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Homeowners' Associations in Russia

after the 2005 Housing Reform

Kikimora Publications/2009

ISBN 978-952-10-5148-7

ISSN 1455-481X

ISBN 978-952-10-5150-0 PDF at <http://ethesis.helsinki.fi/>

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Cover design: Vesa Tuukkanen

Gummerus Printing 2009

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Acknowledgements

I am greatly indebted to all the people who have contributed to the completion of this thesis in one way or another.

I would like to thank all the respondents who were willing to be interviewed for this study and without whom this publication would not have materialised. My deepest gratitude is to my supervisor, Professor Risto Alapuro, who gave me the opportunity to participate in the research project led by him, called Self-Governmental Associations in North-West Russia. I am very much indebted to his guidance and patience in commenting my work over the years. I am also truly grateful to other members of the research project: Professor Oleg Kharkhordin and my colleagues Olga Bychkova, Olga Kalacheva and Evgenia Popova. Thanks are owed to research assistant Dilorom Akhmedzhanova, who not only handled the practical arrangements of the interviews for me, but also shared the challenges of the fieldwork with me. I must say a special word of thanks also to another research assistant, Anna Tarasenko, for making the arrangements for data collection in winter 2008.

I wish to thank my colleagues in the Department of Sociology at the University of Helsinki, in particular participants of the Spaces of Democracy seminar, for their valuable comments on the drafts of this thesis. I attended two post-graduated schools that have been important for my work: the Graduate School for Civil Society Research of the Finnish Doctoral Program in Social Sciences and the Russia in Europe Graduate School in Border Studies. I want to thank the members and Professors of both schools for their comments. My work greatly benefited from the remarks of fellow researchers at the European Network for Housing Research (ENHR) Conferences, which I am grateful for. I am also indebted to the pre-examiners Professors Markku Kivinen and Elena Shomina for reviewing the manuscript of my thesis.

I want to express my gratitude towards Martti Lujanen, Director General in the Ministry of the Environment, for his insightful comments

and enthusiasm on the subject that encouraged me to pursue my work. Apart from the people mentioned, I am obliged to the following people for their advice and support on my work at its different stages: Aurore Chaigneau, Professor Natalia Lebina, Sampo Ruoppila and Anna-Maria Salmi. I must also give my thanks to fellow researchers Tuula Teräväinen and Terhi Tuominen, who shared the same office with me for many years, for making the work days a lot more enjoyable than they would have been without you. Finally, I would like to express my gratitude for my friends and family, my parents Maija and Timo Vihavainen, and my siblings Jussi Vihavainen and Marja Tingelöf, for their support.

Writing this thesis has been made possible by funding from the Academy of Finland and the Finnish Doctoral Program in Social Sciences. This work was carried out at The Department of Sociology at the University of Helsinki that provided me comfortable working environment. Kikimora Publications at the Finnish Centre for Russian and East European Studies (The Aleksanteri Institute) accepted my thesis for publication. The support of these institutions is gratefully acknowledged.

1. Introduction

Since the start of the Soviet era, everyday Russian life has been characterised by unsatisfactory housing conditions. For decades a shortage of housing forced the majority of the urban population to live in cramped conditions in communal apartments.¹ Housing stock was owned and managed almost exclusively by the state, while new construction and maintenance was neglected, which led to deteriorating quality of housing. The common areas of a house – including staircases, lifts and courtyards – were considered public property and treated as a kind of no-man's land that everyone could use but no one cared for. Since the collapse of the Soviet Union people have gained the possibility to own their apartments. As the next step after the privatisation of housing, the management of housing is now being transferred from the public sector to the private sector.

The right to own has brought with it an obligation to take care of the common areas in privatised houses. It is this fundamental change that the author examines in this book. The privatisation of state-owned housing and housing management is a process that either has been or is currently being implemented in all post-socialist countries. Russia is, therefore, one part of the large-scale development taking place in Eastern Europe. In 2005 a new Housing Code came into force, making homeowners fully responsible for the management and maintenance of their property. One way to do this is to establish a homeowners' association (*tovarishchestvo sobstvennikov zhil'ia*, *TSZh*). Homeowners' associations are a new phenomenon in Russia and have not been thoroughly studied to date. A study on homeowners' associations is valuable, therefore, as it can illustrate the development of a self-governing housing management association. One of the core questions of this study is how homeowners run the associations and manage the common property.

The notion that everyone needs a roof over their head makes housing an important social issue. The defects in the Russian housing situation have been politically recognised, and housing is now the subject of one of the

1 The term 'communal apartment' refers to an apartment shared by several families, each typically occupying one room and sharing kitchen, bathroom and other common facilities.

four national priority programmes in Russia (along with health, education and agriculture). The fact that homeowners' associations are at the core of the new housing reform makes them a topical subject to study.

Against this background, I use two theoretical approaches for studying homeowners' associations. Firstly, the so-called common-pool resource regime approach is used to analyse homeowners' associations as self-governing associations, with the main question being the ways in which collectively taking care of common areas succeeds in practice. The change from state patronage to collective homeowner responsibility is substantial, as Russians have no prior experience in managing private property. Some collective-action problems such as free-riding, when some individuals enjoy the results of others' efforts rather than cooperating for the common good, can be expected.

Secondly, I use the concept of social capital for examining the internal dynamics of homeowners' associations and their potential to work as a breeding ground for democracy. The questions of whether social capital is produced when homeowners cooperate in decision-making and whether it can help to overcome the free-rider problem are examined. While joint decision-making in the associations may increase cooperation between residents, it can also be hindered by the withdrawal of some individuals, and can create tension and disputes between neighbours. In addition to residents' relations within the association, I examine the association's relations with outside parties, such as local housing authorities, housing companies and the media – all of which can contribute to or obstruct the development of self-government in the associations. In this chapter I first present the framework of this study, that is, the situation in the field of housing in Russia. The state of civil society in Russia and the position of homeowners' associations there is described next, followed by an introduction of the theoretical concepts I use herein and an examination of their applicability for studying homeowners' associations.

1.1. Housing and Homeowners' Associations in Post-Socialist Russia

Housing has been subject to profound changes since the start of privatisation in 1991, which makes it a particularly interesting field for research in a post-socialist context. The so-called transition from a socialist to a market economy may generally speaking have been completed by the early 21st century but the process in the housing sector is not yet finished. Housing is a basic human need and housing reform directly affects the lives of Russia's population of over 140 million people. Housing and housing-related problems are a constant subject of discussion in the Russian media, which speaks to the actuality and importance of the reform. Deteriorating housing stock, new construction, housing scams and experts' debates on housing reform are common topics in the media. Defects in housing have led to an increase in activism in recent years and a number of housing movements and organisations have emerged in the country. Recent civic activity has been strongly directed at housing, which indicates the importance of the subject. Although social movements are not very common in Russia, defects in housing is one of the major themes on which social movements do focus. For example, organisations have been established to represent people who have suffered in the course of the reform. Resident organisations have also become common, such as house committees and homeowners' associations for improving the management and maintenance of multi-family buildings.

