

Discourse on Territorial Planning

5.1 Legacy of Soviet Administration

Armenian SSR like other Soviet Republics was governed as a centrally planned economy. The state-owned property was in charge of planning, design, and construction. The state also owned Industry and the Soviets were responsible for the industrialisation of Armenia after the war and continued this process till the fall of the Soviet Union. Industrialization required the Soviets to build housing for the workers and with that began the process of Urbanisation in Armenia (Petrosyan & Bădescu, 2016).

5.1.1 Urbanization and Industrialisation

Industrialization and urbanisation occurred simultaneously. Change in central Soviet policy affected the largely rural economy of Armenia with large-scale migration from rural to urban areas as workers in the industry. Migration sharply increased the demand for urban housing to which the Soviets responded by creating a large amount of housing stock. The buildings were owned and administered by the state. The state was responsible for the maintenance of the individual houses as well as the buildings themselves. As all property and industry was owned by the state the financial tools and mechanisms were developed in accordance to that (Curtis, 1994, 16) (Stephens, 2005).

The Soviet city was meant to be homogenous, without regional character. This was supposed to inculcate in the diverse population of all Soviet Republics a sense of unity without identitarian, inherited inequality. Soviets discouraged regional or nationalist pride from reflecting in any area of urban life which necessitated the destruction of symbols of such nature (Kulscar & Domokos, 2005, 550). The 1924 plan for Yerevan by Alexander Tamanian (the first such plan in the Soviet Union) required the destruction of architectural elements from the old city of Yerevan that possessed those characteristics. This policy in varied levels of strictness was carried forward till the time of Mikhail Gorbachev.

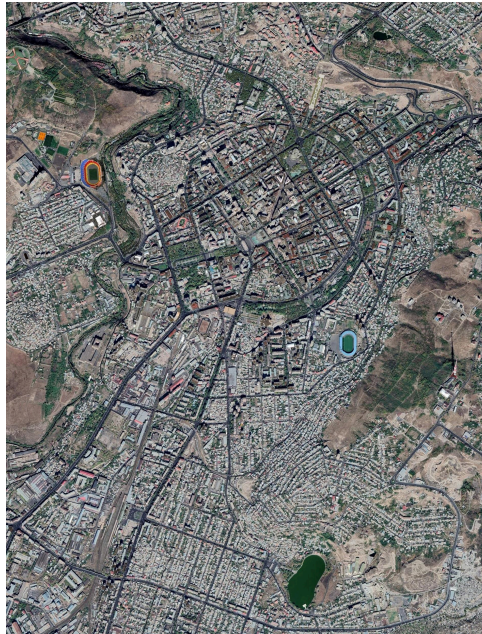
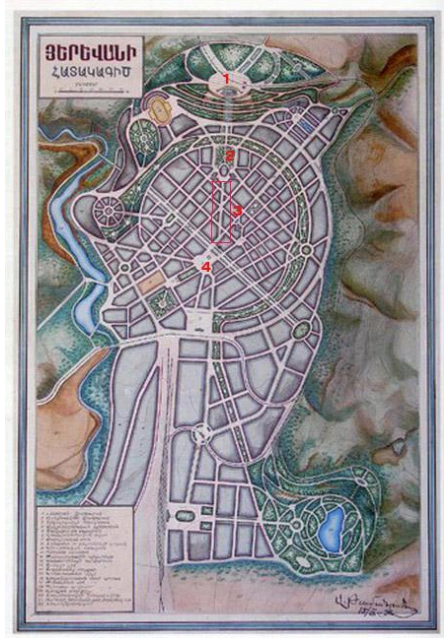


Illustration: Comparison of the Tamanian plan in 1924 to the present satellite imagery of Yerevan city. Note that the radial feature in the plan is still largely visible in the centre of the city. While the city has grown around it certain planning features are visually retained.

5.1.2 Administration

Like other Soviet Republics Armenia had a 5 year plan for all levels of governance. Every administrative division had a strategic development plan. The decision-making was centralised and local-level authorities had only executive functions for implementation of the plan. Plans produced were seldom realised in their entirety. The administration encouraged public participation in the process of planning.

