MASTERING THE POST-SOCIALIST CITY: IMPACTS ON PLANNING AND THE BUILT ENVIRONMENT

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Abstract

It has been recognised that the economic strength and vitality of the post-industrial city depends mainly on the quality of the environment, its image, identity and culture, its accessibility and safety (Roger & Fisher, 1992; Tibbalds, 1992). Thus there are many complex factors connected with the increasing demand for innovation in methods to deal efficiently with the evolving problems of development and redevelopment in the built environment and the transformations that inevitably take place in the built fabric of cities. These have been brought on by the rapidly growing processes of globalisation, the increasing significance of information technology, the shift in concentration of employment opportunities into the service sector and the increasing competition for international trade between major cities. The impact of these factors has been particularly significant for many Central East European (CEE) countries, where the recent rapid political and economic changes since 1990 have raised demands for corresponding changes in the established planning systems and especially in the development control and urban management processes.

This paper reviews the impact of the pressures of globalisation, the expansion pressures of the European Union (EU), and the impact of general market competition, on the transformation of the spatial structure of the cities, their and planning processes and regulation of the built environment, with a comparative commentary on the similarities and differences between CEE capital cities.

CHANGES IN THE INTERNAL SPATIAL STRUCTURE OF CEE CITIES IN THE POST-SOCIALIST ERA

On the one hand the current changes towards globalisation, the concentration of employment opportunities in the service sector, growing awareness of environmental quality, together with the new urban/planning paradigms of sustainable development, and on the other hand the socio-economic transformation of CEE countries towards pluralistic democracy and market economies, are the major factors connected with the changes in the internal spatial and physical structure of cities, most evident in the capital cities. These changes can be observed at the city level (the city as a whole), and at the level of characteristic city areas such as the urban changes of the historic core, inner city areas, outer city (suburban zone).

Currently the characteristic changes in the land use pattern of the CEE cities are similar to those identified in other European cities (Bourne, Kivell, 1993):
- Growth of the urban fringe, or suburbanisation;
- Reurbanisation/revitalisation of the central areas;
- Growth of need for infrastructure, especially traffic;
- Growth and decline of particular nuclei (urban nodes) (e.g. relocation of industry from city centres, establishment of shopping centres on the outskirts of towns).
These transformations of urban patterns are mostly a product of the restructuring of urban activities and social changes rather than of demographic growth.

While the density of built up structures and the preservation of historical heritage in some CEE capital cities (e.g. Prague, Budapest, Ljubljana, Sofia) constrain the possibilities for new development, the largely post-war re-construction environment of the inner cities of Warsaw and Berlin with their numerous open spaces are open for possibilities. However, disputes about restitution and unresolved ownership rights have up to now limited more intensive (re) development in the central parts of Warsaw, while Berlin is booming due to the ‘Investitionsvorranggesetz’ (‘priority of investment law’), that ‘enables the political authorities to grant the land in the city centre to high capital investors, and merely remunerate the former owners’ (Haeussermann, Kapphan, 2000; Keivani et al, 2001).

Current urban changes in CEE capital cities have been associated predominately with changes in land use patterns and the physical upgrading of the built structure, influenced by the restitution of private property, the privatisation processes and foreign activities.

Restitution coupled with land and property market price deregulation have had significant impacts upon the urban form. However, effects have mainly been in the historic core (central areas) of the capital cities since the outer urban areas were mainly characterised by the socialist prefabricated housing estates and have been subject to privatisation (Sykora and Simonickova, 1994; Sykora, 1999). In Prague, for example, the vast majority of buildings in the city centre (70 per cent) had already been returned to their original owners by 1994 (Sykora and Simonickova, 1994). This process plus high demand for office and retail space in the central areas of the city have led to large price differentiation between the central and peripheral locations (Keivani et al. 2001).

In most of the CEE countries (e.g. Poland, Hungary, Czech Republic) privatisation has followed two basic stages of small privatistion and large privatisation programs (Keivani et al., 2001). The former was largely carried out through auction whereby small retail units, restaurants, service and manufacturing firms were sold to domestic investors (e.g. Prague). The latter, on the other hand, focused on medium and large state-owned enterprises through tenders and direct sale and was open to both domestic and foreign investors (Keivani et al, 2001). The rapid privatisation of public housing in the 1990s has substantially increased home ownership in most of the former socialist countries, with levels ranging from 85 to 90 percent, well above the EU average of 62 percent (Tsenkova, 2000).

Only a minor part of foreign investments has gone to the housing sector. However, such projects can have a considerable influence on social life in particular city areas. The reinforcement of gentrification processes can be expected in inner city areas (‘better’ status area) and in small projects of ‘housing for entrepreneurs’ that are already being built in the outer city ring or outside the administrative boundaries of capital cities (e.g. Prague, Moscow).

**Commercialisation of the historic core**

Commercial development constitutes an important force that has substantially contributed to a massive reorganisation of land use patterns in the CEE cities in the postsocialist era. Such development has been recognised as a tool of local economic regeneration and growth, and has often been supported by central government policies as well as by local entrepreneurial oriented politicians (Sykora, 1998). Local governments in most of the former socialist countries (especially Hungary and
the Czech Republic) have facilitated real estate/commercial property development using land in their ownership, together with development grants, and through easing planning control and land use regulation.

Review of the revitalisation processes taking place in the historic cores (downtown) of the principle cities in CEE countries reveals comparable similarities summarised as follows:

- Concentration of commercial and government function
- Development of offices, multipurpose commercial centres and tourist oriented facilities, including hotels, restaurants and retail;
- Refurbishment of existing buildings predominates but new development is also present;
- Supply of land and buildings for (re)development has resulted from quick privatisation of real estate, and sale or long-term leasing of vacant municipal land for private commercial development;
- Gentrification promoted by the private sector and city government (luxury municipal dwellings and reconstruction of dilapidated premises and attics into apartments).