The new market-oriented housing system is being built on the legacy of the Soviet housing system, which has a great impact on the current situation. In the Soviet Union the state had a monopoly on housing ownership and distribution, as well as on the provision of housing and communal services. The allocation of housing by public authorities and state enterprises enabled strong control of citizens. Good citizens and merited workers were rewarded with better housing. The Soviet Union ensured its citizens housing that was almost free and tenants' rights were very secure, but the price for these rights was loyalty to the state. Working and living were intertwined, which made it virtually impossible to obtain a dwelling without a job and vice-versa. Although the Soviet system officially aimed for egalitarianism, there were definite inequalities in the system. In this sense housing was no different from other goods: there was a shortage of hous-

ing as there was of consumer products and the elite enjoyed better housing and better access to goods that were unavailable to the masses. In order to control urban population growth, a residence permit system known as *propiska* was created, which tied people to their place in the countryside and restricted their ability to move to the city (see, e.g. Meerovich 2004; Højdestrand 2005).

Since the collapse of the Soviet Union the state's monopoly position has been reduced, firstly through the privatisation of housing stock in the 1990s. Reform of the housing sector continued with the extensive housing reform that came into force in 2005 and covered the entire housing sector. As a continuation of the housing privatisation, the new Housing Code transferred the management of privatised housing from the public to the private sector. The new legislation ordered homeowners to organise the management of multi-family buildings independently. Homeowners now have three alternatives: to (1) form a homeowners' association, (2) hire a management company or (3) manage the house directly without an association. A homeowners' association is by definition² a non-profit organisation, established for the management and maintenance of common property in a multi-family building (*Zhilishchnyi kodeks*, Article 135). Although homeowners' associations have existed in Russia since 1996, they have become much more common since the implementation of the reform. In 2007, 35 percent of multi-family buildings in St. Petersburg had chosen this type of management; of that 35 percent, 19 percent were homeowners' associations or housing cooperatives (*Fond Novaia Evraziia* 2007). The concept of homeowners' associations is a novelty in Russia, although self-management of housing had existed in the country previously in the form of housing cooperatives.³

Of the other two alternatives, direct management by residents is quite rare and typically opted for in small houses that only have a few apartments to be managed. Direct management means that every household makes a separate contract with the service providers. It can be difficult to manage a larger building complex without an association or a company as

2 This translation is the author's, as are all translations herein from Russian to English.

3 However, after the 1920s and 1930s, cooperatives were not a mass phenomenon; in 1990 they accounted for only four percent of the country's housing stock (Struyk 2000, 4).

there is no executive organ or account to save money for the repairs, etc. The management company alternative, meanwhile, has recently increased in popularity. While it avoids some of the problems present in residents' self-management, such as low participation in decision-making and insufficient knowledge about management, it does have some difficulties of its own. The market for management companies in many cities is restricted, so there are few alternatives for residents, and some of the companies in the market are unreliable and/or incompetent. Furthermore, the management company alternative does not allow residents to participate in the management process.

During the Soviet era, not only the apartments but also the common areas of the house – staircases, courtyards, cellars, attics, etc. – were owned by the state. Private property was nationalised after the Revolution of 1917 and access to previously private courtyards and houses was opened, demonstrating that it was now the common property of the people. As a result, nobody felt responsible for the common areas, which were treated carelessly, as a kind of no-man's land. Municipal housing maintenance was inadequate (because public sector resources were directed elsewhere, e.g. to heavy industry), and the condition of staircases, lifts and other common areas became miserable, run-down and dirty. The law on housing privatisation in 1991 made the privatisation of dwellings possible and stated that homeowners had a joint financial responsibility to maintain common areas. However, housing management was still municipally controlled, although some residents started to form informal organisations, such as house committees, to improve the condition of their houses. Private management by homeowners became possible with the 1996 law on homeowners' associations. Wide-scale change did not take place until 2005, however, when the Housing Code stated that homeowners are joint owners of common property and thus responsible for management of the property.

Giving homeowners responsibility for the management of common areas is likely to be problematic. First of all, residents are not accustomed to taking care of their property and they lack the practical and technical knowledge to do so. In the Soviet Union the citizen's role was passive and residents had very limited opportunities to improve their housing conditions. Apart from a lack of knowledge, there is also the psychological barrier created by a lack of interest towards common property. The prevailing mentality has been 'my house is my castle', that is, residents are interested

only in their apartment and are not concerned with common areas of the building. Taking care of one's property used to end right where the proprietary right ended, on the doorstep of one's apartment. Many people are not used to considering the common areas as their own property, which can make it difficult to get them feel responsible for the condition of staircases, courtyards, lifts and other communal areas.

The Housing Code aims to develop the market and improve material conditions but it also encourages people to be effective actors in the market. Homeowners' associations are the embodiment of this task, the decision-making channel for residents, a sort of experiment in democracy and an early step towards civic activity on a grassroots level. However, with the ability to take action comes an obligation to take responsibility, whether or not the people involved are willing and capable. Accordingly, activating residents is a great challenge for the reform. The question of to what extent such activation succeeds in homeowners' associations is studied herein. Nonetheless, the role of individuals should not be over-emphasised, as the institutional framework is at least as important. While law-making takes place on a national level, reform is put into practice locally. Local authorities therefore play a significant role in the success of homeowners' associations. The authorities may promote and support the establishment of the associations but they also have the power to restrict them or even close them down.

There are also material impediments that hinder effective self-management, such as a lack of financial resources. This is due to the fact that privatisation was based on the principle that a tenant could claim ownership of their apartment free of charge (*Zakon o privatizatsii zhilishchnogo fonda* 1991). This has made the situation very different from that in the West, where financial resources are needed to be able to purchase an apartment, even when a home loan is taken. The free privatisation has led to a situation where for many Russians the apartment is their only financial asset and they cannot afford to maintain their own living quarters, let alone the common areas. The amount of dilapidated housing stock in Russia is high; 11 percent of the country's housing was in need of urgent renovation in 2004 (UNECE 2004, 35). Although new (mostly private) construction and repairs have, until recently, been very active in St. Petersburg, there is still a large amount of housing in the city that is in 'emergency' condition due to the large amount of old housing stock, for which proper repairs have

been neglected for decades. Dealing with deteriorated houses and their infrastructure is therefore an obvious financial burden for homeowners' associations.

This study is based primarily on interviews with 40 respondents, made up of homeowners' associations' chairpersons and residents as well as 'experts' such as local housing authorities, NGO activists and politicians in St. Petersburg. Fieldwork was conducted between 2005 and 2008 and the interview data is complemented with newspaper articles on the subject of housing reform. Through the data I will examine how the new management system works in practice and how the residents are adjusting to it.

This study focuses on St. Petersburg, where homeowners' associations are quite widespread but where the city's characteristics pose special challenges for housing management. To some extent the data describes homeowners' associations across the whole country, but at the same time the associations' management is greatly affected by the city's distinctive features. The city's housing stock ranges from very old and deteriorated to property to new, luxurious, 'elite' houses. A large proportion of the city's housing stock was constructed in the early 1900s, the 1800s, and even as far back as the 1700s. In addition to the pre-revolutionary housing stock in the centre of the city, the city's suburban districts are shaped by the mass construction panel housing of the 1950s and 1960s. There are still a significant number of communal apartments in the centre of St. Petersburg⁴, although this number is steadily shrinking. Communal apartments make management of the house especially challenging because of their mixed social and ownership structure.

