urals and up to 20.3 in the Central economic region. In the main part the housing stock consists of fundamental buildings. Since average household consists of 2.85 people we have to accept the fact that majority of people in the Russian Federation live crowded.

During the last years cities were built in with the houses of better planning. In the period 1992-1998 the volume of commissioned housing at the expense of the population grew more than twice. Cottages provided with autonomous engineering equipment changed the urban image. Based on different financial schemes of participation of population in housing construction practice was enriched with the

elements of mortgage crediting. Changes taking place in the housing sector of economy were developing in the conditions of general Marco-economic crisis processes. In spite of the growth of the volumes of housing construction at the expense of the population, the total volumes of commissioned housing in the period 1992-1998 reduced more that by 25%. It should be noted that within the general tendency some cites have high relevant volumes of construction.

Table 1.  
**Cities with the maximum volumes of commissioned housing in 1998**

Cities	Sq. meters per 1000 population	Residential units per 1000 people	Average sq. meters of a residential unit sq.m.
Syvtyvkar	457.0	5.2	87.9
Moscow	359.0	5.0	71.1
Ioshkar-Ola	449.0	6.5	68.8
Belgorod	632.0	9.2	69.9
Astrakhan	718.0	5.0	143.3
Stavropol	478.0	5.8	82.8
Tumen	500.0	6.7	74.7

During the last years the mechanisms used by households to improve their living conditions have changed dramatically. Practically possibility to acquire social housing disappeared. This right is used by only some categories of people. It should be noted that the federal and local authorities are trying to find ways in order to set up a social housing sector. The majority of the Russian population cannot afford to buy or build housing at their own expense. One of the most significant reasons limiting the population to the housing market is impossibility to receive long term credits due to high rates of interest. In spite of the dramatically fall of housing prices after the 1998 crisis the population in its majority can not be active counteragent of the housing market.

## 2. Secure tenure and structure of ownership

Article 40 of the Constitution of the Russian Federation proclaims the right of housing for each citizen, and based on the main law low income and a number of other categories of citizens have a right of free housing or for housing at affordable price. The property right in Russia is protected by Law. Nobody can be deprived of an apartment or a house in private property otherwise but on the court decision. Compelled divestiture for the state purposes can be executed on the condition of advanced equivalent reimbursement of housing. The right of inheritance is guaranteed.

One of the lessons learned in the transition period in Russia is comprehension of the role of the state mitigating the negative impact of the reform for the socially vulnerable population. It is the necessity to create a new basis for regulating measures

with the purpose of reaching social consensus in the society. Starting from 1993 Russia has been successfully implementing the programme of personalised social protection in the form of housing allowances (compensations) for housing and communal charges payments. A number of laws and decrees were passed during the last years providing for the social and legal protection for housing for the under-aged family members. There was a system elaborated to provide for the subsidies for construction and purchase of housing, which, unfortunately does not work in full scale due to insufficient budget resources. All limitations for the individual housing construction in cities are lifted.

Transformations in the housing sector in the 1990s makes an integral part of the reform in Russia. Starting point of these transformations became the RF Law on “Housing stock privatisation” and the state target programme “Housing”, which was developed into the Russian Federation Law “Basis of the federal housing policy” and a number of normative-legal acts.

Dramatic changes in the relations of property in the housing sector were sequence to the main provisions of these documents. By the end 1999 the private housing in the total housing stock consisted 55% compared to 33% in 1990. The majority of population became owners of their own housing. Households, having privatised their apartments acquired right to exercise any sort of transaction such as to sell, grant, and bequeath. These apartments turned into their real personal richness.

Table 2.

**The housing stock by forms of property**

Years	Structure of the housing stock (%)			
	Private	State	Municipal	Other
1993	36	38	25	1
1997	55	8	31	6
1999	59	5	33	3

Forms of housing stock management are changing gradually: the majority of the enterprise owned housing was transferred to the municipal ownership, and the apartments there privatised. The inhabitants started to organise condominiums and manage their housing themselves, although this practice has not found sufficient application yet.

**3. Access to land for housing construction**

Most of the cities in the Russian Federation have not built up land markets yet due to serious legal limitations still existing to date for the plots of land turnover in the vicinity of rural and urban areas. Share of private land in the cities is very limited. Existing mostly is adjacent territory of low-rise individual houses.

In the Russian Federation usage of land is paid. The forms of payments are tax on land, lease payment, normative land price. Tax on land, used by the housing stock (state, municipal, public, co-operative, and individual) levy from the total area of the plot of land. It amounts to 3% of the size of the tax on land set out in the cities and

urban-type settlements, but not less than 10 Roubles per sq. meter. For some categories of people land allowances are in force.

Marketing right of rent of land by tendering became a regular venue in a number of cities. Land rental rates for a participant for housing construction can reach US\$50-70 per sq. meter in the elite districts of large cities. The majority of individual house owners in the cities, especially provincial, where the price is not high, still build their houses in the municipal lands, for which they have a right of use transferred from the city administration. Usually there are specially allocated lots of land for low-rise houses.

#### 4. Access to basic services

The level of housing stock development varies significantly among economic regions and to the most degree between rural and urban settlements.

Table 3.

**The level of access to basic services in the housing stock of Russia, 1998, (%)**

	Level of housing development (%)			
	Water pipeline	Sewerage	Central heating	Hot water supply
Urban housing stock	85.3	83.0	86.1	73.7
Rural housing stock	36.9	25.5	26.2	14.0

Analysing together the incomes of population and quality of housing leads to a conclusion that Russia is closer to the countries with the lowest incomes of population and quality of housing brings Russia close to the countries with the incomes above average. So today, a house is the richness for most of the households. At the same time housing and communal infrastructure are financed in the share of 50-70% of requirements, which does not allow to renew the main assets, maintain and undertake major repair of houses and engineering structures.

In spite of the serious financial difficulties the positive housing reform impact can be the following:

- Development of competitive environment in the housing sector (to date 70% of municipal and state housing stock are maintained based on agreements);
- Active introduction of small business in the housing sector (35 thousand small enterprises operated in the housing sector in 1999);
- Successful implementation of the personalised social aid in the form of housing allowances (compensations) for housing and communal service payments.

The negative influence of the recent years can be described as fall of volume of current maintenance and major repair in housing. Annual standard for housing repair is 4-5% of housing stock making actually 0.5%. The deterioration of main assets of communal enterprises during the last decade grew 1.7 fold. The number of accidents in the engineering infrastructure of the settlements located in severe weather

conditions of Russia brings the target of their security to the level of a National concern.

**The main conclusions are as follows:**

During the last decade the system of social and economic relations in the housing sector of economy changed dramatically. The legal basis has been created which led to serious institutional changes towards the property and determined the directions of transformations in the management and financing of the housing construction and communal services. These changes happened in the period of economic crises, leading to development of a number of negative processes in the field of population provision with the adequate housing: reduction of volume of construction in housing, deterioration of housing and communal infrastructure of residential areas.

With the medium term approach the improvement of the housing conditions of the Russian people is connected with the following targets solution.

***Investment sector***

1. Increase of major repair of the engineering infrastructure volumes in residential areas of cities makes a basis of sustainable living conditions for town dwellers.
2. Development of mixed forms of long terms crediting and financing of the housing construction.
3. Creation of a housing rent on commercial basis for the middle class as an alternative to the private housing
4. Construction of a special housing stock for socially vulnerable group (pensioners, invalids, youth, and families with many children).

***Housing stock preservation – the most important task of today***

It is today, when it is especially difficult to solve investment problem, preservation of the housing stock and the engineering infrastructure of the residential areas is reaching the most economic and social effect. Improvement of the maintenance quality in housing may prevent its untimely departure and to some extent will compensate reduction of investments in the new construction. To do this it is necessary to: improve the system of management, operation and control in the housing and communal services; to give consumers a possibility to influence the volume and quality of consumed services; to switch to the system of full personalised housing allowances.