Local administrations each had a zoning plan which was a detailed planning document that illustrated the designated land use of each plot demarcated. This was supplemented with a document that stated development regulations and contractual obligations for building constructions (Petrosyan & Bădescu, 2016).

With every new leader of the Soviet Union, social and economic policies kept changing, although the central planning principle and strict governmental hierarchy stayed intact. Thus the premiership of Lenin, Krushchev and Gorbachev encouraged national identities while others did not (Slezkine, Y. 1994).

Gorbachev's premiership also attempted to introduce elements of market socialism that gave greater autonomy to local bureaucrats and heads of industry to regulate production and standards (Curtis, 1994, 16).

5.2 Fall of the Soviet Union

Armenia declared independence in 1990 with an independent state established in 1991 (Yuenger, 1990). The fall of the Soviet Union saw other former Soviet Republics declaring independence as well. The fall of the Union left the Armenian economy in great difficulty as well as in an ideological conundrum (Kulscar & Domokos, 2005). The history of planning and governance from the soviet era has shaped the discourse on planning in the Republic of Armenia.

In the absence of the Soviet Union and its political influence Armenia, a landlocked country was facing grave economic realities. Armenia has historical disputes with its neighbours on the east and the west with both countries having shut opportunities for rail and road trade routes. Georgia has joined the GUAM Organization for Democracy and Economic Development and allies with Azerbaijan and Ukraine which have adverse interests against Armenia.

In these conditions, the shift from a Soviet economy and industry to economic liberalisation and financial autonomy has been difficult for the Republic of Armenia (Asian Development Bank, 2019). This has had an effect on its ability to finance development projects and keep up the existing infrastructure it inherited from the Soviets.



Illustration: The destruction of property in the Spitak earthquake, 1988 (left) and Soviet housing stock still in use (right)

5.3 Economic Liberalisation

The Republic of Armenia transitioned from the centrally planned economy of the former USSR to a free market and privatisation. The transition to a free market faced opposition by Soviet-era bureaucrats and informal actors used to the previous system (Curtis, 1994, 50). The transition was assisted by the International Monetary Fund, the World Bank, the European Union, and the Russian Federation (Asian Development Bank, 2019). Despite the difficult geopolitical scenario, war and the natural disaster in 1988 Armenia's economy prospered until the 2008 financial crash. The crash not only impacted the Armenian economy but the construction sector was particularly hit with overall growth falling by more than 3%. It also impacted the Russian Federation, on which Armenia is financially dependent. Financially Armenia has still not recovered from this crisis with the main growth drivers in 2019 being the agriculture and services industry which are largely privately owned (Avagyan, 2009, 98-99).

These events have impacted the state's ability to finance the particulars that it has proposed in the planning documents, especially after the financial crisis of 2008. The state has struggled with housing policy since the Soviet era. While there is a lack of adequate housing stock on a national level, in Yerevan the issue lies in planning. (United Nations Economic Commission for Europe, 2017).

Armenia is predominantly urban with 63% of the population living in cities. Two issues that arise here is the state of the rural areas as well as the number of cities that receive the patronage of the state. Another issue facing cities is the fate of the infrastructure left behind by the Soviets. Rural areas are on the other hand affected by abandonment of place as well as people (Danziger, 2018).

The lack of urban transportation, as well as road and rail transportation countrywide, adds to the limitation on bureaucrats in their ability to realise the proposals in the planning documents. The lack of road and rail links going out of the country due to difficult edge conditions affects trade and thus the ability of the state as the executor of policy.

This culminates in the bureaucratic structure that is responsible for spatial planning in the Republic of Armenia. The structure of governance has changed over time but it has been unable to completely shake off the Soviet ethos in terms of the hierarchy and decentralisation. Not only has the policy towards spatial planning changed over time but Armenia has been through multiple constitutional overhauls over time. While these changes have called for macroeconomic changes they have been unable to affect the centralised nature of policymaking and authority (Asian Development Bank, 2019).