The homeowners' association is a new phenomenon in Russia and, as far as can be ascertained, it has not yet been subject to any sociological study, which means that this study offers an interesting presentation of the subject. The post-socialist change, in a general sense, has been studied, along with certain specific questions. Some research has been conducted on the development of housing in post-socialist countries, including Russia (e.g. Struyk 2000, Clapham et al. 1996) but most of the research on housing in Russia has been economic (e.g. Struyk et al. 2001) or historical (Lebina & Chistikov 2003). Non-academic, empirical research reports

4 44 percent of apartments in the centre of the city in 1998 were communal (Kornev 2005, 77).

on private management in the former Soviet Union have been conducted by The Urban Institute on topics such as condominiums in Uzbekistan (Rabenhorst et al. 2002). Studies on socialist housing, the communal apartment (Utekhin 2001, Gerasimova 2002) and housing cooperatives (Andrusz 2002) have also been written. In general, more research on housing exists in Russian (e.g. Lebina 2003) than in English, which targets a different audience. Homeowners' associations and collective action have been studied elsewhere in the world, such as in Chen & Webster's study on Taiwan's homeowners' associations (2005). There is also a need for a study of homeowners' associations in Russia, a research subject that is topical and important in two senses. Firstly, homeowners' associations reflect the fundamental change in the housing sector at the moment and secondly, as self-governing organisations they are new actors in Russian civil society.

1.2. Homeowners' Associations in Civil Society

I examine homeowners' associations as social organisations and as part of civil society. Civil society has been defined as a 'third sector', a counterforce to the state and the market. It belongs to the public sphere, apart from the private sphere of family. Actors in civil society are ordinary people, which differentiates it from the elite-run state and market sectors. Although the arenas of political, economic and civil society are separate, they overlap and are dependent on each other (Howard 2003, 35). For most scholars, social organisations are a component of civil society but not necessarily the only component. Various forms of civic engagement, such as social movements, social networks and 'uncivil' groups (organised crime) are sometimes also counted as civil society actors (Henry & McIntosh Sundstrom 2006, 323). The framework for organisations is, to a large extent, provided by the state, as civil society operates within the regulations stated in the law and the organisations can be dependent on state funding. The spectrum of social organisations is wide, ranging from self-help or interest associations to those that are politically oriented and those that focus on solving social problems.

Although homeowners' associations do not necessarily fit into any of those groups presented above, they are self-governing and voluntary, based on collective decision-making. Unlike their counterparts in the

West, homeowners' associations in Russia require participation and effort from their members to the extent that they are more than just management tools. A social organisation (*obshchestvennoe ob"edinenie*)⁵ is, according to the definition of the federal legislation of Russia, a "voluntary, self-governing, non-profit formation, established on the initiative of citizens, joined together on the basis of joint interests for realising joint aims, stated in the articles of the social organisation" (*Ob obshchestvennykh ob"edineniiakh*, Article 5). Homeowners' associations fit this definition but the term 'social organisation' is not used in reference to homeowners' associations in the Housing Code. The Housing Code focuses primarily on the management function of homeowners' associations, hinting that their role as social organisations is of secondary importance. On the other hand, a homeowners' association is a '*nekommercheskaia organizatsiia*' (non-profit organisation), as defined in the Housing Code, which is also the name that non-governmental organisations in Russia use about themselves.

The general understanding is that there was no civil society in the Soviet Union, as all social organisations were either created by the Communist Party or made subordinate to it (Evans 2006, 48). Civil society as an arena separate from the state did not exist or existed only as an underground phenomenon (Szabó 2004, 84). During perestroika it became possible to organise 'informal' groups (*neformaly*) (Evans 2006, 44) and social organisations started to emerge in the 1990s when they obtained legal status (Cook & Vinogradova 2006, 28). However, later associational activity has decreased and it can now be described as extremely low. Survey results reveal that 90 percent of the population do not belong to any recreational association or organisation (Remington 2002, 84). When estimating this figure it should be noted that passive membership is rare in Russia, the members that are involved are usually active (Kulmala 2008, 55).

The weakness of civil society has been explained in terms of the reluctance of its members to participate in associations, the lack of an insti-

5 '*Obshchestvennaya organizatsiia*' is most often translated as 'social organisation' (e.g. Evans 2006, 49–50), although the term '*obshchestvennyi*' may also be translated as 'public' or 'civic' (Salmenniemi 2008, 4). 'Civic', however, translates better as '*grazhdanskii*' (cf. civil society - *grazhdanskoe obshchestvo*) and denotes the political nature of the associations. Accordingly, the term 'social organisation' is used here instead of 'civic association'. The term 'nongovernmental organisation', or 'NGO' is also used.

tutional basis for the associations, an emphasis on personal connections in state-society relations and the state's dominating role in the political sphere (McIntosh Sundstrom & Henry 2006, 305). Marc Morjé Howard has argued that low participation in social organisations can be attributed to three main causes. Firstly, there is general distrust in organisations because participation was obligatory in the Soviet era. Secondly, social networks are so strong that people do not feel the need to participate in social organisations. Thirdly, general disillusionment with post-Soviet social and economic development has led to withdrawal from public life. (Howard 2003, 26-9). However, there seems to be changes afoot in terms of attitudes towards civic activity: 70 percent of citizens had a positive opinion of civic activity in 2004 (Kulmala 2008, 55). A positive attitude towards civil society does not, however, equate to actual participation in social organisations.

There are differing views about whether the strong role of informal social networks has positive or negative implications for civil societies in post-socialist countries. Howard has argued that the tradition of strong networks of friends and connections has inhibited the development of civil society and that people operate through personal, informal networks rather than by forming associations (Howard 2003, 27-8). Evans (2006, 49) notes that the strong reliance on authority figures and patron-client relations has prevented the formation of social organisations. On the other hand, Laura Henry (2006) found that the division between official organisations and informal networks might be blurred and that associations can be formed on the basis of networks, a view supported by Suvi Salmenniemi (2008, 224).

Since the mid-2000s freedom of association has been significantly restricted. The law on social organisations was amended in 2006, tightening foreign funding and obligating organisations to report their activities carefully (Salmenniemi 2008, 2). The reason for this was to prevent foreign intrusion into Russian political life, because social organisations have often received foreign support (Cook & Vinogradova 2006, 29). In addition to narrowing organisations' ability to act, such a change can make them more cautious about criticising authorities and more likely to strive for cooperation with them. According to Evans, Vladimir Putin's administration has publicly promoted civil society but within the limits defined by the state. From the government's point of view, civil society is supposed

to support the policies of the state and be loyal to it, not to criticise or challenge it. (Evans 2006b, 152; Salmenniemi 2008, 230). In Putin's Russia, the state considers that civil society consists of individuals rather than of organisations. This viewpoint can be used to undermine the importance of organisations and to restrict them (Belokurova 2008).

However, empirical studies show that the authorities and social organisations are not necessarily in opposition to one another (Kulmala 2008). Both the state and local level authorities regard those organisations that focus on social questions more positively than politically critical ones. Organisations directed at social problems reduce the state's burden by taking care of some functions that have traditionally been provided by the state (Pursiainen 2000, 24). As noted before, local authorities have the power to restrict or even close down social organisations. More often, however, local authorities regard social organisations positively because the organisations help authorities to fight social problems and provide social services (Kulmala 2008, 48-9.) Recent local government reform has transferred social services to the local level, thereby burdening local budgets (Gel'man 2003, 48). Therefore it is not surprising that local authorities welcome organisations that focus on social issues. Organisations can be funded by outside actors, some of which are even foreign, which brings additional financial resources for the municipality (Kulmala 2008, 49). Some municipalities have conducted pilot projects that involve hiring social organisations as service providers (Chagin & Struyk 2001).

