

Residential Differentiation in the Transition from Socialism to the Market Economy. The Case of Tallinn, Estonia.

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In my PhD-thesis titled «Urban Transition - the Residential Differentiation of Eastern European Cities in the Transition to the Market Economy» I will compare the effects of transition on residential differentiation in Tallinn, Budapest, Prague and Warsaw. In the PhD workshop at Finse I would like to present a paper discussing the socialistic heritage of these four cities in general, and in particular the effects of the transition on the social structure of Tallinn, the capital of Estonia. The emphasis will be on the socioeconomic differentiation, although the ethnic differentiation is also discussed when relevant.

The method I will use in my PhD-thesis is comparative urban research. My empirical data consists of official statistics and the real estate market reports done by the real estate firms. I also intend to conduct interviews with key groups of urban development: real estate developers, finance managers, real estate market analysts and urban planners. In my presentation at Finse I will first discuss the results of my Master's thesis (January 1999) and secondly, the new empirical material consisting of interviews with experts and newspaper articles I have collected in Tallinn.

The discussion on residential differentiation in socialist cities was launched by Iván Szelényi's study *Urban Inequalities under State Socialism* (1983). Because it was written already in the early 1970's, it no longer depicted the situation in the late 1980's. In my paper my aim is to update this study concerning the differentiation processes in Eastern European socialist cities in different

decades of the socialist era, and discuss the subsequent types of social structure. In my paper I will also discuss how the housing reform, i.e. the transition to the market economy will influence the residential differentiation. I will use Tallinn as a case study to show some of the new trends of urban development, and their relation to the old physical and social structure of the city. I will also compare Tallinn to other cities, e.g. Sykora's (1994) study of Prague and Szelényi's (1996) study of Budapest.

The housing reform consists of the privatisation of the public housing stock and urban land, the privatisation of public housing construction, and the replacement of public housing allocation by the housing market. The privatisation of the housing stock means both giving ownership to an old tenant and restitution, which means that the property will be given back to the previous owners or their inheritors. The consequences of transition vary in different parts of the housing stock. Especially restitution, which concerns the old urban structure in the centre of the cities, can be regarded as a «motor» for urban development. The change of ownership usually concerns the whole real estate and set the stock on a move. In the transitional cities the role of urban planning is to provide only general guide lines for urban development; not detailed regulations for development projects that are left to private agents and partnerships (e.g. Kuhu areneb Tallinn 1996; Hoffmann 1994.) This corresponds to the recent trends in the western world. Hence, my PhD-project concerns market pressures as new challenges for urban planning.

References

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