## **5. Transport**

During the reported period significant changes have happened in the cities of Russia in transport thanks to the grown number of private automobiles. However, still the majority of population is using public means of transportation. The main target of public transport development is a need for renewal and repair of the automotive and mechanical park. In the 1990s serious steps were taken in this direction in a number of Russian cities. Sizeable impact in the development of public transport in a number of cities became the World Bank credit, which allowed getting the Bus Park renewed in 14 cities.



## Chapter 2. SOCIAL DEVELOPMENT

### 6. Education

In the 1990s Russia maintained the main components of the previous years of the education system which contributed to the high intellectual level of population. For the recent years the number of public day secondary schools has remained practically the same, the number of students of the higher educational institutions and colleges increased (in the period from 1993 to 1998 by 30 educational institutes and universities). The specific features of this phase are growth of non-state schools and of higher education institutes (colleges). As of beginning of 1998/1999 academic year Russia comprised 578 non-state secondary schools and 334 non-state institutes of higher education. However, the total number of secondary and vocational schools was reduced by about 300.

Generally in the 1990s the state allocated for education between 3.5% and 4.5 % of GDP out of which about 75% corresponding expenses from the budgets of the subjects of the Russian Federation. It is exactly out of these expenses; in particular, practically whole primary and secondary education was financed. Thus the organisational and economic changes in the education were reduced to transfer the burden of financing to the regional and municipal budgets. These changes and the general fall of GDP led to the reducing of the real payments to teachers, deterioration of the conditions of the buildings, growing the share of educational buildings in the average condition.

The point of view of the most radically thinking specialists “the modern personal requirements in the society and the labour market get in contradiction with the structure of education, set out in the previous historical period. The system of education even less can satisfy the constitutional rights of citizens for education. The gap between education and socially important problems, its orientation on ready knowledge reproduction and the productive creating thinking remains intact. The system of education management does not correspond to the contemporary targets of its development.”<sup>2</sup>

The main targets of the newly born system of education in Russia are aimed at putting in line the requirements of the democratic society as following:

- Transformation from the education based on the totalitarian society principle “utility culture” to the education corresponding to the “quality culture” - typical for the civil social systems.
- Transformation from the unified version of education to the selective version of education aimed at expansion of personal self development and competent choice of a life direction;
- Forming a world picture, providing for the personal orientation in different life situations, including the case of uncertainty;
- Invitation to the culture, mastering the means of thinking and intellectual skills based on which the world civilisations were formed.

## 7. Impact of urban environment on population health

The intensive urbanisation in Russia and in the former USSR as a process of dramatic changes of the mode of live and living conditions of the population surely affected the human health.

As a whole the nature of crisis interrelation of the cities with the environment can be determined as inadequate to the scale of environmental protection measures to preventing and neutralising ecologically harmful conditions with the scale of urbanisation and industrialisation.

Based on the data of the territorial “Rosgidromet” units’ observations in 284 cities out of 1087 (26%) the level of air pollution still remains high. The number of inhabitants affected by the hazard matters exceeding MPC 10 fold comprises more than 50 million. Only 15% town dwellers of Russia live in the territories with the level of pollution is within the MPC (maximum permissible concentration) and maximum permissible level (MPL). In 33 cities of Russia live more than 500,000 people making 30% of urban population. In 25 cities the level of air pollution is rated as high and very high, in 6 cities – increased and in only 2 cities – low. In the regions with the chemical and petroleum industries allergic related diseases are wildly spread (dermatitis, asthmatic bronchitis, bronchitis asthma etc.).

Death rate in the cities is a result of a balance of positive and negative influence on the human health. There are geographical peculiarities of the death rate amongst the population of the country. Life expectancy indicators fall from north-east to south-west. Besides, in the most areas the highest death rate is observed in the group of relatively small cities: with 20-50 thousand population. The lowest level is in the large cities with 500 thousand population and more.

Special conditions were formed in the cities making part of the industrial territorial-production complexes. They are characterised by producing especial effect on human health. In the TPC cities high death rate is observed from malignant tumours, respiratory and digestion system diseases. Atmospheric air pollution with specific impurities also causes high mortality level from liver diseases, from chronicle bronchitis and bronchitis asthma.

Significant mortality growth and live expectancy fall in the first half of the 1990s in Russia can be explained by the rapid decline of the life expectancy of the majority of population as well as by the social and psychological stress, caused by so to call adaptation syndrome. Research shows that mainly high blood pressure was spread in 1991-1995 amongst the able-bodied and elderly people with poor living conditions, and especially men.

In the conditions of industrial cities with higher anthropogenic load children are 1.3 fold less healthy. In the age group to 7 years children fall ill 1.5 times more frequently.

The conducted research confirms the risk factor of ill health of the urban population as well as the rural population living close to motorways.

A special problem in the cities of Russia is growth of TB, Syphilis and Aids having dramatically increased in the 1990s. Growth of TB is by 65.7%, Syphilis more than 3 fold and even faster is growing Aids.

The main problems of the Russian healthcare are:

- Insufficient and conservative system of healthcare financing;
- Outdated medical industry (low quality of medical preparations and medical equipment);
- Irrational system of in-patient and out-patient treatment;
- Insufficiency of nurses and low qualified medical staff.

Two directions should be tackled in order to change the situation:

- Expanding and improving the system of healthcare financing;
- Rationalising the system of in-patient treatment;
- Preventing disease measures

## **8. Gender equality**

Article 19 of the Constitution of the Russian Federation proclaims equal rights for men and women and equal freedom and possibilities for their realisation. Women have equal rights with men for education, housing, land and other property ownership. They can be elected to the representative bodies of power and participate in governing at all levels of power.

Legal guarantees of equal opportunities for men and women are also secured in the Family and Labour Code. In 1997 Russia ratified the ILO Convention No.156 providing equal opportunities and equal treatment for male and female workers.

However, in real life the women's position differs somehow, from what is proclaimed by the main law of the Russian Federation. The reasons of actual, but not formal inequality of women in Russia have deep historic roots. The situation in the Soviet times was a bit improved by full securing equal right for women by the law, but poorly organised domestic everyday life prevented women from giving all their energy at work. At the same time management did not give women possibility to acquire well paid positions due to their domestic hard work.

During the last decade in connection with the change of social and economic conditions the gender problems acquired new features.

1. Traditionally women worked in the services sector. During the last years their role in this sector declined. Trading, public catering, insurance, finance and credit activities became the zones of male workforce applications, since the payments there went up and sequentially occupation there became more prestigious.
2. The female employment was focused even more in the professions and fields of industry, where the payment is low;
3. Qualification levels of women are 2-3 steps lower compared to men;

4. In 1999 women were paid 30% less than men;
5. Women unemployment makes 64% leading to feminisation of poverty;
6. Higher education is not required for women;
7. Less than 10% of women get income from property or business activities. Mainly women are hired as workforce with a relatively low salary as the main income.
8. There is a disproportion in the political rights. In the State Duma of the second convocation out of 450 deputies only 48 were women. In the upper chamber of the parliament - The Federations Council - there is only one woman and 177 men. In the legislative bodies of the subjects of the Russian Federation out of all deputies there are 351 women and 3324 men.<sup>β</sup>

Understanding all difficulties of their specific problems in the current conditions, women unite in different public organisations to defend their rights as equal members of society. A large number of female organisations are aimed at solving problems of their children got into extreme situations as well as to defend their right to be equal to man in family and everyday issues.