Meri Kulmala has described the relationship between local authorities and social organisations as one of interdependence: social organisations need to be acknowledged and 'morally' supported by the authorities, while the municipality needs the help of social organisations in social services and funding. Social organisations are not a clear counterpart to the authorities; rather, these two structures overlap and social organisations may work partly within the public sector. The division between activists and authorities is not clear either, as officials may act in both roles (Kulmala 2008, 49-50, 55). Social organisations in Russia prefer to emphasise that they are not political and that they focus on social questions. This does not mean, however, that the organisations are politically insignificant. Some activists seem to understand politics in a very narrow sense, only as party politics. Despite cooperation with local authorities, organisations may still confront the authorities and become politicised by objecting to the

prevailing order regarding practical questions. (Kulmala 2008,51). On the other hand, Cook and Vinogradova found in their study that many social organisations in Russia are not really independent but are more like puppet organisations, effectively run by the authorities. These organisations are financially supported by the authorities while other, more independent organisations operate within the tight legislative restrictions. The puppet organisations are opposed to the idea of social organisations as independent civil society actors (Cook & Vinogradova 2006, 38).

Civic activity in the field of housing increased in the 1990s when new homeowners started paying attention to the poor condition of their houses. Residents formed informal associations, such as house committees, to improve the maintenance and security of their houses. Some house committees were later turned into homeowners' associations, as their aims were effectively the same. In addition to maintenance organisations, protest movements have emerged to object to rising housing costs and to make housing the responsibility of the citizens. Organisations dedicated to spreading information on housing reform and educating residents have also emerged since the 1990s, and particularly in the 2000s.

The position of homeowners' associations in the field of civil society is multi-faceted. They are established for the private management of housing, which is strongly encouraged by the state. Development of the housing sector is currently a top state priority in Russia and there is an on-going national priority programme for the development of housing from 2005 to 2010. Therefore, although homeowners' associations are self-governing resident organisations, they are also the result of reform by the authorities and thus closer to the state than other social organisations. In addition, homeowners' associations are also service providers and, as such, are closer to the market than social organisations in general. They are a link between the state and the economy, taking care of housing management privately; not as business enterprises but as non-profit organisations. Homeowners' associations have been encouraged by the state and can therefore be expected to receive support from the authorities, perhaps even to cooperate with them in the management of housing stock. Homeowners' associations differ from traditional social organisations in that they do not receive foreign funding, operating instead on the residents' own resources and possible governmental subsidies.

Homeowners' associations are not typical social organisations. Instead

of focusing on social problems or challenging the prevailing political order, their intention is for homeowners to take care of their own property. They are not clearly professionalised or organised⁶ but they are more than just informal, grassroots associations (c.f. Henry 2006b). They are housing management organisations based on residential self-government. Homeowners' associations are democratic in form but most have not been established on the residents' direct initiative. Thus, the associations are initiated from the top down rather than from the bottom up, as the reform is enforced by the authorities. The associations are voluntary, unlike homeowners' associations elsewhere in the world. This is important from a civil society perspective, as being a voluntary association makes a homeowners' association a more 'genuine' actor in civil society. Although homeowners can choose whether to join an association, the members are responsible for participating in order for the association to function. Making membership voluntary may complicate the management if a large proportion of the owners decide to stay outside. Although not joining the association is rare, it is still a fundamentally significant issue. This study looks at how democratic decision-making and self-governing succeeds in homeowners' associations. What role do local authorities, private companies and other actors play in transferring housing management from the municipality to the associations? Do they facilitate or hinder the ability of associations to achieve effective self-governance and management? Because local authorities have a considerable role in the reform's implementation, it is important whether they act favourably for the associations or whether there are disagreements and conflicts between the two parties.

A key issue is the extent to which the homeowners really are in power. This question arises because some homeowners' associations have hired a management company or manager to handle practical management issues. In this case the real power may lie with the professional company and, if so, the idea of self-government would not apply. Secondly, authorities may impede the association's self-governance by preventing it from working independently. Further, studies have shown that participation in homeowners' associations in the former Soviet Union was low (see Rabenhorst et

6 The degree of professionalism varies greatly. Some associations operate solely on voluntary basis, while others have paid bookkeepers, managers and other staff.

al. 2002). Considering the similar institutional and political background, with the general low associational activity, this may also be expected to occur in contemporary Russia. If an association's decision-making ends up in the hands of few individuals, the original intention of the association as the residents' self-governing organisation, as stated in the Housing Code, is not fulfilled.

1.3. Homeowners' Association as a Common-Pool Resource Regime

The theoretical framework presented here consists of theories and concepts that are closely interrelated. With the help of these concepts I examine homeowners' associations by taking collective action and using the dilemmas that arise from it as the starting point. An appropriate starting point is the approach known as the common-pool resource regime theory. A common-pool resource is a "natural or man-made resource system that is sufficiently large as to make it costly (but not impossible) to exclude potential beneficiaries from obtaining benefits from its use" (Ostrom 1990, 30). Common-pool resources are common goods that are characterised by the difficulty of exclusion and subtractability. Subtractability means that one person's use of the resource reduces the opportunity of others to use it. Common-pool-resource literature has traditionally concentrated on natural resources such as water resources, fisheries, forests and land tenure, especially in developing countries (see Hess 2000). It might seem odd to consider a homeowners' association as a common-pool resource regime, as natural resources and housing associations are so different from one another. However, the purpose of establishing homeowners' associations is to take care of common property and they therefore face the dilemmas of subtractability and excludability as CPR regimes.

In classic economic literature, the two dimensions mentioned above, exclusion and subtractability, divide goods into public, common, club and private (see Bychkova forthcoming). Opinions differ, however, as to which category different goods belong. Table 1 presents the classification used in this book on the goods in homeowners' associations. Firstly, the 'private goods' category consists of goods that are simultaneously excludable and subtractable. Others can be prevented from using them and they are lim-

ited, so use of the resource leads to others having less to use. Naturally, apartments are private goods in homeowners' associations; every homeowner has their own apartment, which cannot be used by others without the owner's permission. Secondly, public goods are non-excludable, as their use cannot be restricted, and they are also non-subtractable, as they do not run out if someone uses them. In homeowners' associations, most common property qualifies as public goods. It is impossible to exclude residents from using the staircases, courtyards, lifts, basements, attics and the infrastructure of the house and the risk of overusing these facilities is small.

As a third group, it is also difficult to make common goods excludable; they are subtractable, however, meaning that one person's use reduces the amount of the resource. Hot water supply is an example of a common good for a homeowners' association. Its use cannot be restricted but if enough people are using it by, for example, taking a shower at the same time, hot water may run out. Another example of a common good is the parking lot.⁷ There are a limited number of parking spaces in the association's area, which makes it a subtractable good. However, unless the parking lot is controlled with gates or guards, people cannot be prevented from parking there. Common goods are the core of the common-pool resource theory, the use of which creates the collective-action dilemma. Although there is a difference in subtractability between common and public goods, both are in common possession and common use in a homeowners' association. The subtractability dimension is also relative: it is possible that someone could occupy an attic or basement for their own use, thereby leaving less space for others, for example. In this sense both common and public goods constitute the 'common', for which homeowners' associations are responsible. Therefore I take into account both types of goods when analysing the success of managing common property.

