

hotel chains, exhibition centres, growth of the role of financial services, development of the transportation infrastructure, construction of the malls and logistic complexes in the city outskirts and urban fringes, gated communities in the rural hinterland, functional fragmentation, realization of the mega-projects. At the same time we can see specific processes, such as sacralisation of the public spaces, weak socio-spatial polarization, absence of ethnic or religious polarization.

RETHINKING THE FORM AND FUNCTION OF CITIES IN POST-SOVIET COUNTRIES: A SUMMARY

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Abstract. *Eurasian cities, unique in the global spatial landscape, were part of the world's largest experiment in urban development. The challenges they now face because of their history offer valuable lessons to urban planners and policymakers across the world from places that are still urbanizing to those already urbanized. Today, Eurasian cities must respond to three big changes: the breakup of the Soviet Union, the return of the market as the driving force of society, and the emergence of regional powers such as the European Union, China, and India that are competing with the Russian Federation for markets and influence in its former satellites. Several methods of analysis indicate an imbalance across Eurasia, implying a need to readjust Eurasia's urban structure. National policies in Eurasia are still preoccupied with spatial equity. But the concentration of economic activity in large cities is fundamental to national competitive advantage: they foster innovation through their diversity of industries and reduce production costs through their economies of scale. This paper suggests some ideas on how policymakers can harness the economic power of cities to drive national economic development, by focusing on four themes: planning, connecting, greening, and financing cities.*

Кулібали С. Переосмислення форм та функцій міст у пострадянських країнах. *Євразійські міста, унікальні у глобальному просторовому ландшафті, були частиною найбільшого в світі експерименту в сфері міського розвитку. Виклики, які стоять перед ними внаслідок їх історії, дають цінні уроки для містобудівників та політиків по всьому світу від місць, які ще урбанізуються, до тих, які вже урбанізовані. Сьогодні, Євразійські міста повинні відповісти на три великі зміни: розпад Радянського Союзу, повернення ринку як рушійної сили суспільства, поява регіональних сил, таких як Європейський Союз, Китай чи Індія, які конкурують з Російською Федерацією за ринки і вплив на колишніх сателітів. Кілька методів аналізу вказують на дисбаланс по всій Євразії, що визначає необхідність корегування міської структури Євразії. Національні політики країн Євразії все ще спрямовані на просторову справедливість. Але концентрація економічної діяльності у великих містах має фундаментальне значення для національних конкурентних переваг: вони стимулюють інновації шляхом диверсифікації галузей промисловості і знижують виробничі витрати за рахунок ефекту масштабу. Ця стаття пропонує кілька ідей щодо того, як політики можуть використовувати економічний потенціал міст для забезпечення національного економічного розвитку, фокусуючись на чотирьох темах: планування, зв'язування, «озеленення» та фінансування міст.*

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This paper¹⁶ is about new realities of cities in 12 of the 15 Former Soviet Union countries: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyz Republic, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan. We call that region Eurasia.

Three major events that happened during the last two decades are fostering profound changes in Eurasia: (1) the breakup of the Soviet Union; (2) the return of market as the main driving force of society; and (3) the emergence of new regional powers such as the EU, China, India and Turkey that are contesting Russia leadership in the region.

One of the legacy of the Soviet era that is most affected by these changes is the form and the function of cities. Indeed Eurasian cities, unique in the global spatial landscape, were part of the world's largest experiment in urban development. To be viable in a market economy, Eurasia's urban structures have to be rethought. The book builds on the insights in the 2009 World Development Report Reshaping Economic Geography to inform this rethinking. It argues that looking ahead policy makers need to promote the changes to make Eurasian cities main drivers of growth.

They can do so by rethinking the form and the function of cities to better plan, connect, green and find new ways to finance the changes needed.

Why cities need to be rethought? More than three-quarters of the built environment in Eurasian cities was developed after 1945 in a centralized fashion. From a spatial point of view it became clear that many Eurasian cities were developed in places where they should not have been, like beyond the permafrost line. To populate sparsely inhabited territory, Soviet planners pushed urban development toward the heart of Siberia. Many of the resulting cities had no rural hinterland to rely on for daily food needs and had to depend on subsidized goods and services.

Since the breakup of the Soviet Union, Eurasian cities are reorganizing. With agglomeration and dispersion forces interacting, some cities are growing while others are shrinking. A diverse portfolio of places is emerging in Russia and Ukraine, while the rest of Eurasia faces a simple consolidation of core-periphery differences between the capital city and the rest of the country. Some regional hubs—Almaty, Astana, Kiev, Minsk, St. Petersburg, and Tashkent—are also emerging, while Moscow seems to be the only Eurasian city with the potential to become a global city like London, New York, Paris or Tokyo.