- Among the women's organisations the longer history have councils at enterprises and organisations. In the 1980s their activities started to show significant decline. In 1985 they were reanimated. Today, however, it is difficult to evaluate, to what extent women's councils at enterprises and offices are independent and to what extent they fall under the administrative control. At the regional level women's councils usually effectively co-operate with the regional (or oblast, crai) administration, but financially they depend upon the administration. At the federal level the system of women's councils is represented by the Union of Women of Russia which co-ordinates the women councils. The Union of Women of Russia together with a number of other women's organisation have set up a block "Women of Russia".
- Together with the system of women's councils traditionally connected with the enterprises' administrations and territories in Russia are acting other independent women's organisations. Among them are Movement Women of Russia, Association of Independent Female Unions, and Independent Women's Forum.
- Some women's organisations concentrate activities in one problem – these are Committee of the Soldiers' Mothers, Association of Crisis Centres, Association of Family Planning, Women Farmers Association, Association of Female Reporters, Female Lawyers Association etc.
- Also were set up regional independent women's organisations: Movement of mothers who lost their sons at war, regional organisations Union of the "Women of Don", "Women at Administration and Territorial Communities", Association "Women and Conversion", etc.

Елена

**Comment [1]:** From 1994 to 1999 the number of women in the bodies of legislative and representative powers both at the federal and regional levels is falling

## Chapter 3. EVOLUTION OF LIVING ENVIRONMENT

### 9. Urban population

Russia is a country where the urban population prevails. About 107 million of Russians (73,1%) live in urban areas, including 1091 cities and 1922 urban-type settlements. In large cities with population of 100,000 and more live a bit more than 45% of the total population of the country, and in 13 cities with a million population live around 17%.

Because of weather conditions and historically the most population and in particular urban population is concentrated in the European part of the country.

Russia became urban within less than 100 years. The first census in Russian Empire was conducted in 1897 and showed that within the borders of the contemporary RF were 430 cities where lived only 15% of total population. Based on the next censuses by the end of 1930s the share of urban population comprised one third of the total population. By the end of 1950s the share of urban population comprised one half, and by the beginning of 1990s it comprised about three-quarters of the total population.

Beginning of 1990s became a cornerstone of long term trend of population of Russia change in general and urban population in particular. Rapid absolute and relative growth of urban population has changed with the fall. Simultaneously within 1991-1994 the number of rural population increased. As a result the share of the urban population reduced during these years from 73.9% to 73.0%, after that slowly started to grow again.

The urban-type settlements in Russia encountered in development different demographically problems.

The general issues can be referred to as: the high death rate, especially the men of able-bodied age. The female population in middle and elderly age groups outnumbers the male significantly; extremely low birth rate; maintaining of which leads to the rapid ageing of population and depopulation; deterioration of health of population; growth of social illnesses.

Depending on the migrating situation two groups of urban-type settlements can be distinguished:

- Intensively losing population (often mono-profile cities located in severe climate conditions);
- Intensively attraction of migrants, the most may be referred to as illegal.

It is difficult to solve all these issues in one programme. And also experience of some programmes show short-lived effect, then the old tendencies recover. However, there are programmes being implemented in the Russian cities within a number of years, aimed at health improvement, first of all mothers and newly born babies, (Family planning, Safe motherhood etc.) There are programme on TB and Aids and drug abuse fighting. Although only part of interested can be involved as participants.

To avoid too rapid growth of population cities introduce limitations by registration, however these measures are not always effective concerning illegal immigration.

## **10. Conservation of historic image of cities**

About 70 million of Russian citizens live in 426 cities and 51 urban-type settlements, which were given the status of historic towns or cities. The list of historic cities contains 40% of all cities of the country. Such megalopolis as Moscow and St.-Petersburg make part of this list. The foundation period of these cities can be devised for:

- Cities of XI-XV centuries, mostly principdom;
- Cities of XVI-XVII centuries (period of Muscovy);
- Cities of 18 – beginning of 20 century (period of Russian Empire).

Improvement and keeping the historic image of these cities and cities is a long, and to a known extent, permanent process. The general social and economic situation in the historic cities is characterised by the same tendencies as the whole country. The social impact of the economic crises more sharply showed in the cities, the town-forming basis of which is limited to 1-3 enterprises, significantly cut or stopped their production (about 90 historic cities). Demographic situation (without the largest) is characterised as unfavourable. There is a huge gap between the regional centres and small cities regarding the level of living conditions and the extent of development of the city environment.

The most important instrument of governing historic urban development is elaboration and implementation of programmes containing decisions on preservation of the historic image of the city and provisions for sustainable self-development.

Starting from 1993 a federal targeted programme is in force “Development of small and medium-size historic cities of the Russian Federation in the conditions of economic reform”, to which in 1996 was added the programme “Revival, construction, reconstruction and restoration of historic small and medium-size cities of Russia”. The federal interregional programme “The Golden Ring of Russia” covers the major part of central regions of Russia. (Moscow, Vladimir, Ivanov, Kostroma, Yaroslavl regions). Regional and urban programs and projects in the cities of Kostroma, Great Rostov, Kargopole, Great Ustug, Galich, Pskov and others were elaborated.

The main target of these programmes implementation for today is unification of efforts of all potential participants: federal, city and regional administrations, business subjects, including private enterprises and population. To a significant extent the program implementation depends in the contemporary conditions on how to manage to attract to its implementation the owners and users of houses, buildings and land plots in the territories of historic cities. The resources support of the programme provides for financing from budgets of all levels, extra budgetary and private sources from private individuals.

Calculations within the federal and regional programmes show that achievements in case of their implementation in the architectural, city development and social impact prove timely necessity of historic city revival.

## **11. Formation of environmentally sustainable living conditions for the population of Russian cities**

In the Russian Federation about 2/3 of total territory is not touched by the business activities remain unspoiled massifs of ecological system. At the same time most of the

population of the country, productive facilities and intense agriculture are concentrated in the 15% of territory of the country, and ecological conditions of these regions require constant supervision and control.

As a whole in 1990s the tension of the ecological situation has not significantly changed in spite of the fall of production and decline of ecological load. Generally across the country the disposal of hazard substances into the atmospheric air and of affluent waters to the open waters fell. However changes of the recent years could not soften the sharpens of the problems, accumulated during many decades as a result of structural deformations of business activities – mostly of resources and energy consuming technologies, raw materials export orientation, extreme concentration of production in the limited territory. During the last years the situation was worsened by the reduction of financing of the nature protecting activities and active exploitation of the natural resources, mainly for export. As a result at present for about 50% of cities the centres of the subjects of the Russian Federation the problems of pollution are relevant. For 30% of territories the issues of open water pollution and underground water pollution and depletion are very actual. The targets of land fertility preservation are actually very relevant for the whole territory of the country.

#### ***Air quality***

For 5-year period (1994-1998) the annual average concentration of suspended hazard substances, sulphur dioxides, ammonia, phenol, fluorine hydrogen and formaldehyde are reduced by 5-13%. The number of cities with exceeding MPC level as minimum for one polluting matter in 1993 comprised 231, in 1996 – 205, in 1998 – 185 cities consequently - reduced. However, based on the data of regular observations at the stations Rosgidromet during the last decade in the cities of Russia the average annual concentration of carbon increased by 11%, nitric oxide by 3%, nitric dioxide by 18%. The major role in the atmospheric air pollution in the majority of cities plays automobile transport. Nitric oxides exhaust, during the reported period increased by about 14%. The highest are anthropogenic load in the huge city agglomerates – Moscow and St.-Petersburg, in the industrial centres of Southern Siberia, Far East, Central Russia, Middle and Southern Urals and Central Volga region. From the cities making the basis for the project “State of the Russian Cities” in 1998 the worst situation is in Omsk, Moscow, St.-Petersburg and Great Novgorod.

#### ***Water quality***

The problem of open water pollution remains complicated. In spite of the fact that the current decade is marked by general reduction of overall water usage (total water consumption from the natural objects in 1991-1998 reduced 1.5 fold), about one third of the volume of polluted water was discharged without purification. And the volume of normative purified water reduced from 6% in 1988 to 5% in 1998. Provision for the cities and agglomerates with the fresh potable water makes a sharp problem due to a few reasons: increase of the volume of water sources pollution, deterioration of the infrastructure of water supply and sewerage, insufficiency of water pipelines capacity and pollution of underground waters. In a number of cities tense ecological, sanitation and hygienic situation (Orenbourg, Tumen, Saratov) is connected with the lack of developed centralised sewerage systems, overloaded purification units.