Fourthly, club goods are characterised by their excludability and non-subtractability. They can be made accessible only to certain people and do not diminish with use. If, for example, use of the parking lot was restricted, by way of gates and guards, to members of the homeowners' association who paid for it, it would become a club good. It would be excludable, acces-

⁷ Parking is a classic example of a common good, presented by Garrett Hardin in his influential work, *Tragedy of the Commons*, in 1968.

sible only to members, and non-subtractable, because members would all have their own parking space and would not need to compete for it. A gym is also a club good, if it is accessible for members only and the number of members is limited. A homeowners' association may also have other services, such as a children's play room, cable television or Internet connection, that are chargeable and restricted to certain members. Excludability makes them club goods; if they are not restricted to certain members they are public goods.

Table 1. Types of goods in homeowners' association

Excludable	Subtractable	
	Yes	No
Yes	Private goods Apartment	Club goods Regulated parking (paid) Gym, other extra, chargeable services Cable television, Internet connection
	Common goods Unregulated parking (free) Hot water supply	Public goods Heating, electricity, cold water and gas supply Common areas: staircases, attics, basements, courtyard

CPR research has shifted recently towards what scholars call the 'new commons', which means "technology-driven, human-made common-pool resources" that can be local, regional or global in nature. For example, the Internet and intellectual property rights have been examined using the CPR approach (e.g. Ostrom 2003; Hess & Ostrom 2003). Organisations have also been studied, among them residential associations (Hess 2000). This study is not the first to use the new commons approach in housing community research; it has been applied previously by Betty Morgan on low-income housing communities in the United States (1998) and in Jaesong Choe's dissertation on Korean residential housing communities (1992). The approach has also been used to study housing privatisation and non-privatised common areas in Estonia (Scott et al. 1999), which is closely related to the research in this book. Nonetheless, this is the first time that CPR theory has been used to study housing associations in Russia.

I use Elinor Ostrom's so-called design principles (see Ostrom 1990, 90) as a guideline for analysing homeowners' association as a CPR regime. These principles describe the characteristics of a successful CPR regime and are introduced in detail in the context of the data. By fulfilling the design principles, the regime may overcome the collective-action problems that otherwise threaten it. The design principles concern boundaries, membership, rule-making, monitoring, sanctioning, conflict-resolution mechanisms of the regime and its recognition by the authorities. I use the design principles for examining how the self-government and democratic principles, stated in the Housing Code, are fulfilled in practice in homeowners' associations.

The abolition of private property was a key aim of socialism and, accordingly, private ownership of housing was severely restricted in the Soviet Union. Dwellings were considered to be common goods, as private ownership in cities was rare and most of urban housing took the form of state-owned, communal apartments. Housing was also a subtractable good because there was a constant shortage of housing (Alapuro forthcoming, 17). Since the start of housing privatisation reform in Russia, in 1991, owner-occupation has become the most common type of housing tenure in the country. According to the State Statistics Bureau, 79.7 percent of housing stock was under private ownership in 2006 (Federal'naia sluzhba statistiki). This is a substantial change from the Soviet era; 79 percent of urban housing in Russia was state-owned in 1991 (Struyk et al. 2001, 1047). This book examines the change of regime that has led to apartments becoming private goods, while the common areas are jointly owned by the homeowners, who are obliged to take care of them collectively. This situation makes the common-pool resource regime theory particularly suitable for examining the subject.

Collective action to accomplish a common good requires participation from all involved parties. It is, however, common for some individuals to 'free ride'. This is known as the prisoner's dilemma, in which two individuals are given the opportunity to cooperate or to defect from cooperation. If only one cooperates and the other defects, the defecting one wins and the cooperating one loses. The best solution for both two parties, however, is achieved when both cooperate, although it may require the individual to act irrationally. If both parties defect, they will both lose (Axelrod 1984, 7–9). Therefore, the collective (public and common) good requires non-

rational acting from an individual's point of view, while an individual's rational behaviour can be destructive for the collective.

In a common-pool resource context, free-riding is encountered in the form of the so-called tragedy of the commons. The usual problem in CPR regimes is overuse of a good, leading to scarcity of the resource. When everyone acts only in their own interest, the result will be 'tragic' for the common good. The free-rider problem stems from the difficulty of exclusion of the common good. Non-cooperation is a tempting alternative because the resources are easily available, regardless of cooperation. However, if everyone was to free-ride and no one cooperated, there would be no resources to use.

The problem of free-riders is closely related to the commons and is central for housing associations in general, as the collective action and contribution of all members is required in order for the association to function properly. Free-riding can take different forms, such as not making housing payments in time, which obliges neighbours to pay the free-rider's share or else the association will become indebted or run the risk of being disconnected from housing services. Not participating in common meetings for decision-making is also a form of free-riding, as others do make the effort to participate. As Ostrom notes: "whenever one person cannot be excluded from using the benefits that others provide, each person is motivated not to contribute to the joint effort, but to free-ride on the efforts of others" (Ostrom 1990, 6). It is important to prevent free-riding, as it threatens the preservation of the common resources and coherence of the community. The extent to which free-riding affects residents' relations is a question that is addressed through the data in this book. Free-riding may lead to conflicts between an association's members, especially in houses that have significant variation in terms of residents' social status and financial resources. As John Field points out, if individuals share the same values, they are much more likely to cooperate for a common goal (Field 2008, 3). Consequently, neighbours' varying social backgrounds and different values may create problems for cooperation.

The free-rider problem and the tragedy of the commons have been examined in the context of housing privatisation and associations in Estonia, a country with circumstances similar to those of Russia (Scott et al. 1999). In Estonia the first step after privatising housing was to create homeowners' associations known as Dwelling Owner Associations (DOA) in order to maintain the otherwise ownerless common areas. According to Scott

et al's study, the new homeowners in Estonia lack the financial, legal and technical resources to manage their property. As a solution the authors suggested government intervention: regulation, training and motivation of the homeowners. This includes the government repairing part of the housing stock and offering repairs and maintenance subsidies for the poor (*ibid.*, 426). The study was conducted ten years ago, since which time the situation in Estonia has no doubt changed, but it is likely that similar problems are being experienced in Russia, as housing reform in both countries is being built on the legacy of the socialist housing system.

1.4. Social Capital in Homeowners' Associations

I consider the collective-action dilemmas described above by using the concept of social capital. Since the 1990s, this concept has become especially popular in the fields of social and political sciences, economics, urban studies, criminology, health science, etc. (Field 2003, 2). This is largely due to Robert Putnam, whose studies regarding the decline of social capital in the US have attracted wide attention in academic circles and have also raised public debate. The concept of social capital may have suffered from inflation due to the wide interest but it still has relevance for studying homeowners' associations. This study relies mostly on Putnam but also, indirectly, on James Coleman, who has influenced Putnam's theorisations. While another influential social capital theorist, Pierre Bourdieu, viewed social capital as a character of the individual, Coleman considered both the individual and the collective to be important actors in social capital. Putnam emphasises the role of community to an even greater degree. Because homeowners' associations are about collective action, it appears that Putnam's ideas are the most useful for this study.