Common 'negative' consequences of these revitalisation processes (showing the inevitable shift to the standard gravity model of values present in cities reacting to market economy pressures) are as follows:

- The decline of residential function (e.g. leasing to commercial uses generates up to 50 times higher revenues than regulated rent from housing).
- Non-existence of detailed planning regulation, that would constrain these changes: the city government has promoted commercialisation by selling or leasing the last empty plots for commercial development, with scant or total lack of recognition of need for public purposes;
- Damage to the historical heritage: conflicts between the interests of commercial developers and the protection of cultural heritage;
- Unsympathetic design of new buildings often does not fit or respect existing morphological context;
- Development control procedures have not been well used (e.g. demolition of listed buildings);
- Traffic congestion, parking problems: the decline of public transport caused by increase of private car ownership and shift in model split in favour of car use.

Revitalisation of some inner city neighbourhoods

In the latter half of the 1990s, as a result of structural changes and differentiation in commercial market demand (e.g. demand for retail, warehousing, light industry; demand for larger scale office space, now ranging from 1000 - 15000 square metres, previously only up to 500 square metres) and scarcity of available land left in the city centre, the interest for development moved towards certain inner city districts and outer city areas.

The urban changes in the inner city areas can be summarised as follows:

- Physical upgrading has been associated more with commercial functions than housing (e.g. secondary business nodes established in strategic locations near public transport and major roads);

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1 For example the historic core of Prague covers an area of 1.5 % of the whole city territory (866 ha); it houses only 5% of the city's inhabitants (60,000 people), but in 1991, it included 1/3 of all jobs (210,000), half of the total city office stock and half the retail turnover; it has been estimated that 460 000 persons travel into this area daily, Sycora, 1995.
• Revitalisation of older neighbourhoods with higher quality of residential environments, which had retained higher social status during communism (e.g. single family houses and villas, and zones of apartment housing dating from the 19th century);
• Scattered housing (re)development: new apartments for sale in condominiums (virtually no new private rental housing), located in dispersed fashion on vacant zones in the inner city or at the edge of social housing estates. These residential complexes now form well-off residential enclaves within the existing structure of the city;
• Residential upgrading and gentrification of small pockets of original village housing in settlements which have been overrun by the 20th century urban growth of the city;
• Differentiation of social housing estates (e.g. revitalisation of housing estates with better location, public transport accessibility and 'image');
• Reduction of industrial uses: large redundant industrial and warehouse zones have been released for other uses, predominantly commercial development, shopping centres and housing.

Common problems in the restructuring of the inner city’s areas can be identified across most CEE capital cities:
• Degraded urban areas, areas of former industrial use, barrack sites and ‘black’ housing (housing built without planning permits);
• Undeveloped local centres without clear identity;
• Increasing social polarisation of housing estates; problems of revitalisation, maintenance & management;
• Ad-hoc infill development jeopardising continuity of important established city wide systems (e.g. open space and green areas networks, landscape structure);
• ‘Edge Cities’ development jeopardising city centre viability and attraction for business and employment;
• Infill development with no respect for the characteristic identity of established city areas.

Residential and commercial suburbanisation in the outer city

The characteristics of the urban changes in the outer city areas are the following:
• Residential suburbanisation takes several forms such as speculatively built housing for sale or sale of plots for housing construction, transformation of existing villages by random developments scattered across the suburban area;
• Very limited involvement of foreigners in suburbanisation;
• Residential suburbanisation contributes to a reversal of the traditional socio-spatial pattern of the social city with the socio-economic status of population declining with distance from the centre;
• Commercial development has more significant impact on the transformation of outer city areas than housing construction (e.g. concentration in complexes built along major high ways and important transport intersections and also around subway stations);
• An important proportion of shopping is moving to the suburban zone (e.g. out-of-town shopping centres), also the creation of suburban business park and offices (e.g. near to the airport in Prague and Warsaw). This is largely in response to greater personal mobility with the rise in car ownership;
• No speculative industrial and warehousing development yet, but high potential for development of industrial properties at the major junctions on the motorway network (e.g. Prague, Příbram, on D1 highway to Brno and Bratislava; Budapest, around M0 and M1 motorways);
• Suburbanisation is adding another ring to the existing spatial structure of the city (e.g. Prague, Moscow).
The most significant problems of the urban changes in the inter city areas can be summarised as follows:
- Coalescence of existing traditional village settlements into suburban agglomeration with resultant loss of identity;
- Transformation and loss of identity of cultural landscape and cultural heritage;
- Pollution of underground water resources due to insufficient technical infrastructure and improper waste management;
- Increase in individual car traffic; decline of public transport.

RESTRUCTURING OF THE BUILT ENVIRONMENT

Housing

While the changes introduced in the political and economic systems of former socialist countries have had profound effects on the social and economic situation of their populations, the provision of housing has become one of the spheres to which little or no serious attention has been addressed in the majority of CEE countries. With regard to housing, the most important changes include the withdrawal of direct state financing of new housing construction, the privatisation of the previous public housing stock, and the restitution of housing to private owners that had been nationalised during communist rule.

During the previous socialist systems, housing policy had been aimed at guaranteeing all citizens equal opportunity of access to housing. Although this goal was never entirely achieved in any of the former socialist countries, a varying but continuous supply of housing was nonetheless maintained through the provision of low-cost prefabricated high-density housing estates. A substantial amount of the funds required for the construction of these large housing estates was secured through various forms of public financing and state subsidies.