#### ***Waste management***

A serious problem for the urbanised territories is disposal and depositing of solid waste. In 1998 due to the sanitation of the cities about 130 million cubic meters of human waste out of which more than 90% were disposed deposited at dumps of different kind. Only 3% of the solid domestic waste (SHW) volume are sanitary neutralised with the modern industrial methods.

The area of green areas of public use in the cities in 1998 covered 1.17 million hectares, making 20% of the urban lands. Average provision with green areas of public use in 1998 grew to 11.2 sq. m per person.

The activities of the aggregated state nature protection bodies are based on a complicated system of ecological legislation. The main law in the field of environment is The RSFSR Law No. 2060-1 "Protection of the natural environment" of 19.12.91.

The priority direction of the nature protection activities and natural resources legislation of the RF at the federal level and at the level of the subjects of the RF are:

- Timely updating the existing legislation;
- Co-ordination of the normative legal basis at the federal and regional levels;
- The system of payment for the reforming of natural resources;
- Development of the state registers for the natural resources;
- Elaboration of the improved system of ecological standards, norms, requirements and rules;
- Strict division of functions and co-ordination of activities between the federal bodies and the bodies of state power of the subjects of the RF;
- Legal division of forms of participation of the public organisations and citizens in control of usage, reproduction and protection of natural resources.

## **12. Disaster mitigation**

In the Russian Federation a unified system of the state and non-governmental bodies and services is aimed at elimination both natural and anthropogenic disasters.

The organisational and legislative norms in the Russian Federation reunified in the field of citizen's protection in the territory of the Russian Federation. Also, for the total land, water, air, productive and social designation, as well as for the nature and environment. Protection from the emergency situation of natural and technological character is regulated by the federal law of the Russian Federation on "Protection of the population and territories for emergencies of natural and technologic origin". Common state system for elimination and liquidation emergencies unites the managing bodies, forces and means of the federal bodies of the executive power. Also it unites executive bodies of the subjects of the Russian Federation, bodies of the local self-government, organisations having authorisation to decide on the issues of population and territories protection from emergencies. The information on people and territories protection from emergencies is published and is open. In elimination of emergencies participate directly created for the purpose structures, divisions of security agencies, public associations, and population.



In the Russian Federation operate emergency rescuing teams. This is a union of managing bodies, facilities and means directed at protection from and liquidation emergency, functionally united in one system, the basis of which makes the emergency teams unit.

The emergency rescue groups and units are created on a permanent staff basis both for the emergency rescuing teams and units. The same for emergency rescuing teams and units exists on the basis of attracting staff on part time conditions. As well as the emergency rescuing teams and the emergency rescuing units as a volunteer formation.

With the purpose to ensure fire protection operates the State Fire Brigade Service of the Ministry of Interior of the Russian Federation.

All-Russian emergency medical care was create in accordance with the decision of the Government No 420 of 3 May 1994 “Life and health protection of population of the Russian Federation in commencement and liquidation of the impact of the emergencies, caused by the natural disasters, accidents and catastrophes». It is included in the Russian system of preventing and action on the emergencies.

Nevertheless urbanised territories in 1999 still experienced tension caused by the hazardous natural and technological processes. These processes include flooding (746 cities), earth slides and land slips (7250), earthquakes (103), avalanches and mud flows (14), ravine erosion (442), karst (301), subsoil erosion (958), loess sinkhole (563).<sup>4</sup>

The Russian Federation has co-operation agreements for preventing and elimination accidents and extraordinary situations with a number of CIS countries, as well as European countries: Germany, Slovenia, Yugoslavia, Poland, Norway, Italy and others.

The EBRD and the WRD extended significant assistance in the 1990s for liquidation averages.

## **Chapter 4. THE URBAN ECONOMY**

### **13. The urban economy**

Cities in the Russian life, and in particular, the centres of the subjects of Federation have a special role. They don't only concentrate the majority of population of the country, but its economic potential as well, and consequently form the main part of tax returns in the budgets of all levels. For the most developed countries in the world, where the large cities play mostly leading administrative, then economic role it is not typical. The state is diminishing gradually the role of centralisation, although it remains static and in the forms of administrative territorial structures and still effects economic lives of cities.

The most important indicator in the urban economy is the level of Gross City product. The calculation of this indicator, based on the methodology of Habitat, within the project “The State of the Russian Cities”, showed that during the period between 1993 and 1998 the production of gross product in cities reduced in the range between 40 to 50%. The financial crisis hit in 1998 turned out to be the most important factor, which determined the key peculiarities of the Russian economy development, including urban economy. Based on the opinion of the majority of experts the financial collapse contradicted the tendencies of real sector development in the cities of Russia. It exploded economic stability commenced in 1997. In especially difficult situation were cities – the centres of light industry, non-ferrous metallurgy, and machine building, chemical and petrochemical industries. However by the beginning of 1999 the situation started to improve and in July 1999 the volumes of industrial production reached its maximum within the last 2 years.

Table 4.

**Industrial production in Russia in dynamics**

In % to	1998				1999	
	I qt	II qt	III qt	IV qt	I qt	II qt
Corresponding period of the previous year	102.8	98.5	88.1	90.7	98.4	105.0

The specialists connect rehabilitation of the industrial production with the devaluation of the national currency and reducing possibilities of importers. The other side was cut of the internal demand caused by the fall of the level of living.

Lack of relevant urban statistics does not allow in full-scale determination of the peculiarities of the real economy development in the cities of Russia. The most detailed information, describing the dynamics of changes may be followed up by analysing budgets of the cities and municipal units.

From 1993 the indicators of the local budget conditions compared with the previous years started to rapidly deteriorate. The local budget deficits in average in 1994-1995 in cities reached the level of 35%. Borrowed means or credits, used by the bodies of local self-government to cover the expenditures for the current maintenance, by the year 1998 reached in average the level of 3% from the budget incomes and comprised in 1993 - 1.6%.

The crisis of non-payments hit Russia in 1998 is connected to a great extent with the total indebtedness, which had dealt with the municipal economy and consequently depends on the volumes of budget funds. One of the hardest impact of this situation became the delays in payment of wages and salaries to the employees of the budgetary sector, systematically insufficient financing of the health care, education, culture, housing and utility network, public transport etc. In the majority of cities budgets can not finance the social sector and the system of vital provision even within the municipal volumes.

Quite a serious symptom of the situation deterioration became the reduction of the volumes of capital investments from the budgets of all cities into the housing construction, social and production infrastructure, reduction of the volumes of money,

necessary to repair the housing, urban infrastructure and buildings. In the cities of Russia, where the Habitat research was conducted by the Institute “City-Region-Household” the capital investment comprised in budget around 8%.

The main directions of the used budget funds are the following:

- Housing and utility network expenses;
- Transportation expenses;
- Education expenses;
- Expenses in the field of social policy and culture;
- Expenses for local self-government support.

Totally the above comprises 90% of the city budgets including 20% wages and salaries for the employed in the budget sector.

The main reason of the changing the financial condition of the municipal units in cities lives in the field of extra budgetary relations and in the field of income distribution between the budgets of different levels.

The local self-government development in the last years have led to decentralisation of management and transfer of a number of functions and responsibilities from regions and federations to the level of city authorities. However the transfer of adequate budget funds does not accompany this process, as a rule. As a result misbalance creates obstacles in the normal development of cities and living conditions of population and is worsened by the systematic economic crisis in the country.

Thus, today an important target of city and in especially municipal economy stabilisation is achievement of adequate transfer of the functions of the local power and its financial possibilities.