For Putnam, the value of social capital lies in its potential to solve collective-action dilemmas. Social capital and its elements are what make people cooperate, even though it would be rational for the individual to defect. According to Putnam, social capital consists of norms of reciprocity, social networks and trust (Putnam et al. 1993, 167).⁸ These three elements

8 In his later writings Putnam refers only to social networks and reciprocity as elements of social capital but all three aspects are considered in the present study (Siisiäinen 2003, 205).

are interconnected and reinforce one another so that norms of reciprocity and social networks create trust and cooperation. In the same way, the opposites of these features – defection, distrust, exploitation, isolation, etc. – lead to cycles that constitute an uncivil society (*ibid.*, 177). According to Putnam, networks of civic engagement, such as those in associations, create social capital (*ibid.*, 173). Homeowners' associations are based on the cooperation and social relationships of their residents, which makes a homeowners' association a potential breeding ground for social capital but also for collective-action problems. The present study also questions whether norms of reciprocity, social networks and trust can help homeowners' associations overcome collective-action dilemmas.

According to Coleman, social capital is part of a structure that is created by and can be used by all who are part of it, not only by those who make an effort to accomplish it. Social capital therefore requires cooperation from individuals who are, at the same time, striving towards their own interest (Field 2008, 26–28). Putnam shares this view, arguing that social networks also benefit those who do not participate in the networks themselves (Putnam 2007, 138). Therefore, social capital and its components can be used as tools to reach common objectives, and that strengthening networks, norms and trust are not the main goals (Schuller et al. 2000, 9–10).

Norms of reciprocity can either be balanced (specific) or general (diffuse) in nature. Balanced reciprocity occurs when two goods of equal value are exchanged. Generalised reciprocity occurs when the good or favour is not exchanged for something immediately but is expected to be returned some time in the future, possibly in a different form or by another member of the same group or community. Generalised reciprocity can take place between people who do not know each other personally but belong to the same group. Generalised reciprocity is relevant for social capital as it can strengthen social networks in a community and vice-versa; dense social networks strengthen norms of reciprocity. Exchange is more common in communities with widespread generalised reciprocity, which makes the community more efficient (Putnam et al. 1993, 172–173). Generalised reciprocity is not truly altruistic, as some return is expected, albeit not immediately. Michael Taylor has described reciprocity as “short-term altruism and long-term self-interest” (Putnam 2000, 134). However, when the return comes at a very general level or over a long period of time, such as

when voluntary work to enhance the security of the area decreases the crime rate over a number of years, it may be difficult to differentiate generalised reciprocity from altruism (Putnam 2000, 135).

Social networks can either be vertical or horizontal in nature. Vertical networks are based on unequal, hierarchical relationships and dependence, whereas horizontal networks are based on equality and the even distribution of power (Putnam et al. 1993, 172–173). A vertical network “cannot sustain social trust and cooperation” because the relationships are uneven and generalised reciprocity cannot be generated. Horizontal networks, based on mutuality, are more useful for solving the dilemmas of collective action (ibid., 174–175). Homeowners’ associations are based on horizontal networks. However, not all members are in equal positions, as their decision-power is based on the size of their apartment; the owner of a large apartment has more leverage than the owner of a small apartment.

Networking in a slightly different sense, used during the economy of shortages, was widely exercised in the Soviet Union. Friends, colleagues, neighbours, etc. relied on each other to acquire certain goods or services (see Salmi 2006). The practice of exchanging favours for resources (including public resources) that were otherwise difficult to obtain is known as *blat*. It is exercised in conditions of shortage, in a system where access to goods is defined by privileges rather than money. *Blat* is based on reciprocity, although the return is delayed and might come from someone else in the same network (Ledeneva 1998, 37). However, *blat* cannot be termed as a form of generalised reciprocity because there is a certain chain of people involved; it is not used among strangers with no connection to each other, as is the case with generalised reciprocity. The importance of *blat* seems to have decreased in post-socialist Russia. The use of networks and contacts has been partly replaced with money in the new, market-oriented society, although the practice has by no means disappeared completely (Remington 2002, 87; Ledeneva 1998; Howard 2003, 131). Instead, *blat* may be used to find a good job or instead of bribing authorities, for example. Still, the nature of *blat* has changed significantly and the term is not used as much as it used to be (Ledeneva 1998, 178–179). It has been argued that social stratification and the resulting inequalities have damaged friendships and connections that used to be based on equality. In his study, Howard comes to the conclusion that while social networks have changed for some people, they have stayed more or less the same for others, irrespective of age

or occupation (Howard 2003, 133, 136). It is noteworthy that several years have gone by since Howard's and Ledeneva's studies and, as the standard of living has risen in Russia during this time, neighbours may not need each other today as much as they did before. On the other hand, the recent economic crisis may have led some people to resort to personal connections as their personal financial position declines.

Blat is probably not needed for everyday survival within homeowners' associations. Instead, the associations could work as a form of replacement for blat, as a formal structure to handle the tasks for which social networks were used. When a resident needs a plumber, instead of using their connections to find one they can call the association's maintenance service, which is covered in the monthly housing payments. From another perspective, if contact between neighbours becomes more infrequent and fragmented, it can decrease the motivation of homeowners to participate in common decision-making. Or, on the contrary, joint decision-making might increase cooperation and generate closer social contacts.

The 'Soviet legacy' is often used to explain the passivity that is allegedly a hangover from the Soviet era. A possible example of this is the ordinary people's indifferent attitude towards the condition of their backyards. Corruption, local authorities bending the law for their own good instead of following it literally, is also typically labelled as part of the Soviet legacy. However, the concept can also have a different meaning, with a positive connotation, when used to refer to the innovativeness and cleverness that was necessary to cope in everyday life in the Soviet Union. As it was difficult or even impossible to obtain certain goods directly from the market, social networks were used to acquire certain goods through alternative channels. Dense networks can strengthen cooperation between neighbours, facilitating the functioning of homeowners' associations. However, the role that social networks play in taking care of common property is different from the role they play to cope in everyday life, as has been the case with blat. This book seeks to determine the extent to which people's behaviour still seems to be affected by the 'Soviet legacy' in the context of housing. Simply applying the term 'Soviet legacy' to difficulties in adjusting to reform is, however, too one-sided, and the Soviet legacy is considered here as only one aspect that may affect people's response to the reform.

One particular element of social capital, trust, is a precondition for the smooth functioning of social relationships. It is important for the members

of a homeowners' association to trust each other as well as the association. They need to trust that the association will serve their interests and that their neighbours will make their housing payments and not violate common property. The current housing reform is problematic from the point of view of trust in that homeowners may form associations but trust between homeowners cannot be created or imposed from above. Accordingly, although homeowners' associations are based on a contract between their members, trust is needed to ensure that other parties obey the rules.

According to Howard (2003) there is still general distrust towards institutions and organisations in post-communist countries. A lack of interest among residents in participating in the association's decision-making may be related to a general negative attitude towards organisations. However, this may not concern all associations, especially homeowners' associations, which, as noted before, are in a somewhat different position than other associations. In addition, there is a tradition of residential housing management in Russia, which took the form of house committees in the early Soviet era, and housing cooperatives, although they only played a marginal role after the 1930s. But there is also a tradition of indifference among residents regarding common areas. Furthermore, the reform is initiated by the authorities and as the initiative does not come from the residents themselves, they may not be interested in participating. In summary, there are factors for and against residents' self-management, and the data of this study is expected to show the relative practical importance of these elements.