Until 1990, the housing stock in the CEE capital cities, with the exception of Sofia and Ljubljana, was dominated by the public rental sector, although the owner-occupied sector was always substantial, in the form of single family houses or owner occupied flats in co-operative or condominium multi-family houses. At this time, because of growing economic problems, public sector housing construction, which in 1980 accounted for between 40 and 60 percent of new housing production in most of the CEE countries, and even up to 85 percent in Baltic countries, began to decline, dropping significantly in the early 1990s. Data from 1996 (UN-ECE, 1999) shows that, the Czech and Slovak Republics still managed to maintain a significant public housing supply with more than 20 percent of total housing stock., followed by Poland, Slovenia and Lithuania with about 10 percent. However, recent evidence suggests further decline of public activities in this sector (Tsenkova, 2000).

Upon the introduction of housing reforms, post-socialist countries abandoned their previous "provision" role and adopted, instead, the "enabling" principle, which, in theory, requires that households are encouraged to solve their housing problem by themselves (UNCHS, 1992). Under this set up, the state has ceased to provide direct financing for housing construction. State intervention, as such, is limited to guaranteeing only the legislative and institutional framework necessary for the efficient operation of the housing market. The state may exceptionally intervene only to introduce measures intended to secure market equilibrium in the supply and demand for housing and, in this way, prevent excessive increases in housing prices.
One of the many problems that have arisen after the introduction of these changes has been the failure, in all CEE countries, to develop such housing policies as would appropriately replace the dismantled social housing systems. With the exception of the Russian Federation and the former East Germany, the sharp decrease in the level of house construction is characteristic of all Central and East European countries. The liberalisation of the labour market as a consequence of the liberalisation of the economy has meant new opportunities for labour mobility and migration. Due to a lack of suitable alternative housing policies to match the new macroeconomic situation, labour mobility and positive migration have, however, been seriously restricted by growing constraints on the housing market.

Office and commercial activities

The most important common feature, that has influenced property development in all post-socialist capital cities in the first period of transition, was the general lack of premises for commercial use contrasting with a rapidly growing demand for modern offices and retail space.

In the 1990s the demand for quality office space in city centre locations by foreign and international firms was especially high in Budapest and Moscow, followed by Prague and Warsaw. At that time, there was ‘virtually no office space of international quality in any of these cities’ (Sycora, 1998b), so this demand has had a strong impact on the character of property development and redevelopment in the most valuable locations of their centres (e.g. Central Business District /CBD in Budapest, business core/historical districts of Prague 1 and Prague 2). At the beginning, there was a need for smaller units, and these could be accommodated, predominantly by refurbishment or/and change of use (from residential to office use) of the existing built stock. Later, the changing structure of the demand generated from expanding companies required larger office space, often in cheaper locations outside the prime property zones (e.g. office park, Graphisoft and technopark, Infopark/office plus higher education/Budapest; business parks).

However, by the mid-1990s a well-established competitive office market was operating in most of the capital cities. In 1995, the total office stock supply in Budapest and Prague was estimated at about 2 million M² (Incoma, 1996) and in Warsaw about 2.6 million M², with an estimated annual growth in Budapest of 50,000 M²; the total stock had doubled in Prague and Warsaw by the second half of 1990s (Sycora, 1998b).

At present, as a result of this dynamic enlargement, the office market in some capital cities seems to have developed an oversupply and problems of vacancy (e.g. Budapest about 18% of the total stock, Tosics, 2000).

In most of the CEE capital cities, due to the lack of domestic financial and technical know-how, foreign developers/investors have increasingly dominated the development of first class office space (e.g. in Budapest 95% of this stock has been financed from abroad).

In the mid-1990s the emerging retail market followed the already developed office market. Notwithstanding the substantial differences in the development of this sector within the CEE countries themselves, there are strong similarities in the patterns of foreign investments distribution in this sector and its effects on urban restructuring of the capital cities.

While in Budapest and Ljubljana, a substantial growth in privately operated retail units can be observed during the 1980s, it was only after 1991 that the development of the retail sector in Prague
was strongly influenced by the processes of restitution and small-scale privatisation (e.g. 2500 small retail units were auctioned in the period 1991-1993). However, in Budapest, the city and district local governments still retain ownership of the majority of small retail units in major shopping streets (Sycora, 1998b).

At present, foreign retailers have become a very significant force in all CEE capital cities, either by acquiring existing operations or by establishing joint ventures with local partners. Familiar names of international retailers (e.g. Benetton, Maxmara, Marks & Spencers, Tesco, IKEA) and fast food chains (e.g. McDonald's, Kentucky Fried Chicken, Pizza Hut) can be found in the city centres, but also in secondary centres in newer neighbourhoods, changing their image towards a global consumption landscape. Shopping malls in the city centres (e.g. Myslbek center, Darex and Koruna Palaces, Prague; Bogusz Centre and Panorama, Warsaw) together with large out-of-town shopping centres (e.g. Buda Park, Budapest; Janki Retail Centre, Warsaw) located at highway junctions, can be found in almost all major CEE cities.

The out-of-town sector has been the most active one, predominantly financed by foreign firms. The domestic retail sector has also been expanding quickly, but most often in downtown locations or residential neighbourhoods and on a smaller scale. Most noticeably, underground passages and basements (e.g. Warsaw, Moscow), even cellars and ground floors of previously residential units (e.g. Sofia), have been intensively redeveloped by small private investors.

Of specific interest, the biggest retail complexes have been developed with great rapidity on sites of obsolescence, in the case of Hungary, on a reconstructed barracks site vacated by the Soviet Army (the Polus Centre, Budapest) and in the case of Slovenia, in reconstructed warehouses formerly used by the previous Yugoslav customs service (BTC, Ljubljana).

