Eurasian Cities

New Realities along the Silk Road
Eurasia
The Message

Major events have reshaped the internal geography of Eurasia: the breakup, market and regional powers.

Looking ahead, policy makers need to promote the changes to make Eurasian cities main drivers of growth.

They can do so by rethinking cities to better plan, connect, green and finance them.
The Framework

Rethinking the Form and Function of Cities

Planning  Connecting  Greening

Financing the Changes Needed
Rethinking Cities
Soviet Past: Wrong Spatial Reorganization
Soviet Past:
Wrong Spatial Reorganization
Better Planning Cities

- Land Market
- Housing Market
- Public Infrastructure

A Sustainable Future
Land Market: The Main Legacy

Industrial Area as Percent of Built-up Area in Selected Cities, 2010

- St. Petersburg: 45.0%
- Moscow: 32.0%
- Sofia: 25.0%
- Warsaw: 15.0%
- Prague: 10.0%
- Paris: 8.0%
- London: 7.0%
- New York: 5.0%
Land Market: A Sustainable Future

- Central-Local governments collaboration to solve property issues
- Modernization and enforcement of land use regulations and building codes
- Decrease transaction costs of land transactions
- Strategic use of public infrastructure to guide land development
- Institutional capacity building for brownfields redevelopment
## Housing Market: The Main Legacy

Table 2.2: Homeownership Rates in Selected Countries, in 2005

<table>
<thead>
<tr>
<th>Country</th>
<th>Homeownership rate (percent)</th>
<th>Urban population (percent)</th>
<th>Share urban housing (percent)</th>
<th>Poverty rate (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uzbekistan</td>
<td>98</td>
<td>36</td>
<td>—</td>
<td>47</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>97</td>
<td>56</td>
<td>—</td>
<td>11</td>
</tr>
<tr>
<td>Kyrgyz Republic</td>
<td>97</td>
<td>34</td>
<td>39</td>
<td>63</td>
</tr>
<tr>
<td>Armenia</td>
<td>96</td>
<td>64</td>
<td>60</td>
<td>46</td>
</tr>
<tr>
<td>Georgia</td>
<td>95</td>
<td>52</td>
<td>—</td>
<td>39</td>
</tr>
<tr>
<td>Moldova</td>
<td>90</td>
<td>46</td>
<td>41</td>
<td>39</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>90</td>
<td>24</td>
<td>42</td>
<td>72</td>
</tr>
<tr>
<td>Belarus</td>
<td>84</td>
<td>72</td>
<td>66</td>
<td>12</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>83</td>
<td>50</td>
<td>57</td>
<td>17</td>
</tr>
<tr>
<td>Turkmenistan</td>
<td>79</td>
<td>46</td>
<td>35</td>
<td>—</td>
</tr>
<tr>
<td>Ukraine</td>
<td>75</td>
<td>67</td>
<td>64</td>
<td>19</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>70</td>
<td>73</td>
<td>53</td>
<td>19</td>
</tr>
</tbody>
</table>
Housing Market: A Sustainable Future

• Unlock rental markets

• Revitalize Homeowners Associations

• Create and enforce rules for the use of public spaces

• Offer incentives for façade improvement and maintenance
Public Infrastructure: The Main Legacy
Public Infrastructure: A Sustainable Future

- Continually upgrade and maintain utilities networks
- Adjust tariffs to ensure sustainability
- Encourage and enable inter-jurisdictional cooperation to provide some public services
- Maintain and extend public transit networks
Better Connecting Cities

- Intra-Urban Connectivity
- Regional Connectivity
- International Connectivity

A Sustainable Future
Connecting Cities: A Sustainable Future

• To foster intra-urban connectivity:
  
  – Upgrade transit systems in large cities
  
  – Improve energy-efficiency of private vehicles through market and or tax mechanisms
  
  – Encourage walking and biking by redesigning city-centers
Connecting Cities: A Sustainable Future

• To foster regional connectivity:

  – Leverage the hub function of Moscow

  – Reinforce the connectivity between emerging regional hubs, leveraging the flexibility of road transport
Connecting Cities: A Sustainable Future

• To foster international connectivity:
  – A seamless ICT infrastructure is essential to promote economic and social connectivity
  – Regionalization contributes towards the creation of seamless infrastructure
  – Regionalization create opportunities: trade, investment, industrialization
Greening Cities

Efficient Use of Resources

Addressing Pollution

Building Livable Cities

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Greening Cities: Livable Cities?

Moscow’s Green Areas, 1930 vs. 2011
Financing Cities
How to Finance the Changes Needed?

Sub-national Finance

Improve the technical and economic efficiencies of supplying public utilities
How to Finance the Changes Needed?

Sub-national Finance

Make people who benefit public service infrastructures pay by:

– increasing benefit taxes:
  • increase PIT rates in big cities
  • improve administration of property tax

– Increasing tariffs and fees
  • Enforce payment of housing maintenance fees
  • Raise water tariffs and expand metering
  • Raise public transport tariffs
## How to Finance the Needed Changes?

### Cross-Country Infrastructure Finance

<table>
<thead>
<tr>
<th>Impact of aggregated contributions</th>
<th>Pure public goods (nonrival, nonexcludable)</th>
<th>Impure public goods</th>
<th>Goods for which exclusion is easy</th>
<th>Shared public services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Each contribution has the same impact on the quality and quantity</td>
<td>A clean lake</td>
<td>Transnational park</td>
<td>Preserving the rain forest</td>
<td></td>
</tr>
<tr>
<td>Countries more interested in the good can contribute more</td>
<td>Curbing the spread of AIDS</td>
<td>Power grid</td>
<td>Eliminating transnational terrorist threats</td>
<td></td>
</tr>
<tr>
<td>Contribution of weakest member determines the quantity and quality</td>
<td>Implementing international financial standards</td>
<td>Airport hub-spoke network</td>
<td>Prevention and mitigation of natural disasters</td>
<td></td>
</tr>
<tr>
<td>Contributions of weaker members determine quantity and quality</td>
<td>Forestalling the spread of pests</td>
<td>Transport infrastructure</td>
<td>Internet connectivity</td>
<td></td>
</tr>
<tr>
<td>Contribution of leading countries determines the quantity and quality</td>
<td>Eradication of a disease</td>
<td>Satellite launch facility</td>
<td>Regional peacekeeping</td>
<td></td>
</tr>
<tr>
<td>Contribution of strongest member determines the quantity and quality</td>
<td>Discovering an effective treatment</td>
<td>Biohazard facility</td>
<td>Agricultural research and bioprospecting</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Sandler (2002), adapted by the WDR team.*
The Bottom Line
The New Silk Road Should Be Bi-Axial