Putnam has been criticised for viewing social capital only in a positive light, not taking into account the fact that while a community may be strong, it may simultaneously be destructive for the society as a whole. In his later works (2000), Putnam does acknowledge the 'dark side' of social capital. Some associations generate 'negative' social capital, which benefits the members of the association but is harmful to others outside the association. Putnam has further developed his theories on social capital by making a distinction between bridging (inclusive) and bonding (exclusive) types of social capital. Bridging social capital is outward-looking and brings different people together, while bonding social capital is inward-oriented and reinforces homogeneity within the group. When an individual needs support, comfort is provided by strong ties between close friends, that is, bonding social capital. In the case of finding a job, for example, weak ties

with more distant acquaintances, characteristic of bridging social capital, are more useful. Bridging social capital fosters generalised reciprocity, while balanced reciprocity is more likely to take place in relationships based on bonding social capital. While bridging and bonding social capital can both be productive, inward-oriented associations with bonding social capital, such as criminal gangs, primarily provide psychological support for their members and may even have negative implications for society as a whole. Bridging social capital contributes to the strengthening of civil society in a more obvious manner. However, Putnam notes that bridging and bonding capital are not 'either-or' categories, rather they are 'more-or-less' dimensions. Both types can exist within the same community, in different situations (Putnam 2000, 22–23, 363; Field 2008, 96–97).

In the Soviet Union and in the period of transition in the 1990s, close connections and networks, which can be regarded as bonding rather than bridging ties, were important for daily survival (see Field 2008, 127–128). Although one's social network could include a range of different people, thus implying bridging social capital, the closest circle probably consisted of people with similar backgrounds, thus strengthening bonding social capital. Homeowners' associations have the potential to create a bridging type of social capital, in the sense that it forces people living in the same house to cooperate, regardless of their social status. This applies especially to those homeowners' associations with widely varying residential social structures.

The role of social capital in civil society has been widely discussed (Henry & McIntosh Sundstrom 2006, 323). Theorists such as Putnam believe that social capital has the potential to strengthen a society. Associations can foster social capital, thereby helping to reinforce civil society. This idea originated from Alexis de Tocqueville, who saw 19th century American civil associations as "nurseries of democracy", where the experience of equal reciprocal relations spread from the associations to society as a whole (Reichardt 2004, 38). The so-called neo-Tocquevillean theorists, of which Putnam is one, are interested in the "socialising effects of associations" and the ability of social networks to create trust and social capital (*ibid.*, 43). In this way, associations contribute to the strengthening of civic engagement and, in turn, civil society.

A homeowners' association is a democratic association in which all members can take part in common meetings for decision-making. Surveys

show that many Russians support democratic values and the right of political participation. On the other hand, the right to *not* participate is also valued. Many people are largely dissatisfied with the prevailing political system and have a low level of trust in political institutions (Remington 2002, 85–86; 123–124). This distrust could be why, according to previous studies, grassroots social organisations feel the need to emphasise their apolitical nature (Henry 2006b). Also, in Salmenniemi's research on social organisations in Tver', the social organisations' workers did not feel that their organisations had any political influence. While politics was regarded as a sphere in which to strive for personal gain, social organisations were considered to be altruistic, working for the good of the people (Salmenniemi 2008, 230). As noted before, however, although the associations themselves stressed their non-political nature, the picture is more ambiguous in practice. Social organisations may attain political significance when confronting authorities and questioning the prevailing order (Kulmala 2008, 51).

Although homeowners' associations do not have the burden of political nature that could lead people to avoid them, surveys show that getting people to participate can be a challenge. A 2006 survey by the Levada-Center showed that a relatively large proportion of people (48 percent) did not feel responsible for what was going on in their neighbourhood, and 57 percent felt that they could not have any impact on such events (Levada-Tsentr, Problemy demokratii). On the other hand, homeowners' association could be case to which the Levada-Center's survey does not apply. Homeowners' association are located where people actually live, which many individuals consider to be closer and more immediate than their neighbourhood. The threshold for participation is lower, as the association is located right at their home. Homeowners' associations may therefore serve as the first step for civic activity, as a 'school of democracy'. Involvement in a housing association does not automatically lead to participation in other organisations or in a wider public sphere, but the action of residents in taking charge of housing management is valuable nonetheless. An association teaches its members about democratic discussion, organisation, reconciliation and approval of dissenting opinions. Norms of cooperation and trust can be adopted in such an environment.

1.5. Outline of the Book

This book is structured as follows. Chapter 2 puts the current situation into historical context. How was the Soviet housing system developed and how does it affect the current situation? The Soviet housing system has had, and still has, a great impact on the architecture, housing administration, practices, and even the way of thinking, of ordinary people. The state's strong control of housing, along with the critical shortage of housing that led to overcrowded and unsatisfactory housing conditions, has left its mark. Having said that, residential housing management did exist in the Soviet era in the form of house committees and housing cooperatives that are the predecessors to today's homeowners' associations. Chapter 3 examines the aims of post-socialist housing reforms, privatisation of housing stock and housing management and the obstacles encountered in implementing them. It studies the way in which theory – the legislative basis – and practice – the actual situation – differ from each other, with a focus on St. Petersburg in perspective to all of Russia. The chapter looks at housing movements and associations, notably the defects in the housing situation and the importance of housing to people.

Chapters 4 and 5 examine St. Petersburg's homeowners' associations based on the interview data. Chapter 4 considers how the management of homeowners' associations works in practice. The role of social relations in collective decision-making is analysed, particularly whether cooperation has produced social capital or whether relationships between neighbours are characterised by conflicts and disagreements. Chapter 5 looks at how other actors, such as local authorities, housing companies and the media, are connected with homeowners' associations by contributing to or preventing the associations' self-government. Chapter 6 concludes the study by drawing together its various outcomes.

2. Housing in the Soviet Union

This chapter looks at Soviet housing policies and practices and their effect on the current housing situation in Russia. Today's system is significantly impacted by the system of state-owned and allocated housing, overcrowded housing conditions in communal apartments (*kommunal'nye kvartiry*) that housed several families, with each household occupying one room and sharing the kitchen, bathroom and other common areas, and poorly built and maintained housing stock. Therefore, the Soviet⁹ housing system is described from a present day perspective. The study starts in the Soviet era rather than at an earlier point in time because the effect of that period, with its combination of modernisation, industrialisation and mass urbanisation, is particularly strong. This chapter examines how the Soviet housing system was created and developed over several decades. The state had strong control over housing, yet residential organisation was also possible for most of the Soviet era, particularly in the form of housing cooperatives. Special attention is paid to the elements that can impede current housing reform in Russia, but also to residential participation that is relevant from the point of view of homeowners' associations.