**Industrial activities**

The reduction of industrial uses after the 1990s, with respect to the number of employees and industrial land occupancy is significant for most of the CEE capital cities. In some of the capital cities such as Prague, Budapest, & Ljubljana there is 'virtually no demand for speculative industrial and warehousing development yet' (Sycora, 1998b, Dimitrovska Andrews, 2001). In Warsaw, on the contrary, the demand for new industrial space is very strong. There is a strong belief that rapid modernisation and increasing foreign direct investment in industrial development will support the Warsaw Metropolitan Area 'to remain one of the largest industrial concentrations in Poland' (Weclawowicz, 2000).

The restructuring of the industrial sector has had little impact on the property market (Sycora, 1998, Tosich, 2000). The privatisation of outdated industrial premises/complexes, often in poor condition, has resulted in their lease and sale to multiple private owners, making the management and maintenance of infrastructure sometimes very difficult (e.g. Warsaw, Ljubljana).

Large underused (existing or planned) industrial and warehouse zones have been released for other uses, most often for commercial investments and housing. Currently, these former industrial areas are often seen to represent a problem in the image of major parts of the city but they also represent a potential land resource for the future (e.g. derelict land along the city centre ring road in Ljubljana, huge areas of derelict land in the 'transitional belt' of Budapest only 4-8 km from the CBD area).

Brown-field restructuring for industrial uses is very rare.
Industrial investment is moving out of the capital cities, to green-field locations around motorway junctions just outside the administrative city boundary (Pruhonice, Prague) or even around smaller agglomeration settlements ("Western gate’ Budapest) or to other regions altogether (e.g. South and West Bohemia in the Czech Republic, North-Western part of Hungary). Other favourable locations for new industrial and warehousing development are near to major airport sites (e.g. Warsaw, Prague).

New industrial premises used for production, distribution and storage operations are usually built for owner-occupation. However, there is a tendency for the development of combined light industrial, retail and warehousing zones (e.g. Warsaw Industrial Centre, 36000 square metres).

**Transport and infrastructure**

Increasing efforts to develop international transportation and telecommunication networks have been a common characteristic of most of the CEE countries. Priority has been given to the construction of multi-modal transport corridors, to improved connection of national transport networks with those of neighbouring western countries and to the better compliance with environmental standards in transport development.

In the last decade, according to results from the VISION PLANET project, three main shifts, could be observed, determining the role and structure of transport: the shift from railway to road transportation, the shift from public to private and individual transportation and the shift from domestic to international transportation.

Until the early nineties, railway transportation played a dominant role in CEE countries, its share was much higher than in EU countries. Since the beginning of the 90s, however, the volume of rail transportation has decreased dramatically in the Eastern countries; in 1994 it was less than 50% of the 1990 level, while road transportation was on the increase. While Western governments are undertaking serious efforts to divert transportation from road to rail, in the eastern countries a dramatic, market-led shift is still taking place in the opposite direction (Vision Planet, 1999). This is comparable to the shifts that occurred some 40 years ago in western Europe, now belatedly being countermanded by EU governments.

The same contradiction is reflected in the pattern of projects for transportation network development: While the projects of the Trans-European Transport (TEN) network in EU member countries are principally focused on modernisation and development of high-speed railway networks (80% of the financing is devoted to this objective), in the CEE accession countries, 52% of the financing requirement is devoted to motorway construction, while the share of railways is only 36% (e.g. the semi-high speed railway network in the Czech Republic, Poland).

The shift from public to private and individual transport is closely connected with the shift from rail to road. The reasons are also similar: the subsidies to public transportation are decreasing, while the number of private cars is increasing dynamically in all CEE countries. Apart from environmental and energy efficiency consequences, the public-private shift has additional social consequences as with the decline in public transport, some groups, especially children and elderly people, are left deprived of the means of mobility. The decline of public transportation has serious consequences in the surrounding rural areas of cities and within large urban agglomerations.
The shift from domestic to international transportation is closely connected to the structural change of the economy. Within international transportation, another important shift has taken place. Both in freight and passenger transportation the share of transport to and from Western European market economies has increased significantly, while the intensity of transport connections among Central and Eastern European countries has decreased. However, in more recent years, trade and transport between neighbouring CEE countries has begun to rise again, resulting in a more balanced structure of economic and transport relations.

The concentration of transport investments in most of the capital cities has focussed on the construction of ring roads and expressways for better connection of the city's road system with newly built motorways (e.g. Ljubljana ring road, Moscow third ring). The building and refurbishment of petrol station and parking facilities (e.g. underground and multi-story garages) can also be observed. Traffic congestion has rapidly become a common problem in all CEE capital cities. An additional metro line have been built in Prague and in Warsaw, while in Moscow and Ljubljana consideration is being given to the possibility of conversion of the existing traditional rail system into a light rail/surface metro.

At present, with regard to infrastructure development, one of the main tasks is the connection of the electricity, oil and gas pipeline systems of the two halves of Central Europe, which were separated from each other in the past, in order to ensure the diversification of energy sources and security (Vision Planet, 1999).

1. PLANNING AND PRACTICES

3.1 Physical planning and the development process

The liberalised thinking of the early years after transition has been characterised by the low political priority given by central government to physical planning, regional and housing policy (Sýkora 1994, Dumitrovská Andrews, Plostajner, 1995). The absence of comprehensive national spatial development strategies and coherent regional policies, together with the reforms in the local and regional government systems and disputes regarding the basis of new planning legislation have been significantly evident in many of the CEE countries (e.g. Czech Republic, Slovenia).

Consequently, land use planning at municipal level and the public regulation of the development process and redevelopment since the breakup of the eastern block has been characterised by the prevalence of ad hoc political decisions over long-term strategic visions. In these circumstances ad hoc approaches have developed, with local governments applying their own strategies, often incorporating elements established under the former systems before 1989. More recently, physical planning at urban level is now being supplemented by the emerging strategic planning and attempts to implement economic tools for the stimulation and facilitation of local development.