## **14. Employment and income**

During the latest significant changes in the economic activities of population and the level of wellbeing occurred.

In the 1980s one of the most important social and economic priorities was achievement of the total effective employment, the right of work was guaranteed by the constitution, so we can talk about the fractional and the hidden unemployment only. Now, based on the RF Constitution, each citizen have a right of work, of profession and field of workforce application, and receive salary or wage not less than provided for the minimum and protection from unemployment, but the right of a job acquisition is not guaranteed. Starting from 1991 the bodies of the state service of employment presented the data on the number of registered unemployment.

Rapid absolute and relative reduction of the number of economically active population, especially among the women, became one of the specific features of the contemporary life. The level of economic activity of the population in the age between 15-72 fell during 1992-1998 from 70.3 to 61.0%, and among women from

63.7 to 54.7% (in the frames of able bodied population respectively from 84.2 to 76.0 and from 81.6 to 73.3).

Economic recession effected practically all fields of economy led to rapid reduction of jobs and growth of unemployment. The level of employment of the population in the age group of 15-72 years reduced from 66.7 to 52.9%, with the women from 60.4 to 47.6% (among able-bodied population respectfully from 82.2 to 67.7% and from 77.4 to 63.5%). The level of total unemployment, determined by the MOT methodology, in the annual ransom polling of the households grew from 5.2% in 1992 to 13.3% of the economically active population in 1998. Differences in the levels of total unemployment between men and women initially did not show, but during the recent years the increase is traced among the women. Registered unemployment with the women in 1992 was 1.3% against 0.4% male, by 1998 the figures are 4.3 and 2.0% respectively.

Significant changes vary in the structure of employment by the different fields of economy and forms of property. In the middle of 1980s more than 90% employed worked for the state sector of economy. But by the end of 1990s the majority of the employed worked for the private sector – 43%, for the state and municipal – 38%, and remaining worked for the mixed forms of property sector. The share of employed in the industry sharply reduced (from 33 to 22%), also after some growth in the beginning of the 1990s in construction and transport. At the same time practically doubled the share of employed in trading and public catering (from 8.3 to 14.5%), management (from 2.1 to 4.4%), financing and crediting and insurance sector (from 0.5 to 1.1). The share of education, health care, physical culture, social protection and housing and utilities sector increased.

Based on the changes in the economic activities of the population the level and composition of incomes changed. In 1980s about 80% of the incomes in terms of money were covered by the wages of hired staff, by the end of 1990s less than 40%. Now significant becomes income from entrepreneur activities (about 3% in the 1980s and 15% in 1998) and incomes from property as interest on deposits and securities, dividends (from 1.5 to 6%). The share of social transfers remains relatively stable (14-16%). Significantly increased share of different hidden kinds of payment for work (from 5 to 28%).

The differences of the population based on income sharply increased. Based on the experts' assessments, in 1980s 10% of the richest population increased incomes of 10% the most poor 3.5-4.5 fold. Based on the state statistics in 1992 this ratio accounted for 8 fold, by 1994 grew to 15 fold, and then stabilised at the level of 13-14.5 fold. Based on some evaluations its value is much higher.

Minimum subsistence level is calculated every month for the regions of Russia, and starting from 1992 is used as criteria of poverty. Officially recognised level of poverty determined as part of population with the incomes below the minimum of subsistence level exceeds 20%. The group below the level of poverty mostly comprises pensioners, single parents and families with small children. In the worst condition are people of the cities of the depressed regions of Russia and mono-profile cities. At the same time it is exactly where the richest level of people is formed increasing polarisation of the society and creating serious social problems.

To soften them the system of minimum social guarantees is in force: minimum wage, pensions (on old age, disability, loss of a breadwinner etc.), scholarships and unemployment benefits, prenatal allowance etc. In the conditions of mass delays of wage payments the social transfers sometimes become the most reliable source of income. Bodies of social protection operate to socially support the groups considered poor.

Special employment service deal with people who are looking for a job, giving information on the existing vacancies at the enterprises and on possibilities to get vocational training and obtain a new profession. Those willing to start their own business receive wide support. Support of small business somehow allowed softening the impact of the economic decline and growing unemployment.

## **Chapter 5. CITY GOVERNANCE**

### **15. Information and communication**

Effective management in cities, realistic, but not formal self-government depends directly on the information openness of the administration in tackling all issues, connected with the city planning and development, as well as on the people's interest and their attraction to the process for participation. In 1994 the Committee of the State Duma on the issues of self-government carried out parliament hearings "Reform of the self-government and mass media" emphasising the problems of self-government which had not taken the proper place in the mass media of Russia. It was stressed, that mass media lacks systematically coverage of the Russian cities' life, problems of the local authorities and population.

Public life today allows seeing positive moves. An ordinary citizen starts to understand that he has to enter the city administrations, since the local self-government – is a mechanism of action, capable of realising his interests. This shows activity of population in elections to the local bodies of self-government, approving the Charter of city, becoming the most strict observation object for the population. During the last years the city inhabitants are actively using their right to recall those elected officials who did not justify their hopes.

In the regional and district centres are organised PR and mass media departments or divisions of different staff numbers (depending on the size of the city). Administrations in order to take a decision are using the opinion of the Public Councils in the majority of cities. In many cities new urban documentation and, first of all, city master plans are discussed with public participation.

For example, in Nizhny Novgorod not a single important city programme on action is approved without a preliminary discussion with the interested public organisations. The information is placed on the Internet Web Site, transmitted on radio and

television, the drafts of normative-legislative acts are published in daily “Nizhegorodsky Rabochiy”, municipal advertising service disposes of 1200 billboards of different size and shape.

The system of self-government bodies in Omsk City unites about 16,000 people active in public life. The active public people make the connecting link between the executive bodies of the local self-government and population. In the city actively operates mass media. The city administration annually publishes more than ten brochures on the current problems of the city life.

The process of collegiality of decision making of the local administration, where from the one side obligatory is taking part the population of the city, is under development in cities with different levels of success, but as a whole this process is encouraging.

## **16. City governance**

Change of life in the society, change of the people’s thinking and the process of democratisation require dramatic breaking of attitudes to the perspectives of the cities development and the methods of cities governing.

Democratisation of society, creating freedom for action objectively relevant to urbanisation regularities causes necessity of city policy development, which would replace ransom manipulation of cities. In the Soviet times co-ordination of national regional and city purposes of development were replaced with directions for all directive planning, subordinating the city to the agency or regional requirements, which had received by that some super cities higher status.

The idea of elaboration of city policy of existing process of city governing to-day is directed at the concretising the following problems:

- Determination of the targets and interests of cities and city communities;
- Determination of specific social, historic, economic, demographic, natural, urban building and other conditions of city development;
- Co-ordination of the internal city target and interests with the same in national scale;
- Taking into account in each case the stage the city is passing and, consequently its possibilities.

In the Chapter 8 of the RF Constitution general principles of the local self-government are secured. The main law, regulating the legal expanse of city development and planning – is a Federal Law on “General principles of the local self-government in the Russian Federation”. In Russia today in fact takes place a process of revival and formation of the system of the local self-government, its organisational forms. The contents of it is determined, by the democratic federal ground of the Russian state, its legal system from the one side, and by historic, geographical, demographic and other regional peculiarities of republics and the subjects of the Russian Federation from the other side.

In May 1998 the State Duma ratified the European Charter on the local self-government, passed by the Council of Europe in May 1990. By this the European Charter on the local self-government based the Part 4 Article 15 of the RF Constitution became the component of the legislative system of Russia.

Detachment of the local self-government from the system of the state power proclaimed in the RF Constitution and confirmed in the Federal Law on “General principles of the local self-government organisation in the Russian Federation”, represents a principal amendment in the system of city governing. It allows on the constitutional basis to provide possibility for the population of Russia of taking decisions themselves on the local level.

