An Urban Crisis of a Financial Model:  
The Adaptive Reuse of Socialist Industrial Complexes in Moscow

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ABSTRACT:  
Since the fall of the Soviet Union, Russia has transformed from a socialist state and communist ideology into a democratic state and a post industrial economy. The dramatic transformation of a society generated a concurrent transformation of the urban fabric. A transformation informed and sculpted by extremes; such as the sudden absence of an established social system and the application of a paradoxical one and the aspirations of a market economy which must struggle through the hindrances of a socialist past. Consequently, the physical transformation of Moscow, has been, and is sculpted by the extremes of the post-socialist vision of capitalism; which is fuelled by seventy years of repressed economic energy, an energy which compresses economic evolution. Compression distills out and eliminates critical processes required to reconcile economic and social potential that is essential for the liveability of the city. Instead, through the haste to transform, it allows uninformed preconceptions to flourish: preconceptions which ignore the evident and essential needs of a city. In this case, compression has allowed the potential, of urban transformation, to dissolve into a hybrid of economic equivocation and ambition. In Moscow, this hybrid has been imbued into the mechanics of the privatization of property, government management of land use and the priority placed on private developer interests. These private interests, lacking proper regulation, are characterized by; additional burden to the cities overloaded and failing infrastructure, the focus on short term profit at the expense of long term progress and the damage to the fabric of existing neighborhoods through large scale insular developments. Through the lens of previously state held industrial complexes and their adaptive reuse this paper examines the transforming notion of public space, local identity and city life in the Post-Socialist City of Moscow.

CONFERENCE THEME: On Approaches
KEYWORDS: socialist, industrial, reuse, development

INTRODUCTION

During and shortly after the 1917 Bolshevik revolution, all urban land was appropriated by the state. This land grab was part of many social and government actions to support the ideology of Socialism and the creation of a Communist state. During the subsequent seventy years of Communist rule, this land was developed to propagate and celebrate socialist ideals where property was no longer privately owned and private space became communal. When the Soviet system fell, much of the state owned enterprises and the associated property became available for privatization. This abdication of state ownership, propagated by the dramatic change in governmental system and the demands of the market economy allowed uncontrolled development. Without a clear plan of the city, unplanned transformation allowed development strategies which promoted exclusivity instead of inclusion and isolation to accessibility. These tendencies were in direct response to the common citizen notion of what private and public space meant. The understanding of what constitutes public and private space is different in relation to western notions of space. Public space is viewed as owned and controlled by the state and subsequently represents forced communal living. The perception of public space is a reference to socialist times. Now, private space is viewed upon as a symbol of position and luxury, the ultimate freedom from the collective. Consequently many development strategies are driven by these preconceptions of the two types of space.

Moscow, like many Soviet cities developed in a predictable manner during communist rule. The industrial center, main transportation arteries and residential areas were mostly built before the revolution. The city expanded along the outer edges, where much of the dense social housing was built, leaving the center of the city relatively intact. By the 1980’s, Moscow reached the limits of its
expansion to the outer ring road and its abutment to the surrounding administrative area; Moscow Oblast. After the fall of communism, the economy frantically grew, which was a result of repressed demand of over seventy years. This demand included a large appetite for property which coupled with the restricted supply quickly made Moscow property values some of the most expensive in the world.

Due to Moscow’s rapid growth and development tendencies, over the twentieth century, many of the old industrial complexes remained and became imbedded in the city center. However, the dramatic transition to a market economy left many of these complexes vacant or underutilized. At the same time, the intense demand for land, limited supply and escalating value made the property more expensive than the value of the inhabiting enterprises. Additionally, because of the large percent of space they occupied in the city center, approximately twenty percent, their grandiose scale and unique character made these facilities prime targets for redevelopment.

1.0 POLITICS OF SPACE

In attempting to understand current spatial development trends in Moscow it is important to recognize the historical scars the Russian people still carry with them. For seventy years, life was ruled under a socialist regime. The notion of public and collective space was the base for imagining a utopian society. In contrast private domain was almost completely absent from the life of the Soviet citizen. We therefore postulate that the spatial responses of the city in the last twenty years, is in direct response to these notions of public and private space. Notions which are in direct reaction to the previous societies prescribed purpose of space. Driven by fear of the collective, the current city and its inhabitant celebrate the private. Anything “public” triggers a collective memory of Soviet times. It is therefore not a surprise that there has been a reactionary wave which has favoured the private realm. The ability to separate oneself from any interaction with people from different socio economical backgrounds is considered desirable in contemporary Russia. This tendency, typical to the average Muscovite, is not being vigorously challenged by the city’s planning officials. However it is obvious the city as a whole is paying tremendous price for this desire. The isolation and exclusion has created islands of development, which through their insular approach has turned their back on the surrounding streets and the city.