Physical planning

Physical planning was introduced or reconstituted in CEE countries as a tool for urban development in the early 1960s. The physical plans from that time laid down the macro-spatial structure of urban areas, their general land use patterns and especially focused on the allocation of land for housing, industrial construction and transport network arrangements (for more details see Sýkora, 1995). In the former Soviet Union, and most of the CEE countries, town plans had to ‘nest’ within the overall
national economic plan, translating the requirements of economic planning into land-use proposals along with centrally prescribed planning and construction standards or ‘norms’.

The amount of services at the city wide and neighbourhood levels were also planned according to nationally set standards. The protection of agricultural land and the preference for high-density high-rise housing estates on the edges of the inner city led to the creation of compact urban structures and limited urban sprawl. Another characteristic of the urban fabric, that can be identified as a result of socialist urban planning, is a very low economic utilisation of space in city centres due to the insignificance of differential land rents and the absence of a ‘gravity model’ of land values (e.g. lack of definable CBD). However, the inadvertent benefits of these processes are the well preserved historic cores of the most of the CEE cities, due to a lack of the type of redevelopment driven by increased land values seen in many west European towns in the post-WW2 period, and also a significant un-redeveloped land-bank of derelict 19th century industry (e.g. factories, warehouses, gasworks etc.) that can be released for other uses.

In many former socialist countries, the current physical planning and legitimacy of the planning development control is characterised by the absence of national and regional spatial development concepts, with uncoordinated planning efforts by individual municipalities, and inexperienced or weak local governments under strong pressure from developers trying to ‘cherry-pick’ attractive and valuable areas.

The basic regulations governing physical planning and the control of the development process in CEE countries are usually provided in Acts of Parliament for Physical Planning or Spatial Planning and Building Acts or Building Codes. New laws which reflect changing conditions are still under preparation (e.g. Slovenia) or under discussion by parliamentary committees (e.g. Czech Republic). Physical planning is in the competence of the Ministry of Local Development or Ministry of Environment (see table: Physical Planning and Development Control).

The recently proposed spatial planning legislation establishes the organisation of planning institutional framework on two or three basic levels (local and national for Slovenia & Poland; local, regional and national for the Czech Republic & Hungary).

In the Czech Republic, the Central Government prepares the program of national development. Regional governments (in operation from 2000) prepare regional development programs and regional physical plans, which in particular specify the organisation of regional transport and technical infrastructure and delimit the protected environmental zones. The regional governments also coordinate the harmonisation of municipal physical plans. Municipalities are the core institution of physical planning. The principle planning documents are the Municipal Development Program, the Land-use Plan for the whole municipal territory and a detailed Regulation Plan for urban zones. In the case of small municipalities, land use and building regulation principles are applied in a single plan.
Physical Planning and Development Control

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<td>National level</td>
<td>Programme of national development</td>
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<td>Long term spatial plan</td>
<td>Guidelines for regional planning</td>
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<td>Regional level</td>
<td>Regional development programme Regional physical plan Strategic plan</td>
<td>Regional physical plans (not legally binding documents)</td>
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<td>regional development program</td>
<td>regional development program regional spatial plan</td>
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<td>local/municipality level</td>
<td>Municipal development programme Strategic plan for cities local plan – land use plan (for all territory) Regulatory plan – detail regulation plan for urban zone</td>
<td>• master plan</td>
<td>• master plan</td>
<td>long-term spatial plan including master plan for cities &amp; towns</td>
<td>Land use plan for cities (FNP) sectoral development plans (STEP) lokal development plan (Städtebauliche Rahuenplanung, Bebauungsplanung) development programs (BEP)</td>
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<td>communes level</td>
<td>Detailed local plans</td>
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Programme of national development
Long term spatial plan
Guidelines for regional planning
Regional development programme
Regional physical plan
Strategic plan

Regional development programme
Regional physical plans (not legally binding documents)
Regional development programme
Regional spatial plan

Municipal development programme
Strategic plan for cities
Local plan – land use plan (for all territory)
Regulatory plan – detail regulation plan for urban zone

Detailed local plans
Detailed local plans
Detailed local plans
Detailed local plans

Land use plan/local taxation function
Land use plan/local taxation function
Land use plan/local taxation function
Land use plan/local taxation function

Detailed plans
## City Level Comparison

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<th>City Level</th>
<th>Prague</th>
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<td>Informal/ Supplementary Documents</td>
<td>Urban Study Area specialised analytical study</td>
<td>- sustainable development concept, programs &amp; action plan - rehabilitation program - agglomeration development plan</td>
<td>Condition and Directions of Spatial Development of the Capital City of Warsaw Study Development condition studies of the individual municipality</td>
<td>Strategy for sustainable development of the city (under preparation)</td>
<td>Development program (BEP)</td>
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<td>Development Control</td>
<td>Planning permits Building permits</td>
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<td>Planning permits Building permits (Can be combined in one)</td>
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<td>Plans certificate**</td>
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* Dual nature of municipal system: Municipality of Budapest and 23 district municipalities
  Budapest districts have a large autonomy in decision – making process, including the field of planning and development (e.g. development priorities and detailed zoning regulation)

** Certificate of approval for building use and occupation, after the completion of building
In Prague the old Master Plan from 1986 has been replaced by a provisional plan from 1994. The City Master Plan of 1994 was based on the 1986 plan, from which it takes areas with relatively fixed urban structures where major functional changes are not expected and declares them as Stabilised Zones (Sýkora, 1995). The stabilised zones cover about two thirds of Prague’s territory and have served as a binding document for the preparation of local regulation plans and for the planning application procedure. The developments proposed in non-stabilised zones require the preparation of detailed planning documentation (urban studies), financed by the developer. The new Master Plan from 1999 and the plans of stabilised zones use a principle of mixed zoning, that has replaced the mono-functional zoning used by physical planners in previous decades (Sýkora, 1995).