In March 1996 the decision of the Government of RF No 266 determined the list of the federal draft laws for the first priority elaboration. The following issues would make the basis for the mentioned law:

- (a) strengthening of the financial and economic self-dependence;
- (b) development of mechanisms forming local budgets and inter-budgetary relations;
- (c) reforming of relations in the field of municipal property, first of all land property;
- (d) Forming of concrete mechanisms of economic development, favourable economic and investment climate in particular, and some others.

In fact the first step really made in the direction of development of the legislative basis of the local self-government was passing the law in 1997 on “Financial basis of the local self-government”, which stipulated the certain “Rules”. However it did not implement major changes in the principles of the old budgetary system. Unfortunately it keeps the concept of a minimal budget based on the system of minimal standards and regulated incomes, normative of deduction which are introduced by the law on the budget of the Subjects of Federation each fiscal year.

Second serious step in setting up the local self-government is passing on May 7, 1998 the federal law “The Russian Federation Urban Building Register”.

By definition “The Register regulated relations in the field of creation the system of providing population with better apartments, urban planning, building, site development of cities and rural settlements...». In the process of planning the law stipulated more detailed taking into account, than in the previous general plans, of the interests of cities and communities. It is important that this document stipulates elaboration of the State town planning cadaster –the state database, necessary to implement the urban building activities, including registration of the real estate objects. “The provision on introduction the State City town planning cadaster and monitoring of the objects of urban building activities in the Russian Federation was passed in March 1999.

Narrowing the economic possibilities of the federal centre and subjects of Federation, connected first of all with the crisis of the budget, objectively strengthens the economic independence of the cities. Self-dependence of municipalities suggests

expansion of the spectre of the decision-making, including in it the strategic decision-making.

On the initiative of the administrations in many of the Russian cities the integrated governing is being set up and planning of economic development of cities going on. The main directions of the social and economic development of a city (Novgorod) are being prepared; models for the long term sustainable development (Volgograd), creating strategic planning of development (Riazan). The availability of this kind of elaboration – witnesses of a certain definite governing of the city community, co-ordination of activities of the city public persons, envisaging perspectives, active positions of the city administrations.

With the purpose to provide for the effective interrelation between the federal bodies the state authorities with the agglomerations (associations, unions) of municipal units of the Russian Federation in October 1998 was set up a congress of the municipal units of the Russian Federation.

## **17. Social activity of population**

The last decade in Russia is known for the appearance of tens of thousands of public movements and organisations, in the overwhelming majority, from the authority structure independent. From 1990 to 1999 in the country were registers more than 86,000 organisations, acting at the local and regional levels. Actually there are even more public organisations, but not all of them wanted to obtain a status of a legal entity; therefore they are not counted.

In the most general manner these organisations may be structured the following way:

- Political parties;
- Law protective organisations;
- Women’s organisations
- Youth and children’s organisations;
- Ecological organisations and movements;
- Organisations formed on the basis of their members certain background and belonging to a certain society strata (pensioners, invalids, participants of Chernobyl catastrophe elimination, military servants etc.).

The majority of public organisations are concentrated in the cities. Ecological organisations are more actively dealing with the local administrations, with legal protecting and other different organisations protecting rights of tenants and apartment owners.

Thus, for example, in Surgut city for 274 thousand population registered are about 150 public organisations, out of which the most active are “Surgut veterans”, “Women of Surgut” and “Surgut old-timers”.

A significant place in the public life of city take activities of the national and cultural, religious confessions, actively interfering in the process of decision making on the issues of maintaining national cultural image.



It can be said that the public organisations in the cities of Russia created sort of an island of the civil society. However, sociology surveys, conducted in the middle of 1990s showed participation share in these organisations and movements not bigger than 15% of population. During the last years, compared with the 1980s a certain decline is traced of the activity in the political movement and growth of such movements, the unification of people is based on the decision making on the current live problems. It is exactly the tendency which determines today the contacts are getting stronger of the public organisations and movements with the authorities of the city structures, aimed at making decisions, and first of all on the problems of live support of the population.

## **Chapter 6. INTERNATIONAL COOPERATION**

During the recent years the role of fruitful international contacts for the development of the Russian cities has been constantly increasing. They became possible as a result of wider powers transferred to the local authorities for the promotion of direct collaboration between cities. The Habitat Agenda adopted in Istanbul at the United Nations Conference on Human Settlements (Habitat II) played a significant role in the selection of directions for international co-operation and provided clear and well-grounded orientations for the efficient urban development at the turn of a century and opened up new possibilities for international contacts.

International contacts of cities were the most efficient in the following spheres:

- formation of favorable image of cities, better awareness about city development possibilities in other countries;
- governance including higher competence level of the local government bodies;
- development of cultural links;
- expansion and modernisation of industrial production base;
- solution of environmental problems.

Furthermore, a number of cities were involved in various joint projects in the sphere of public health care, education, transportation and communications.

### **18. Formation of favorable image of cities and raising their investment rating**

In the recent years activity of the local authorities in the field of foreign relations was focused on strengthening their international contacts in the interests of solving socio-economic problems of city development. These issues received a special attention in Moscow, Nizhny Novgorod and Veliky Novgorod. Upon the decision taken by the Parliament Assembly of the European Union in Strasbourg on April 25, 2000 Novgorod Region was rewarded with Honor Banner. Omsk became an acting member of "Metropolis" - association of the largest world cities.

## **19. Development of international contacts in the economic sphere**

City authorities consider promotion of international contacts in the economic sphere, strengthening and modernisation of city production base as an important direction of their activity. The leaders in the sphere of **international** economic collaboration are the cities of Moscow, St. Petersburg, Veliky Novgorod, Nizhny Novgorod, Omsk.

### ***International cooperation in the field of transportation***

Many cities managed to achieve great success in the improvement of their transportation infrastructure in many respect thanks to their fruitful international contacts. Of special significance for the development of municipal economy of cities was the international project of the World Bank of Reconstruction and Development: "Urban Passenger Transportation" which made it possible to renew the rolling stock for public transportation in 15 cities of Russia. In 1998 Moscow signed a financial agreement with BNP-Dresdner Bank (Hungary) for the total sum of USD 33.5 million intended for the renewal of its motor vehicle fleet and purchase of 250 complete units for "Ikarus" buses. New prospects for the development of urban transportation open up string transportation systems and their practical introduction for carrying urban trips. Operation principles of a proposed string transportation system are investigated within the framework of the relevant UNCHS (Habitat) project.

### ***Solution of environmental problems***

International collaboration made its contribution in the solution of a number of most acute urban environmental problems, especially in the cities of Veliky Novgorod, Pushkin and Moscow.

Environmental contracts concluded in the capital city included new forms of concessionary transactions. This principle was used in the investment contract for the construction and operation of a treatment plant in South Butovo signed between the Moscow Government and "Saarberg Helter Wassertechnik HmbH" (Germany). The town of Pushkin initiated a joint Russian-Danish project "Green City" aimed at conservation and regeneration of its green belt and the general enhancement of environmental quality in the town. In 1994-1998 the city of Veliky Novgorod implemented a number of joint projects with Denmark and Finland aimed to reduce the negative environmental impact and to improve the general environmental situation in the city, among them: water supply and drainage, collection and utilisation of solid wastes which made it possible to achieve cardinal improvements in the environmental conditions.

### ***City governance***

In the governance sphere there is a great variety of direct international contacts between cities including training and re-training of managerial staff, collaboration in legislative sphere, introduction of advanced developments in the institutional sphere using the relevant partners' experience. The major cooperation areas include: collaboration of representative city government bodies in the promotion of local self-government; personnel training for the local government bodies including training programmes abroad; technical assistance in the real estate management and formation of market infrastructure; experience transfer programmes in the sphere of social services and facilities.