1.1 SOVIET INDUSTRIALIZATION

In 1917, after centuries of oppression of the lower classes, a series of proletarian revolutions ended Russia’s Tsarist autocracy. The efforts, of the working class, eventually led to the creation of the Soviet Union, one party state ruled by the Communist party. This new “Democratic Centralism”, somewhat foreign to the ideas of the revolution, was justified by the leadership as a mechanism for insuring that ‘capitalist exploitation’ never returns to the Soviet Union. In the spirit of giving power to the working class the new state was the first one to adopt a planned economy. Under the new system the government was in control of the industry, directing all major decisions regarding production and the distribution of goods.

In the process of building the new socialist economy the control of all industrial enterprises was assumed by the government and a general process of industrialization took place. The industrial manufacturing complexes became central to the construction of the new society. They no longer represented places of oppression of the lower class; rather they played a key role in creating the new soviet man. Worker’s clubs were established and provided not only opportunities to socialize but also played a major educational role, providing educational and cultural opportunities that until 1917 were available only to the chosen few. It is incomprehensible that “In 1917 Illiteracy was recorded at 75-85%.”

John Reed summed up the intense ebullience of proletarian life during the year 1917: “All Russia was learning to read, and reading - politics, economics, history - because the people wanted to know...The thirst for education, so long thwarted, burst with the Revolution into a frenzy of expression. From Smolny Institute alone, the first six months, tons, car-loads, train-loads of literature, saturating the land.... Then the Talk.... Meetings in the trenches at the front, in village squares, factories...What a marvellous sight to see: Putilovsky Zavod (the Putilov
factory) pour out in its forty thousand to listen to Social Democrats, Socialist Revolutionaries, Anarchists, anybody, whatever they had to say, as long as they would talk! For months in Petrograd, and all over Russia, every street-corner was a public tribune. In railway carriages, street-cars, always the spurting up of impromptu debate, everywhere.... At every meeting, attempts to limit the time of speakers voted down, and every man free to express the thought that was in him". 5

It wasn’t only the industrial facilities that were assumed control by the government; the same was true for all real estate, including housing. The communist party therefore assumed responsibilities for all aspects of one’s life. It was expected to provide all members of society with housing, healthcare, education and work. In return people unwittingly paid with their freedom to choose where to live and what to think.

1.2 PRIVATE DOMAIN

For the greater part of the 20th century, and in a much smaller scale until today, Russian families living in urban areas had to share with complete strangers the most intimate space of all, their homes. Kommunalka a “communal apartment” was an apartment shared by multiple families, often from very different backgrounds, brought together merely by the arbitrary decision of the government. Multiple family members shared a single room while the rest of the house, bathroom, kitchen, hallways were shared by multiple families. Forcing together people with different ethics and life habits, it is no surprise that these public domains were highly contested public spaces.

Communal living was first and foremost a social policy, supported by the increasing need for housing in a state of rapid urbanization. This policy created a mechanism than not only promoted the socialist values of collective living but was also an easy way to insure that no anti government activity is taking place in the private domain. Often infused with informers, all apartments were subject to government control. Suspicions and lack of trust were common for most of the soviet regime years, since denunciation was possible not only by neighbours but also by family members. The general notion of privacy was condemned - “Soviet man has nothing to hide from its comrades”3, subsequently individualization was delegitimized. Hence, during the seventy years of the socialist government, there was never really a clear boundary between public and private. To some extent all could be considered public, since “privacy” could only exist as isolated moments in space and time and could be exposed and condemned at any time.

“Like electrical condensers that transform the nature of current, the architects’ proposed ‘social condensers’ were to turn the self centered individual of capitalist society into a whole man, the informed militant of socialist society in which the interests of each merged with the interests of all”4

It is not a surprise then that with the fall of Soviet state the level of “privacy” one could achieve was associated with his new status as a free citizen. So while it’s not unusual to see separation between people of different financial background, in Russia this notion reached new heights. Fences, extensive security systems, exclusive clubs and the almost complete withdrawal from the public realm of city life are just some of the reaction of Russia’s new rich to their new freedoms.