In 1999, Prague adopted another important planning document, the Prague Strategic Plan (PSP) (Http://www.praha-mesto.cz/strateg_plan/obsah.asp). This points ‘a realistic way forward to prosperity and a healthy living environment whilst upholding and developing the values for which Prague is regarded as one of the most beautiful cities in Europe’. Its further development in land use plan and sectoral concepts should redirect monocentric Prague into becoming polycentric and to ‘solve various pressing problems like the provision of housing and transport, or how to balance historical conservation of sights with city expansion and development’ (PSP : 9).

The Strategic Plan for the City of Prague is therefore a specific consensual agreement on what has to be achieved through the city plans over the next two decades. Together with the Prague Regional Operational Program (ROP), prepared subsequently, it is not merely a political proclamation but is becoming an important tool in city management, addressing the reintegration of Prague into the wider European structures, as well as giving guidance for support for the housing market and ensuring its availability, together with economic and sustainable management of energy, water and other resources, all working to enable transition from a monocentric to a polycentric city structure. Based on these programs the city will seek financial support from EU funds for its most important projects.

Most of the CEE capital cities have now also started with the preparation of similar strategic planning policy documents (e.g. Riga, Budapest, Ljubljana, Moscow).

The City of Riga is at present preparing a comprehensive Economic Development Strategy to supplement the City Master plan from 1996 (Francis, 2000). Thus to plan a better urban environment the starting point is to identify the key economic trends that influence the community and to work within these to establish achievable goals.

The strategic planning for Moscow is dominated by concerns over the future size of the city and the pressing need for urban regeneration. The 1992 Moscow structure plan marked the end of restrictive growth policies for the city, but also identified the need to maintain the existing size of the city. The 1996 review of this document has confirmed and reinforced planning policies focused on regeneration and refurbishment, and the need for the city to move from an industrial base towards a service sector oriented economy (Alden, 1998).

In Warsaw, the old plan from the 1980s was considered too rigid, detailed and outdated. A new Master Plan for Warsaw, that is more suited to evolving market conditions, was approved under the old legislation in 1992. It divides the city into broad zones that define dominant land use types. The plan for each land use zone indicates a series of preferences, allowances and exclusions. The main functions of the Master Plan was the co-ordination between local plans of communities within Warsaw area including environmental protection. It also established public investment programmes for transport and public infrastructure and public facilities, such as schools or hospitals. In 1999, new principles of spatial
development have been presented based on two documents: ‘A Study of the Conditions and Directions of the Spatial Development of the Capital City of Warsaw’ and ‘Warsaw Development Strategy up to the year 2010’. Together with the development condition studies of the individual municipalities, these documents form ‘the uniform vision of the spatial development of the city as a whole, without neglecting instruments necessary for implementation’ (Matusik, 2001). The new policy is intended to reconcile two almost contradictory priorities: the maintenance of the present character of the city’s historic tissue and its traditional spatial layout, while addressing growth in the city’s development potential (e.g. new urban plans for the Western Centre, Praga Port, the Siekierkowski Arc) (Matusik, 2001). Planning guidelines divided the city into six types of zones with dominant functions derived from their present or planned development, with proposed planning instruments that include height zoning and a detailed definition of building density.

The 1980 Master Plan of Budapest had concentrated on continued development of housing estates. It also reinforced the decentralisation of the central city to district centres. By 1988 the revised Master Plan put emphasis on rehabilitation and growth of the inner city. In 1986, the Master Plan was supplemented by a plan for the metropolitan region. A new Concept of Urban Development and a New Concept Master Plan was approved in 1998.

The new planning regulations of the city are administered by the current dual municipal system of 23 district municipalities and the Municipality of Budapest. The subsequent recent changes in planning legislation also called for a new division of urban planning, which is characterized by the duality of planning by-laws: framework planning regulations by the Municipality of Budapest and detailed physical planning by the district municipalities. The Master Plan defines the framework zoning aspects: principle function, excluded functions, maximum density, maximum floor area (plot) ratio, minimum green area ratio. It also defines certain regions of the city as ‘areas of primary importance’ from a city-wide point of view, for which the district planning processes should involve the Municipality of Budapest as well. Because of the dual nature of the municipal system, during the planning phase of the Master Plan, a long harmonizing process was carried out with each of the district municipalities, in consideration of all their development initiatives. Based on this so-called framework zoning plan, the districts will create their own, detailed zoning plans, adjusted specifically to the specialities of their neighbourhoods (Hegedus, 1999).

The new Master Plan of Budapest allocated most of the new development areas, intended for residential development, on the outskirts of the city, in many cases as an extension of existing residential neighbourhoods. Beside their peripheral location, it is significant that almost all these development sites are on unbuilt-up areas, former allotment gardens or other uncultivated agricultural land. Although these new residential areas can offer an alternative to the exodus into the agglomeration area of Budapest, it should not be the only solution the city offers. The map of residential use areas shows a wide gap in between the inner zone and the outskirts. It is clear by now that greater attention should focus on this transitional zone, and more areas for residential land-use should be allocated in this part of the city. The restructuring of this zone is of primary importance, yet it seems that residential developments will only happen with difficulty in this part of the city. In such areas there is often the heavy burden of the additional costs associated with clearing such ‘brown land’ sites: cleaning contaminated soil, removing derelict industrial structures, machinery and run-down industrial buildings, and it is unrealistic to service these costs from the returns from the residential development (Hegedus, 1999).

The new General Plan for Sofia (2000) attempts to address both “the strong chances of the city as a transportation, communication and information centre of integrated Europe” (its role as an international administrative centre of the Balkan region) and the problematic aspects of city development such as the
revitalisation of large housing estates, legalisation of “black” neighbourhoods, and new zones for housing within the city limits.