**Recently** cooperation of cities with the UN Centre for Human Settlements (Habitat) has been efficiently promoted. A number of cities set up information systems based on the Programme of urban and housing indicators in the course of their urban planning activity which contributes to the well-grounded decision-making for future city development. It is planned to set up local and national urban observatory for monitoring condition of cities.

### ***Solution of social problems***

International experience and resources are used for the solution of social development problems in the cities of Pushkin, Veliky Novgorod, Kostroma.

The town of Pushkin is actively involved in the SOS-“Kinderdorf” project aimed at the development of *family-type children’s homes* implemented in association with Germany and Austria. Veliky Novgorod is also actively participating in the international social programmes. Novgorod Region was the first in Russia to start a pilot project “Partnership in the Name of Freedom” which was initiated by the USA Administration headed by its President B. Clinton. In the city of Novomoscowsk the most acute social problems are solved in collaboration with international investors.

### ***Culture, arts, education***

Great success was achieved within the framework of cooperation in the sphere of culture, arts and education. As a rule, this sphere is the first to accumulate positive collaboration experience with foreign partners which provides a favorable background for the promotion of international contacts in other areas.

## **20. Twin-cities**

Successful international collaboration of many Russian cities is based on their efficient many-year friendly relations with their twin-cities. Moscow is actively collaborating with 30 cities in political, cultural and social spheres. Nizhny Novgorod has 5 twin-cities, the town of Pushkin has 16 twin-cities in various countries of the world; success of Veliky Novgorod in the sphere of international cooperation is in many respects attributed to its efficient relations with 6 twin-cities, etc.

On the whole it is possible to outline the following changes in the sphere of international cooperation occurred in the recent years:

- direct international contacts established with the Russian cities;
- wider opportunities and powers of the local governments;
- growing international interest in the promotion of the long-term mutually beneficial contacts with the Russian cities;
- higher degree of activity and involvement of various international organizations.

Active position and initiative of municipal authorities is of special importance for the involvement of Russian cities in the international transition processes towards sustainable development.

Efficient cooperation was promoted with a number of international organizations such as the World Bank, European Union, US Programme of International Cooperation, United Nations Development Programme, United Nations Educational, Scientific and Cultural Organization, United Nations Centre for Human Settlements (Habitat), EU Programme of Technical Assistance for the CIS countries, Ford Foundation (USA), McArturs Fund (USA), Soros Fund (USA), British “Know-how” Fund.

## **Chapter 7. CITY DEVELOPMENT PRIORITIES**

### **21. Housing**

1. Under conditions of a deep economic crisis and decline in population incomes the most important directions in the field of adequate housing provision are as follows:

- fight against manifestation of signs of monopolism in construction, housing and communal sector not to let unjustified growth in prices of all basic services and works in the housing sector of economy. Creation of a really competitive environment.
- development of various forms of the long-term credits for the population and financing of housing construction.
- promotion of commercial housing rental mechanisms.

2. Social support to the low-income citizens including both those seeking to improve their living conditions and staying to live in the available housing:

Under the economic restructuring and economic decline it is especially important to make provisions for the protection of socially disadvantaged population groups within the framework of the formulation of national housing and construction policy. Therefore, priority tasks in the sphere should imply:

- regulation of procedures for social housing provision;
- personalised support to the low-income population in the course of housing construction and use;

3. Quality of the living environment and prevention of “infrastructure crisis” of residential areas:

- Formulation of Federal Programme to support development (construction, heavy repair, modernisation) of engineering infrastructure in residential areas of cities.
- Provision of legal framework to promote concession relations.
- Provision of quality living environment through the promotion of progressive technical policy in the sphere of building material production and the quality standards of newly-built objects in the housing sphere.

4. Development of the housing market:

- Development of a system for property and property rights registration and property assessment.
- Creation of a system of legal control of real estate use.
- Involvement of land plots in the economic turnover through the open bids.
- Formation of single property objects including a land plot and a building situated on it.

5. The most important task of today is associated with conservation of the existing housing stock.

## 22. Social development

### 1. Development priorities of educational system:

- development and introduction of budgetary financing schemes contributing to the efficient distribution and use of all financial resources including both budgetary and extra-budgetary funds; it will provide access to all levels of education for all cities and regions;
- transparency of all financial flows coming to the educational institutions. State and public control of the allocation and use of material and financial resources;
- formulation and enforcement of national educational standards;
- development of a system of professional training oriented to the market demands and giving an opportunity for the individual to adapt to the conditions of a rapidly developing post-industrial society;
- enforcement of the state system of license, attestation, accreditation and quality assessment of education. Simultaneous development of independent public system to control the education quality including control of a diversified attestation system of educational institutions;
- shift from a unified education system to a variable alternative. Provision of access to innovative education models, new programmes, educational and methodological manuals for the teaching staff and students in all cities and regions.

### 2. Priorities in the sphere of public health care:

Provision of actual access to the medical aid for the national population is regarded as the key strategic goal of future public health care system development. In order to achieve this goal the following measures are necessary:

- to balance state guarantees for population provision with medical aid against financial possibilities of the state;
- to provide sustainable and transparent financing mechanism for public health care sector implying mobilisation of various sources;
- to enforce financial planning and payment mechanisms for medical aid encouraging the growing efficiency of resource-use in the health care sphere.

Prophylactic of diseases is considered as the basis of efficient public health care.

The key planning task is to identify the target indices of efficient resource-use and to ensure balance between the medical outcomes obtained as a result of the activity of public health facilities and the amount of financial resources spent for their achievement.

Improved management of the public health care system could be promoted through the activity of the relevant boards of the Russian Ministry of Health set up at the regional level. The system restructuring should be focused on further re-distribution of the volume of medical aid provided by stationary institutions to the level of out-patients' departments and active development of stationary-replacing technologies.

It is necessary to propose an ideology and mechanisms for the promotion of partnership relations between all public health institutions, public organizations involved in public health protection and trade unions.

An important factor for the development of advanced public health system is associated with the need to make each citizen responsible for his health. In this case the task of mass media is to advocate a cult of healthy people, to exclude demonstration practice of unhealthy advertising.

### 3. Support to vulnerable population groups with limited capability:

- Improved legislation to promote personalised social aid which could result in savings of financial resources and subsequent increase in the scale of social support extended to the population groups really in need of this aid.
- State housing and construction policy which makes provisions for the protection of socially vulnerable population groups.
- Large-scale construction of houses that in terms of their architectural and planning design and structural components are comfortable and affordable for the youth, many-children households and other socially vulnerable population groups.
- Growing production rates of social housing for invalids and elderly persons with a possibility of social and medical services provision for these categories of citizens.
- Special programmes for children in risk groups (mentally handicapped, children with deviant behaviour, homeless or children left without parents' care).

### 4. Encouragement of gender equality in the cities:

Prevention of disproportion in women's involvement in governance systems at the federal and regional levels of administration is the most important current priority task in the course of solution of gender problems.

Solution of specific gender problems in the cities.

- Protection of women's labour against adverse environmental impact in industries, especially textile manufacturing with high female employment levels, chemical production, transportation, "hot workshops", etc.
- Maximum travel access for women to the places of residence and social sphere facilities (such as kindergartens, shops, out-patients' departments, etc.) located within the city area.
- Full-time job opportunities equally provided for men and women in the cities in the course of planning for the city-generating base development; to avoid development of "bridegroom" or "bride" cities which is today a frequent occurrence in many regions.
- High female employment at the enterprises of budgetary sphere and communal sector concentrated, mostly, in the cities makes it possible to conclude that increase of wages in the budgetary sphere is the city problem and in many respects women's problem, as well.

## 23. Sustainable human settlements development

### 1. Priorities in the solution of demographic and population distribution problems:

In order to promote sustainable development of human settlements in the mid-term prospect it is necessary to accelerate solution of the following problems:

- In spite of the difficulties of the transition period and the lack of adequate financial resources it is important to continue and promote nation-wide and regional programmes aimed at the protection of public health and especially programmes focused on the improvement of mothers' and newborn's health, special programmes to combat tuberculosis, AIDS and drug-addiction, oncologic diseases, etc.
- To solve the problems of forced re-settlers and migrants through special housing programmes, material aid, allocation of land for housing construction.