1.3 PUBLIC DOMAIN

Throughout history, Russia has emphasized and celebrated the Civic space. Grand boulevards, endless plazas, and overpowering monuments are a common seen in the Russian landscape. However, “Public Space” is not the same as civic space. Public space is created by the nuance of activity which fills the space because of its self. It is the activity of use within a space which allows one to observe and be observed. It allows for a variety of use with brief moments of organized and singular activity, but without the space necessarily having been designed for a singular common focus of the inhabitant.

Notions of public and private vary considerably across different cultures. In Russia the common experience of these notions can’t be separated from its past of communal living under the close supervision of the soviet state. In contrast to the western notion of public space being a realm that is equally accessible to all members of the society. When a Moscow official was asked to present his notion of public space he said:

On Approaches 199
Capitalism, greatly transformed the soviet city, and with it has changed the socialist notion of public and civic space. This took place primarily through two main processes; privatization and commercialization. Privatization seems to have isolated and segregated the inhabitants of the city, reducing the opportunities for public, where commercialization has activated many of the sterile civic socialist spaces.

When you have an empty space and you fill it, it does not mean that you have eliminated the void. You can fill the space and create more void than if you had not built at all.

Daniel Libeskind

As the Soviet system fell, privatization and development arrived and moved forward at a rapid pace in contrast to the Soviet city, which was explicitly planned with public and civic space, recent development has done little for the overall planning of the city. Through the process of privatization the city has become more and more isolated. Much of the land that was owned by the state and was considered public quickly became available for privatization. A process which was fundamentally flawed, since the value of the land and enterprises could not be easily quantified coming from a planned economy; where the value of property was stated through government decree instead of through market economy processes.

The basic problems of privatization in post-socialist countries are aptly summarized in a witty aphorism credited to Janusz Lewandowski, Poland’s Minister for Ownership Changes in 1991: “Privatization is the sale of enterprises that no one owns, and whose value no one knows, to buyers who have no money.”

Ideally, privatization is accomplished through three broad categories: divestment, displacement and delegation. Divestment of a business is the selling, donation as a business or liquidation by selling the assets. Displacement allows the government to be replaced over a period of time by private enterprise. Delegation is the management over the private sector in the production of services or goods. Because of much confusion and limited or no legislation during the beginning of the 1990’s, these three privatization techniques mutated into something called Spontaneous Privatization.

This process involves leasing the firm’s assets at a cheap price to a newly created private firm that belongs to and consists of the enterprise’s senior management, or even selling the enterprise to a foreign firm in a self-serving, questionable and possibly corrupt transaction. This is tantamount to simple appropriation (actually, misappropriation) of the state enterprise by the managers.

This unscrupulous practice is now outlawed, but not after a large percentage of state property was appropriated. The benefactors became part of small group of extremely rich property owners called the “Economic Elite” or Oligarch’s. These players are very much the mechanism of real estate development in Moscow and a group whose primary focus has been short term profit at the expense of long term sustainability.

The decline of centralized power has created small independent units resulting in fragmentation and isolation of the urban fabric. Furthermore, because of developer desires to increase density, these independent units have overloaded the existing infrastructure of the city. The result has been the dramatic rise in traffic and the increase of demand on utilities and city agencies. While the profit from these developments goes to private owners, any upgrade to the city’s infrastructure is a collective cost that everyone will have to pay.

2.0 CITY PLANNING

Moscow has been working without an official zoning plan for many years, allowing arbitrary decisions of development. These decisions are usually influenced by the desires of private developers and many times done through questionable interactions between developers and city officials. Because the vagueness of the zoning laws, the city has been working on the development of an official zoning
plan for over ten years. In May 2010, a new development plan was approved for the city. This plan, referred to as Genplan 2025, see Fig. 1, promised quality housing, better roads, longer subway lines, more public space and the preservation of the historic center. Through the new zoning strategy, the plan divided the city into two parts - a stabilization zone and development zone. The stabilization zone includes the old residential areas in the city center and plans for substantial infrastructure development and repairs. Development zones include old industrial districts and existing five-story housing blocks of which are to be largely demolished to make room for new development.