Currently, the city of Ljubljana is preparing two important planning documents: A Strategy for Sustainable Development and the New Master Plan. The first phase of the ‘Master Plan: The Concept for Spatial Development of the City of Ljubljana’ has been prepared and together with the draft version of the Strategy for Sustainable Development of Ljubljana was put out for public consultation in June 2001. The Concept is an innovation by giving more detailed consideration to design issues, issues of the city’s image and implementation mechanisms. It is proposing a City Design strategy for the urban area as a whole (e.g. enhancement of the local context, identity and legibility of the public built/urban and open space) and Urban Design Frameworks for characteristic urban areas (e.g. rebuilding of degraded urban sites with respect to the contextual identity of the areas). For implementation of the plan, the Concept is proposing three layers of instruments for spatial development: Urban Regulation Plans, Urban Design Projects and Urban Regulatory Measures (urban land policy).

The Development Control process

Development is regulated through two aspects: through the planning application procedure (planning permits) and the building application procedure (building permits). Such planning and building permits must be obtained for virtually all developments. In Slovenia and also in Poland, for certain types of development, these two permits may be combined in one to reduce the procedure time. Usually, permits are issued by specialised (building) departments of the municipal authorities, (except in Slovenia, where central government offices are responsible for issuing such permits). The authorities check that applications are in accord with approved planning documentation and the procedure requires acquisition of individual permits from organisations such as water, electricity and gas supply authorities, etc. Environmental impact assessment is required for larger development projects (e.g. in the Czech Republic, for industrial, trade and storage complexes with areas of development exceeding 3,000 m²) or that have been specifically defined in the planning acts. In addition, protection and conservation of historic buildings is regulated by Preservation or Heritage authorities that are independent of the local government authorities.

The procedure of issuing planning permits in most of the CEE countries usually takes two months from the submission of a complete and appropriately prepared application. However, the granting of planning permission can become a bureaucratic and time-consuming procedure which takes as much as 15-18 months (e.g. Poland, Slovenia) where proposals conflict with current plan policy (Judge 1995; Dimitrovská Andrews, 2000).

In the building application procedure detailed drawings of the building to be constructed is checked by responsible (building) officers. The building permit can only be granted to those who have already obtained a planning permit and have provided proof of ownership rights. The processing period should not exceed two months. Building permits entitle the recipient to commence the construction work.

The planning and building permits are usually valid for a two year period. After the completion of a building, certificated plans or a certificate of approval must be issued by the responsible (building) department in order that the building can be occupied and used.

3.2 City development practice and management
A review of recent planning documents of the CEE capital cities shows that in the last decade urban policies have revolved around the search for comparative advantages and the establishment of a revitalised role within the network of European cities, the re-establishment of a transportation network, the shift from antiquated industry to a service based economy, and the problems of efficient guidance and regulation of private initiative in the dynamic process of restructuring the cities. In the first half of the 1990s the common characteristics of development practices in CEE cities can be summarised as follow:

- generally liberal approach by central government as well as local politicians when assessing urban development proposals, especially in the field of regulation of development, urban planning and housing policy,
- reduced state involvement in as many matters as possible,
- short term, highly individualised, ad hoc decisions of local politicians and administration taking precedence over the preparation of long term plans, strategy or visions of city development,
- the ideological rejection of planning as being counter to free market activities, along with the unwillingness of urban planners to identify or adapt to new circumstances, have fostered unregulated, politicised urban development practice,
- weak development control, of especial concern regarding regulation of redevelopment in the historic core,
- suburban projects uncoordinated with development in the city; very little or no coordination between the city government and local government of surrounding municipalities in the (functional) region of the capital cities.

At that time, (the ‘post-socialist era’) even the new generation of Master plans have been prepared in an old fashioned spirit of physical planning (e.g. Prague) lacking current implementation mechanisms. There is very limited use of economic tools to encourage urban development, and consequently, a lack of economic incentives (e.g. the establishment of urban development corporations).

The forces behind the majority of transformation processes at national level in the areas of economic, political and technological development were not matched by equal rates of change at the local city level e.g. the need for changes in the field of education and the introduction of new knowledge, new urban management techniques, the development of institutions and use of modern methods in managing local community development (towns, local communities) and most significantly, the need to embrace partnerships with the private sector, urban planning by consensus, negotiations with investors, project oriented work and market activities.

In addition, cities did not have at their disposal a full spectrum of necessary land policy instruments (differential taxes, pre-emptive rights, expropriation, compulsory purchase etc.) for use in the area of spatial planning and urban regulation. Therefore, their power to influence local development was impaired. Only Germany is an exception in this respect, where the “priority of investment law” enables the political authorities to grant the land to high capital investors that want to buy and invest in favourable projects in the city centres (Haeussermann & Kappham, 2000).

However, recent developments in planning and management of CEE capital cities shows positive change towards comprehensive strategic approaches to redevelopment and enhancement of the image of the cities as a whole and the identity of their characteristic areas. Standardised formats for the local plan has been introduced for achieving better quality documentation and subsequently better quality physical development (Masrkowski, 2000). Other changes include:

- transparency of planning and management of the city for better involvement of the general public in the decision making process,
greater integration of physical planning and real estate regulation in order to shape the built environment more efficiently,

• simplification of the procedures for planning permission and better responsiveness to developer needs,

• urban renewal oriented towards reintroduction of vital and liveable public open spaces.