- To promote and enforce an efficient legal system of measures to combat illegal migration.

## 2. Environmentally sustainable settlement systems:

The key directions in the solution of environmental problems include:

- introduction of advanced instruments and technologies for water and air protection, utilisation and landfill of solid domestic and industrial wastes;
- provision of a normative and methodological framework and mechanisms for the compensation of damage as a result of the infringement of environmental regulations by the land users;
- improvement of tax legislation;
- improvement of assessment of environment protection measures and their efficiency through the use of ecological and economic indicators;
- wider use of licencing of environment protection activities;
- promotion of environment management, audit, certification and insurance;
- mitigation of consequences of man-induced and natural disasters as the key task in the promotion of environmentally sustainable cities;
- development of operational, on-duty and dispatcher services under the municipal government bodies being in permanent readiness and assigned with the relevant decision-making powers for actions under emergency situations;
- it seems reasonable to set up a single network of operational dispatcher control to coordinate organisational and technical actions of the city on-duty services under emergency situations;
- special attention should be given to the encouragement and stimulation of all population groups and their preparation for natural, technogenic and man-induced disasters.

## 3. Priority directions in conservation of historic image of cities:

- cooperation of all branches and levels of government, private capital, public and non-governmental organizations and population in their efforts to preserve historic image of cities;
- formulation and enforcement of urban rules and regulations of the town planning activity, control of their observance in the course of implementation of city-wide projects and decisions;
- attraction of owners and users of buildings, facilities and land plots to the problem solution.

## 24. Strengthening the city economy and poverty problems

1. In most cities development of their city-generating base is focused on the following priority tasks:

- diversification of industrial structure of cities;
- increased share of high-tech and knowledge-intensive industries;
- development of industries providing for a wide sales of products both at the internal and external market;
- modernisation of production base;
- attraction of national and international investments;

- development of a sphere of market services;
- creation of conditions hindering development of underground economy.

## 2. Priority directions in the solution of the problems of unemployment, low incomes and poverty:

Problems of employment, low incomes and poverty are interrelated and their solution is possible only in the aggregate. The following directions are the most important:

- overcoming of a crisis in structure- and city-generating sectors of cities;
- creation of a single Russian labour market to replace the existing local markets through the provision of conditions for the economic migration of population within the territory of Russia;
- provision of an efficient and mobile mechanism for resource re-distribution to the cities with increased unemployment levels;
- allocation of resources for labour force re-training;
- tax exemptions for newly created jobs;
- attraction of capital in cities with increased unemployment levels;
- regular and adequate supply of resources to the cities to effect social payments in accordance with the minimal guarantees (pensions, grants, unemployment benefits, lump-sum maternity benefits, allowances for children whose parents are called-up for military service; children whose parents evade paying alimony; single-parent children, funeral allowances, etc.);
- various support to those willing to run their own business;
- provision of incentives for the promotion of small business zones in cities with increased unemployment levels;
- special regulation of labour market in regions and cities of migration gains;
- elimination of income differentiation between various social and professional groups and disparities between the education level and social significance of a number of professions in budgetary sphere and low remuneration of their labour;
- development of information system about job vacancies at the national scale accessible for the population.

## 25. Decentralisation and strengthening of local government bodies

### 1. City governance:

The key directions of urban policy which provide a basis for managing city development processes are as follows:

- specification of goals and interests of cities and urban communities and specific social, historic, economic, demographic, natural, town planning and other conditions of city development;
- coordination of intra-city and nation-wide goals and interests;
- consideration of city development stage and, therefore, potentials in each concrete case.

In the process of decision-making the growing role is assigned to the associations of the local-self government, public organizations (including regional public organizations), population. For this purpose it is necessary to promote information systems to inform the population about the activity of local authorities which could be



adequate to partnership relationships between the authorities and population consolidated in various public associations.

Monitoring of the city condition implemented through the system of urban development indicators could provide an efficient instrument for specifying a trajectory and strategy for the development of city economy.

## 2. Financial sustainability of cities:

The following conditions identify sustainable financial support of cities:

- more grounded decisions made in association with the city authorities on the allocation of resources of regulated taxes for city needs;
- sub-division of financial flows into development and current goals taking into account sources of formation of budgetary resources;
- long-term planning for city development.

Most cities consider the following tasks as their priorities:

- provision of earnings in the city budgets rather in the form of “live money” than in the form of mutual settlements; increased tax revenues from privatisation of enterprises, more efficient operations with securities;
- savings of budgetary resources through the distribution of municipal orders on a competitive basis;
- well-balanced credit policy;
- strengthening and regulation of financial control in the budgetary sphere of cities and structures using budgetary resources.

## 26. International cooperation

Priority directions in the cooperation of Russia with the world community are as follows:

- technical cooperation with international organizations in the problems of reform of economic and social life of society;
- collaboration with international organizations and first of all those within the UN system in the spheres of sustainable human settlements development, globalisation, setting up a network of national and local urban observatories for monitoring urbanisation processes and problems;
- humanitarian aid provided by the developed countries to pensioners, invalids, refugees, households exposed to emergency situations in hot spots, etc.;
- establishment of friendly contacts with cities of other countries for experience transfer in managing urban economy (twin-cities);
- promotion of joint ventures;
- long-term credits and financing of investments in city economic activities for the renewal of basic assets, vehicle fleet and equipment.

## List of materials used in Report

1. Analytical issues, reports and information of:
  - State Committee for Construction of the Russian Federation;
  - Ministry of Economy of the Russian Federation;
  - State Committee for Natural Conservation of the Russian Federation;
  - Ministry for Natural Resources of the Russian Federation;
  - Ministry for Social Support of the Russian Federation.
2. Laws and Decisions of the Government of the Russian Federation.
3. Decisions and resolutions of the following Cities Administration:
  - of Astrakhan;
  - of Belgorod;
  - of Moscow;
  - of Kostroma;
  - of Veliki (Great) Novgorod;
  - of Niznii Novgorod;
  - of Novomoskovsk;
  - of Omsk;
  - of Sankt-Petersburg;
  - of Surgut.
4. Progress reports and information materials of departments of Cities Administrations:
  - of Astrakhan;
  - of Belgorod;
  - of Moscow;
  - of Kostroma;
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  - of Niznii Novgorod;
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  - of Omsk;
  - of Sankt-Petersburg;
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5. Publications and progress reports on the projects of the international organizations:
  - Center UN for human settlements (Habitat);
  - United Nations Development Program;
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  - USAID.
6. The official editions of the State Committee of the Russian Federation for Statistics (Goscomstat of Russia):
  - Russian Statistical Annual. M., 1990-1999;

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  - Demographic Year-books of Russia. 1993-1999. M., Goscomstat;
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  - of Moscow Region;
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  - of Veliki (Great) Novgorod Region;
  - of Niznii Novgorod Region;
  - of Tula Region;
  - of Omsk Region;
  - of Leningrad Region;
  - of Tumen Region.
8. Publications and reports of the non-governmental organization.
9. Works of the Russian Academy of Sciences.
10. Manuals, publicised by Russian Academy of Sciences Institutes:
- Institute for Economic Forecasting;
  - Central Institute of Economy and Mathematics;
  - Center for population and others.

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<sup>1</sup> The State Committee of the Russian Federation on Statistics. Social and economic state of Russia, January-June 2000, Moscow, p. 7

<sup>2</sup> Report on the human potential development in the Russian Federation, Moscow, 1999.

<sup>3</sup> From 1994 to 1999 there was a drop in the number of women in legislative and representative bodies at the federal and regional levels.

<sup>4</sup> Based on the data of the Gosstroy of Russia, Department for city planning and territory development.