The release of the plan was immediately followed by heavy criticism. Many arguing the plan was illegal and a “death sentence” for Moscow. It is projected, that if executed, Moscow will see 200 million square meters rise and 5 million square meters will be demolished. According to Anton Belyakov, State Duma deputy from Fair Russia party; The demolition will include as many as 300 monuments, while leaving the future of another 1,500 at risk.11
The reality of the plan was the hidden influences and financial desires of private developers were revealed. Because Moscow has a limited administrative boundary; only through the substantial increase in building density, at the city’s center, could the financial aspirations of the developers be met. A density which could not possibly be supported by the existing infrastructure of the city and even through proposed increases in roads and metro extensions would only serve to demolish and destroy the historic fabric of the city. See the red zones in Fig. 1. Mikail Blinkin, traffic expert, explained the burden resulting from continued development of the city center;

I’ll give you the simplest example. We demolish five-story buildings from the Soviet times and put up a 30-story building in their place. The surrounding transport network, for cars and public transportation, we leave unchanged.10

Currently many businesses, to avoid increasing traffic and expensive rents are looking for new opportunities outside of the city center and in the surrounding administrative zones of Moscow Oblast.

While the city was trying to evaluate the plan for its future, a dramatic change took place in the Moscow government. In October 2010, Sergei Sabyanin, was nominated as the new mayor, replacing Yury Luzhkov the mayor of 18 years. His immediate response was to suspend the implementation of the GenPlan and further analyze the needs of the city. As of this time a new proposal appears to be a few years away.

3.0 INDUSTRIAL SITES

The transformation of former industrial sites has been going on in the US and Europe for almost 50 years. In Moscow however this is a new process, one that is taking place in a unique context, between the fall of the soviet government and the ongoing world financial crisis. The current process is being shaped by an architectural heritage crumbling under the race for the new.

Many of the industrial sites which were built in the previous century became part of the city center. These zones occupy about twenty percent of Moscow’s territory. Because of the high demand for property, these facilities have been and are targets for redevelopment. The dilemma the production companies faced was the entities were not as valuable as the property they occupied. Economically there was a need to move these facilities out of the center of Moscow, since any attempt to refurbish them as manufacturing facilities was financially unprofitable.

Today, the logic of the new market economy exerts strong pressure for the redevelopment of these sites to other uses, especially in the more central parts of the city (the sales value of land inside the Garden Ring in 2005 was estimated at over 8,000 USD per sq m). These development pressures already started to push out industrial uses to the periphery where they could be accommodated on new greenfield sites with lower land rents and plenty of relatively easily accessible space.11

Within these types of facilities there are three levels of quality and financial investment; the elite high end, class B Business and low end Soviet Era facilities.

These industrial buildings are usually rated class “B” grade buildings. The most common approach to reusing these facilities is business and high end residential developments. Rarely are these facilities considered class “A” buildings; which is usually held for brand new construction. Because these facilities held industry, sometimes heavy industry, the buildings are perfect for adaptive reuse. Large spacing of columns, tall floor to floor heights and overbuilt structures allows these buildings to easily support most types of program. Usually these buildings are in a complex of buildings, a campus of sorts. Under socialist times the allocation of space needed for these facilities was not based on market value of land, but the determination of government officials. Therefore, many of these complexes are of low density in comparison to the surrounding city. This is the primary reason why the complexes take up such a large percentage of urban land.

As pseudo campuses, these complexes are usually redesigned by keeping or enhancing tall barrier walls along the street and sidewalk. These are only interrupted by locked gates for vehicular access, which security personnel continuously patrol. Additionally, access into the buildings entrances are secured by both guards and a security pass system. Within the complexes, most open space
is consumed by parking; ignoring the potential for a pedestrian campus. An example of this is “Danislavsky Dvor”, (Fig. 2).

David Harvey and Matteo Pasquinelli have pointed out that the creatives often play the part of the bait in complex real estate operations that ultimately aim at the substitution of the creative ‘pioneers’ with bourgeois ‘gentrifiers’.12

Recently, a number of developments have used the arts or academic community as initial inhabitants. Their use of the facilities generates interest and activity and therefore increases the value of the properties. Ultimately, however, the facilities are gentrified and the creative class gets pushed out once the value of the properties increase beyond the means of the initial inhabitants. The following projects show different attitudes towards the use of cultural program to instigate development in these types of facilities.

The Bakhmetevsky Garage 1926-27, by Konstantin Melnikov, see Fig. 3., is now a non-profit exhibition space dedicated to the promotion and development of art and culture. This facility is maintained by outside private funding and is a model of cultural development which has saved a significant piece of Russian modernist architecture and promoted a cultural program. This is a top down approach and ultimately is dependent on the good will of the economic elite.