5.4 Planning Discourse in Armenia

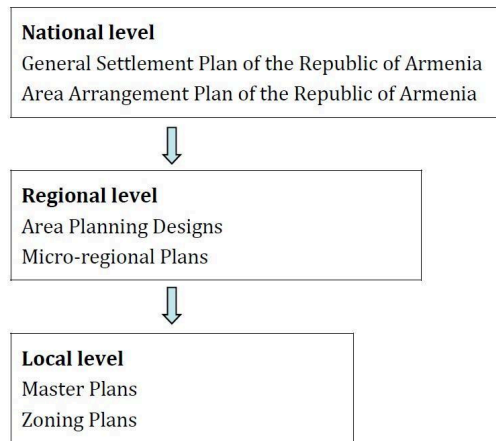
Planning and the governance of planning revolves around the nature of governance and the way it affects the people for it is being elaborated. Commentary over governance comes from planners, governors, international overseers, and the press. The literature accessed for this study centers around the following issues

5.4.1 Nature of Governance

The structure of governance operates on three levels viz. National, Regional, and Local (urban/rural). Privatisation and the free market operate on the flexibility and lack of regulatory barriers to flourish. The transition to a different economic structure did not bring with it the same approach in governance. While constitutional changes over the years have decentralised the power of the executive, it has not decentralised decision-making bodies from the centre.

Figure VIII

Spatial planning documents at different levels



Source: Habitat III National Report of the Republic of Armenia

Illustration: UN-Habitat description of Spatial planning documents

The national law requires planning documents to be approved by the UDC before local governments are allowed to extend construction permits. This requires various stakeholders to negotiate with it for the approval of local planning documents. Local planning documents are prepared by local government departments for urban planning.

5.4.2 Hierarchy

Local governments are formed by elected representatives while the planning authority is centrally located and formed by appointment. The elected representatives have their own electoral platform and vision for the jurisdiction and these tend to clash with the master planning documents prepared independently of this executive. This has led to stagnation in the implementation of the planning documents due to differences between these executives (Sos Khachikyan).

The central government appoints governors at the regional level who serve the executive function of implementing plans prepared at the national level. This has created a gap between the national and Local levels which has been cited as a major impediment to territorial governance (Petrosyan & Bădescu, 2016).

5.4.3 Decentralisation

Taxation comes under the purview of the national government. The inability to levy taxes at the local or regional level depending upon diverse needs has hampered the ability of local governments to create the necessary infrastructure. This also leaves them out of negotiation with stakeholders and private capital willing to invest in the region/city. The inability of local governments to negotiate with private capital damages its position of authority (Sos Khachikyan).

In response, the national government has introduced intersectional bodies that aim to link Regional government with Local government as well as link-local governments with each other. This has prompted inter-governmental cooperation between municipalities that are at differing levels of growth. The facility to pool and exchange capital through these bodies has improved the ability of municipalities to implement plans and support regional development.

5.4.4 State Apparatus

The current bureaucratic mechanism has ensured that Armenia has excellent spatial planning documents at each administrative level including documents that plan for the conservation of historical sites. The Architectural-Planning Task document provides individuals and private institutions with information about zoning and building permits required for construction. The difficulty in acquiring building permits despite other bureaucratic achievements is a cause of stagnation in private investment and construction (Petrosyan & Bădescu, 2016).

The legislature passed privatisation laws as well as created committees to reform the banking system. Despite being a part of the IMF and World Bank in 1992 (a year after independence) an unstable economy prevented the transition from being smooth. Financial crisis in 1993, and an unstable currency notwithstanding Armenia made advances till 2007. Armenia has produced a rich planning literature and also put forth laws that have neatly divided tasks and responsibilities of the state and private actors in the field of planning. The lack of decentralisation of authority is an impediment in its path to liberalising the state (United Nations Economic Commission for Europe, 2017).