3.3 Impact of the European Union in physical planning

The predominant influence of the EU on spatial planning in the CEE countries has occurred directly through:

(1) legislation especially harmonisation of the environmental laws;

Environmental issues are becoming a powerful force in shaping development patterns in Europe, both through their influence on systems and policies for spatial planning, and also through the interaction of new mechanisms and policies specifically designed for environmental protection. The concept of ‘sustainability’ is not only becoming a major factor for the formulation and implementation of planning policy, but also for the instruments and procedures of planning.

(2) Policy, on matters with a spatial dimension;

Transnational policies defined by the European Union have had important implications for planning systems and policies, both in Member States and CEE countries, especially concerning the Trans European Networks (TEN). National infrastructure plans have been prepared which have important spatial implications for development opportunities along the TEN corridors and their junctions with local motorway systems within each capital city’s region.

(3) Policy formulation and implementation, notably cohesion policy supported by the Structural and Cohesion Funds;

Funding programmes will have a direct spatial impact on CEE countries in the context of regionalisation, preparation of regional development plans and the establishment of regional development agencies for the organisation and review of structural fund spending. In most of the CEE accession countries these processes have intensified over the last few years.

As well as the relatively direct impact of the European Union through law, policy and funding, the European dimension is reflected in other ways, in changes to the planning systems in CEE countries, and indirectly their physical planning. Firstly, recent changes to planning systems, to some extent show an increasing concern with strategic planning, not only at the regional level, which in part reflects the perceived growing importance of European integration, but also at the city level (e.g. Prague, Warsaw, Ljubljana). Secondly, the problems created by limitations within the spatial planning system have been recognised by both Member States and CEE countries, especially:

• the lack of effective plans, mechanisms or policies to deal with European-wide issues,

• the difficulties of tackling cross-border issues with two or more different planning systems,

• the absence of mechanisms to coordinate spatial planning policy and land use regulation with EU funding programmes (EC, 1997). Delays in the production of policies and plans are said to have hindered the implementation of regional policy and the most effective use of funding in some EU regions, and these aspects could mean real problems facing CEE accession countries (EC, 1997:40).

Finally, on a more positive note, there is evidence of the impact of the EU and other international policies through:

• the adoption of objectives, guiding principles and criteria for sustainable development in the most of the CEE cities planning documents and policies (e.g. European Spatial Development Prospective (ESDP), Green paper on the Urban Environment, Habitat Agende, Agenda 22),
• the promotion of new planning methods and exchange of know-how on city planning and management through networking of research institutes, city planning departments, city authorities and other important actions in the planning process,
• the operation of international real estate investment (foreign firms, loan activities of the European Investment Bank, World Bank and other international bank, particularly German and Austrian) that are dominant in the city transformation and restricting processes, is influencing the morphology and organisational structure within the urban areas especially in Prague, Budapest and Warsaw – the most important gateway cities.

Conclusion:
The characteristics of planning systems in use in CEE countries are similar to those of other plan-oriented systems used in many European countries: they are aim oriented, with ‘like to achieve’ ideal development schemes determined in advance and pre-planned; with prescribed land uses, design standards and regulations. There is little place for discretion, but the systems are easy to administer, inflexible but legally safe (if the developer follows the prescribed development layout he will automatically obtain a planning permission). Such plan oriented systems are also time consuming (e.g. the adoption of minor changes to the local plan can take 1-2 years!) and therefore increasingly unresponsive to changing development needs related to rapid local market changes.

In addition rapid political and economic changes also demand corresponding changes in the town planning system, and especially in the development control process. Changes in the systems need to be predominantly geared to increasing the flexibility of local plans, and to allow more administrative discretion in the development control process and urban design at the local level. What is also needed is more local involvement in the decision making processes to facilitate both the civil democratic right to participate and to enable private stakeholders to make decisions about their own development rights. This is especially important for development within predominantly built up areas and brown-field sites in order to support sustainable development (e.g. 60% of future development should be directed to within the existing urbanised areas).

The observations of current town planning practices in both the EU Member States and the CEE countries, have revealed that the ideas of the ‘urban plan’ as a fixed blueprint for the future, and the urban designer as a ‘master’ of the city have been superseded by reality (Bosma & Helinga, 1999). ‘Master plans’ are losing their role, and must change from ‘compulsory’ guidelines to ‘strategic’ management plans. Managing change and adapting urban fabric in a responsive manner to rapidly shifting economic goals will be essential for the successful non-destructive revitalisation of CEE cities in the new millennium.

Within the fast growing process of globalisation and instability, ‘mastering’ the city becomes a more varied and complex process, involving a wide range of actors, who must learn to assimilate change into the very process of managing that change. In this respect, there is a need for the following:
1. an additional non-statutory planning documentation such as visions of strategic alternatives, scenarios, design briefs and guides to help both architects, developers and local planning control officers to reach better and more appropriate design standards in development proposals, preserving local identity and context,
2. in negotiations with local planning officers regarding any planning proposal, account should be taken of economic viability both of the scheme, and in relation to satisfying relevant local needs (planning gain),
3. it is important to involve the public in the early stages of preparing statutory development plans through the use of ‘community planning’ approaches such as ‘Action Planning’, ‘Planning for Real’ and ‘Gaming’ techniques.

The need for institutional reforms and the lack of strategic planning are regarded as the major obstacles to urban development. In addition, the lack of co-ordination between local (regional) and central authorities and, in turn, the city’s urban services, has major implications for economic competitiveness and the international image of the city. However, there is evidence of increasing concern that these problems can only be resolved by an integrated approach between different actors at both the local (regional) and central level. It is also increasingly recognised that a fully integrated economy can only be achieved with the support of a high quality of coordinated infrastructure; this requires improvement of both the intra and inter urban transport system and environmental quality of the built environment. City governance is becoming more pro-active in encouraging economic investment and particular public-private partnerships, with co-operation between local (and regional/central) politicians and the business community, essential for promoting the city internationally.
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Forthcoming:


City Chapters (drafts):