Figure 2: Danislavsky Dvor. Source (Author, 2010)

Figure 3: The Bakhmetevsky Garage (Author 2010)
The second example of cultural development is Proekt Fabrika, which is an active manufacturer of paper used to print images on porcelain. It is the only factory of its type in Russia. The unused parts of the factory were changed to cultural production when there was a reduced demand for various paper products. A number of the lines were eliminated and factory space became available. The head of the factory decided to introduce cultural program in 2004 to use the extra space. The profits of the paper support the galleries and visiting artists. It is a non-profit art center and completely independent of city government and outside funding. This allows an autonomy that many of the art centers through the city do not enjoy. They have also joined partnerships with art organizations outside of Moscow, in Europe and the United States, such as the NYC gallery Sputnik.

The last and largest development, using cultural program, is the Red October Chocolate Factory (Fig. 6) on Bolotny Island. It is one of largest industrial complexes going through adaptive reuse in the city. The development has been placed on hold primarily because of the global financial crisis. Initially the island was meant to be turned into a luxury residential zone, called Golden Island, and was to house only the extreme rich in large private residences. However, because of the credit crunch, it has allowed a small artist community to inhabit the facility at a very low rent and even more importantly the complex now holds a new school of architecture, Strelka Institute of Media, Architecture and Design. It is a post graduate school, with a curriculum designed by Rem Koolhaas. Both cultural programs are initiators to the development of the complex and have brought recognition and interaction into the facility. Additionally, the complex has created a social hotpot by bringing in nightclubs, restaurants and bars. Since the complex is in the middle of the city and adjacent to many of the major landmarks of the city, there is intense pressure by the public to develop this site with long term solution to public access to privately owned property.
What is additionally interesting about Strelka and Red October is that the investment of the rich is focused not only on the financial viability of the complex, but it also the education of a new generation. It is a unique approach to these types of developments and is beyond the standard approach seen throughout the city to this point.
CONCLUSIONS

The question of what kind of city we want cannot be separated from what kind of people we want to be.

David Harvey

Socialist industrial complexes in their historical role as well as in their current state of transformation can be viewed as political, economic and social microcosms of the Russian society. Dominant in the urban landscape of the capital city they played a central role in shaping the urban life in Moscow for most of the twentieth century. Constructed as industrial manufacturing facilities, they supplied jobs for thousands of people and at the same time played a social and symbolic role in shaping the identity of the soviet man. With a primarily autarkic economy each facility was responsible for a specific product. From chocolates to cars everything was “USSR” made and a source of national pride. Growing to inhabit almost twenty percent of Moscow’s land these facilities became central to shaping the urban fabric of modern Moscow. Developed with minimal land limitations, they were often oversized, centrally located and impossible to miss.

Originally conceived as mechanisms of collective productivity and symbols of proletarian power, these facilities are now being turned into introverted islands of capitalist illusions. From spaces that celebrated the state ideology and at least conceptually belonged to the working class people; they have now, following the collapse of the USSR, have been almost fully privatized and isolated from the public.

In a desperate attempt to catch up with western capitalism, the Russian economy puts everything up for sale. An economic evolutionary process that took the west almost a century is being compressed in Moscow into several years. While a long term plan is yet to be finalized and approved by the new mayor development has only temporally slowed down by the global economy.

More often than not the industrial facilities, once privatized, are developed with very few substantial limitations from the city. With no considerations of their impact on the existing local fabric, public accessibility, or the city infrastructure that will be required to support them. They are like parasites, taking what they can and turning away. Taken away from the working class in the nineties, they are now being taken away from the city as a whole.
As reflected in current trends of development, Moscow and its inhabitants are experiencing a psychological barrier, a post-soviet trauma. Still blindly reacting to its past, Moscow assumes conflict between public and private space. However, it is possible that in these facilities, embedded with meaning, the preconceptions of what constitutes space can be re-imagined and the imprint of a societal trauma can be slowly erased. Through actualizing the integration of public and private, Muscovites can experience a different kind of public space. One that brings together people through chosen and desired interaction and not through programmed government and a top-down approach.

Finally, only twenty years after the fall of the Soviet state Moscow is experiencing yet another major transition politically, economically, and culturally. Through the global financial crisis, which has placed much development on hold, and an appointed new mayor who is willing to challenge previous assumptions, there is a small respite and an opportunity for the city to take a breath and plan its future. As the economy has cooled down, different and more nimble approaches to development have started to appear. Possibly, as seen in the Red October factory and Strelka these places can be points of culture, entertainment and most importantly discourse. These approaches are harnessing a younger generation of citizens who do not have the psychological barriers of the past and are questioning the biases of the previous generation. “What type of city does Moscow want to be?” should be a question asked as transformation of industrial site continues to reshape the life of Moscow.

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