5.4.5 Urban-Rural Link

Urbanisation came at the cost of the abandonment of villages when the Soviets began the transformation of the agricultural economy of Armenia into an Industrial one. Immigration from rural areas to urban or overseas can be attributed to the lack of urban-rural linkage as well as the privatisation of agriculture. Unable to sustain a living, men from rural areas find employment elsewhere. This has led to the poverty of those left behind (McGuinness, 2011). The people immigrating from rural areas to overseas are also responsible for large amounts of remittance made back to Armenia which enriches the exchequer. With the help of international organisations, it has been able to build roads improving rural road networks. More than 90% of rural areas are yet to produce planning documents (United Nations Economic Commission for Europe, 2017).

5.4.6 Urbanisation

The earthquake of 1988 destroyed the city of Gyumri and Vanadzor. Together with Yerevan, these are the three largest cities in Armenia. After the earthquake, the state directed spending to the rebuilding of Gyumri and Vanadzor as well as reinforcing Yerevan considering the migration from the affected areas. The development of small and medium-size cities was sidestepped in this course. The state has shifted its attention to restrict the urban sprawl of the bigger cities. The state has started identifying seismically safe zones.

To address the skewed interest in Yerevan, a law was passed to assure proportional funding to various urban centres. Local governments have then attempted to make investments in the community and encourage private investment. The state also works with international advisory groups to develop vision programs for cities like the Yerevan Green City Action Plan (United Nations Economic Commission for Europe, 2017).

The liberalisation of the economy has also contributed to a lack of public participation in urban governance. Community engagement, at least in name, was encouraged by the Soviets. Subsequent changes in laws have discouraged public review and engagement. Plans are put under strict scrutiny by technocrats and private institutions as per the law. The disparity between cities also leads to the absence

of certain age groups from being active in middle tyre cities (Sos Khachikyan) (Petrosyan & Bădescu, 2016).

5.4.7 Housing

The migration of people to cities to work in the industry had an impact on the structure of the Armenian family. The housing produced by the Soviets was meant for the nuclear family while Armenian families were larger and tended to stay together. This led to them making changes to the housing typology (Zekavat, 2014). But many families got broken up. These modifications made to the Soviet housing typology continue to be made post independence.



Illustration: (left) modification made to housing by residents to accommodate larger families. (right) Examples of Soviet housing typology

The housing inherited from the Soviets was also old and degrading over time. The maintenance of those buildings was the responsibility of the state. The state transferred the ownership of houses to the occupants. While people now owned the houses they were not aware that they also co-owned the common spaces. They were also now responsible for the maintenance and upkeep of these spaces. These spaces quickly fell into disrepair. The state responded with the creation of condominiums and cooperatives to encourage residents of buildings to understand the responsibilities and costs involved in the upkeep (United Nations Economic Commission for Europe, 2017).

The housing shortage was intensified by the Spitak earthquake and the war. People needed to be relocated and the war created refugees. The cities receiving this migration found that they did not have sufficient infrastructure to sustain them. The state on the other hand lacked funds to accommodate them and the fall of the Soviet Union had left the industry entirely defunct and thus there were no jobs. This led to poverty and informal housing.

Poverty also created an artificial scarcity of housing. While Yerevan experienced a construction boom houses were not constructed keeping in mind the needs and the financial capacity of the people. Soviets did not need banks to extend credit or underwrite as there was no private investment. This left people unable to take loans or mortgages as the banks were in the process of creating financial instruments to that effect (Stephens, 2005). Gentrification in Yerevan added to the expansion of the limits of the city as people moved away from the centre of the city. The city then did not have a public transportation system to cater to the movements that people needed to make for work.

Social housing wasn't written into law, nor was housing to the vulnerable and minority groups. This was a hindrance in creating housing until 2005 and even then it wasn't legislation but a framework. Without legislation, vulnerable people are unable to find adequate housing. People without jobs are unable to acquire loans and those who are able to find work overseas move (United Nations Economic Commission for Europe, 2017).

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