What does it mean to better plan cities? Planning cities better means promoting policies to develop land and housing markets and improve public service delivery.

For land market, the main legacy of the Soviet Union is the widespread use of prime land for industrial location while market forces would have allocate it for higher return purposes such as Class A Business Districts. Policymakers need to modernize and enforce land use regulations and building codes, lower the costs of

¹⁶¹⁶ This paper summarizes the World Bank Policy Research Working Papers No. WPS6292 of the same author titled "Rethinking the Form and Function of Cities in Post-Soviet Countries". The references of this working paper are reported at the end. The findings reported in this paper are those of the author alone, and should not be attributed to the World Bank, its executive director, or the countries they represent.

land transactions, use public infrastructure development to guide land development strategically and sustainably, and build the institutional capacity to redevelop brownfields.

For housing market, the main legacy of the Soviet Union is a homeownership rate too high the level of development of Eurasian countries. Policymakers need to unlock rental markets, revitalize homeowner associations, create and enforce rules for using public spaces, and lower the costs of property transactions, such as buying an apartment block.

For public service infrastructure, the main legacy of the Soviet Union is the amenities vacuum due to cities initially built for narrow purposes such as hosting the workers of a large plant. Policymakers need to continually upgrade and maintain utility networks, adjust tariffs to ensure system sustainability, encourage and enable interjurisdictional cooperation to provide such services as regional sewage and water management systems, and maintain and extend public transit networks.

What does it mean to better connect cities? Connecting better cities means pursuing in parallel intra-urban, regional and international connectivity according to the city's prospects on domestic, regional and global markets.

To foster interurban connectivity, policymakers need to upgrade the transit system in large cities, improve the energy-efficiency of private vehicles by introducing market prices for gasoline, introduce or adjust gasoline taxes where needed, and encourage walking and biking through the redesign of city centers.

To foster regional connectivity, policy makers need to leverage the hub function of Moscow on air and rail connectivity to substantially reduce the cost of transporting goods and people across and beyond Eurasia. And they need to reinforce the connectivity of emerging regional hubs by developing the institutional framework to support road transport and ensure smooth cross-country connections.

To foster international connectivity, policy makers need to anchor Eurasian cities in the digital era by participating in regional and global information and communications technology (ICT) initiatives. Indeed, a seamless ICT infrastructure is essential to promote economic and social connectivity. Regionalization contributes towards the creation of seamless infrastructure. And regionalization creates opportunities for trade, investment, industrialization.

What does it mean to green cities? Greening Eurasian cities means ensuring their sustainable development through strong markets and institutions that encourage the efficient use of resources, address pollution and build livable cities.

To use resources efficiently, policymakers need to put in place adaptation and mitigation measures. Policymakers need to scale up interventions to address immediate pollution problems. They need to promote the planning of greener cities in new developments and brownfield redevelopments, which will help Eurasian cities in the global competition for investments and skilled labor.

Cities offering a high quality of life—through better air and water quality, less congestion, more green space, and other amenities—will be better positioned to attract skilled workers and innovative firms.

How to finance these changes needed? By reforming sub-national finances and exploring new ways to finance cross-country connectivity.

On subnational finance, policymakers first need to improve the technical and economic efficiency of public utilities. Only then will it make sense to explore ways of making people who benefit from public service infrastructure pay by increasing taxes. This could include increasing personal income tax rates in big cities; taxing agglomeration rents; improving the administration of property tax; and increasing tariffs and fees through enforcing the payment of housing maintenance fees, raising water tariffs, expanding metering, and raising public transport tariffs to at least cost-recovery levels.

On the cross-country connectivity side, several Eurasian countries have been encouraging more private sector investment in transport and other infrastructure investments, reflecting the global trend that started in the 1990s. But private sector investments have been limited because the financing of cross-country infrastructure is affected by externalities and coordination failures. Depending on the public good, policymakers could consider different means of financing: purely private (some telecom infrastructure is commercially viable); public-private partnerships using, say, tolls to partly recover costs; richer/leading countries' subsidies of infrastructure for poorer countries if this reinforces network externalities in their own country; contributions from a reputable regional development bank, leveraged with funds raised on international markets.

With these reforms, when a new "Silk Road" emerges, it will be biaxial: along the North-South axe connecting Russia and India through Eurasia; along the East-West axe connecting China and the EU through Eurasia. Policymakers need to promote changes that will make Eurasian cities the main drivers of growth along this new Silk Road.

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