2.1. Building the Soviet Housing System

After the revolution in October of 1917 all aspects of the Tsarist Empire – economics, politics, culture and architecture – were to be rearranged to correspond with the new, socialist order. Housing played an important role in the search for the new society. In addition to the public sphere, domestic life was also restructured, as the material world was supposed to determine consciousness (*byt opredelaet soznanie*) (Buchli 1999, 23–24). This provided the reasoning for the radical reorganisation of housing and the establishment of communes in the 1920s. The old capitalist city was to

9 This study concentrates on the urban areas of Soviet Russia, that is, the Russian Soviet Federated Socialist Republic (SFSR), instead of the whole Soviet Union. However, the principles of the housing systems were the same throughout the Soviet Union, although regional variation existed because the republics had their own Housing Codes.

be replaced with a socialist one and housing was to play a role in the process of creating the 'Soviet man' (Semenova 2004, 56). Housing was also used to control citizens, through the spatial solutions of the communal apartment, in which residents were under each others' surveillance, as well as through allocation of housing by state institutions.

Socialist urban policy focused strongly on cities, paying less attention to rural areas (Harloe 1996, 14). The new housing system was built initially by nationalising land and housing and transferring administration of housing to local councils. The government's decisions were driven by the shortage of housing in cities but the measures taken to change the prevailing situation were ideologically grounded. The so-called rehousing policy (*zhilishchnyi/ kvartirnyi peredel*), was put into practice in Petrograd¹⁰ from 1918 until 1921 or 1922. It meant the municipalisation and redistribution of housing, relocating workers to old 'bourgeoisie' houses, that is, taking the homes of upper-class citizens and giving them to the proletariat. In addition to homes, furniture, food, money and clothes were also taken from the bourgeoisie and given to the workers, who did not even have to pay rent at first (Chernykh 1995, 71). According to Natalia Lebina, this was done primarily for propaganda reasons; the main concern was not the residents' comfort (Lebina 1999, 182). Lebina's view is supported by the fact that the urban population in the Soviet Union diminished between 1914 and 1926 (Bater 1980, 21), particularly due to the Civil War (1918–21), so there was no acute need for the rehousing at the time. Housing conditions were poor but the shortage of housing was not as critical as in the years that followed. Rehousing, what Richard Stites (1989, 128) calls "the housing revolution", was a mass phenomenon involving 300,000 inhabitants of the city (*ibid.*, 213).

However, industrialisation and migration inflicted population growth and Leningrad's housing stock was soon unable to accommodate any more new inhabitants. The growing housing shortage had escalated into a crisis and rehousing was undertaken for the second time. The result of this was that people from extremely different social backgrounds were compelled to live close to each other and share the same domestic space (Bertaux et al. 2004, 14–15). On 1 August 1927 a decree on the "right to self-consoli-

10 St. Petersburg was known as Petrograd from 1914 to 24 and Leningrad from 1924 to 1991.

dation" (*pravo na samouplotnenie*), came into force. If the living space per person exceeded eight square metres, the residents had the 'right' to take other people, that is, total strangers, to live in their homes. If the regulation was not implemented within three weeks, the housing authorities, *domoupravlenie*, would allocate people to settle there. People refusing to follow the order could lose their apartment and be obligated to move to a worse dwelling or even be incarcerated (Lebina 2003, 41–43). Some people managed to fill the 'surplus living space' of their apartment with relatives, thereby keeping the apartment in the family (Semenova 2004, 63).

The rehousing policy was practised until the end of 1929. It was especially tough on former businessmen after the cessation of the New Economic Policy (*Novaia ekonomicheskaiia politika*, NEP, 1921–1928), which had allowed small trade. The so-called NEPmen and the elite of the Tsarist era, who were now known as 'former people', became *lishentsy* (disenfranchised) and were deprived of basic human rights such as housing, employment, higher education and medication (Brovkin 1998, 31–33.) Many of these disenfranchised people were deported in the 1930s and, when some of them were able to return later, they found it very difficult to get their apartments back from the new occupants (Fitzpatrick 1999, 125). The rehousing policy did not solve the housing crisis; instead, it led to an increase in the number of communal apartments, which became the main housing type in the city in the 1920s and 1930s (Lebina 2003, 44).

The former elite clearly suffered as a result of the rehousing, being forced to give up their apartments or to take total strangers, from entirely different backgrounds and cultures, to live with them. Workers' housing conditions, on the other hand, improved, as many of them now had a separate dwelling – a room or even an apartment – for themselves. For them, the policy meant upward social mobility (Semenova 2004, 59), but the housing situation as a whole did not improve (Chernykh 1995, 73). It was not just the former upper class who found it uncomfortable to share a dwelling, but also the workers, who were not being used to living in fancy apartments in the centre of the city. Furthermore, bourgeois apartments were not always particularly comfortable. They required a lot of firewood to keep them warm and the workers' factories were often located on the outskirts of the city, which meant long journeys to and from work (Lebina 1999, 182–183). According to Chernykh, the large, luxurious, but unpractical apartments did not attract workers who were not used to such living conditions and

ended up being occupied by more affluent people (Chernykh 1995, 72). It is possible that the nationalisation of housing has created the problem that is so well known today: unclear property rights to premises and apartments. Disputes about whether premises belong to the state or to homeowners' associations are quite common in contemporary St. Petersburg as will be later demonstrated in this book.

The first decades of Soviet rule have been described as the "age of utopianism" (Fitzpatrick 1999, 67). In urban planning, architects sought a new, socialist city as a part of the socialist way of life (Bater 1980, 21) and architecture was driven simultaneously by aesthetic innovations of revolutionary art and strong social factors (Khan-Magomedov 1987, 12). Urban planning was urgently needed in those outmoded and deteriorated cities that were subject to rapid population growth as a result of industrialisation. Soviet architects were split roughly into urbanist and disurbanist schools, each having different views on how the new society should be built. Both schools were influenced by foreign scholars. Englishman Ebenezer Howard's idea of a garden city had inspired Russian disurbanists even before the Revolution. Disurbanists painted horror pictures of the city as a monster struggling with problems of excessive traffic and overpopulation and saw decentralisation as the answer. The urbanist school, influenced by the French architect and designer Le Corbusier, believed that the socialist city should be densely constructed. Urbanists planned house-communes for a new, communal way of living that would contribute to constructing the Soviet citizen (Ylikangas 1998).

Short-term experiments in collective living were realised during the Civil War in Petrograd. Luxury hotels such as the Astoria and the Evropeiskaia were nationalised and turned into dwellings for higher party officials, known as *Doma Sovetov* ('Houses of the councils'). They were a form of *obshchezhitiiia*, hostels or dormitories that have separate rooms but joint kitchens and dining rooms. Non-elite party workers were able to reside in the less comfortable *Oteli Sovetov* (Lebina 1999, 161–162.) At first, communal living, that is, living in *Doma* or *Oteli Sovetov*, or working communes, was regarded as a sign of belonging to the 'right' social class (Meerovich 2004b, 111), while separate apartments later came to indicate a higher social position. In the summer of 1921 Petrograd's *Doma* and *Oteli Sovetov* had 800 permanent inhabitants and thousands of temporary visitors. In 1923, at the end of the Civil War, as the situation in the city began

to stabilise, some Doma Sovetov and Oteli Sovetov were restored to their previous function as hotels and party officials were given separate apartments (ibid., 113–115).

Communes for people other than party officials were realised in the form of house-communes or communal houses (*doma-kommuny*) in the 1920s. The first house-communes were designed to be enormous buildings that would house hundreds or even thousands of people, providing all facilities, from dining and reading rooms to day-care centres. Their main purpose, supported not only by party officials but also by residents, was to fight the patriarchal and capitalist concept of the family. The house-communes were intended to cut service costs and save valuable housing space by communalising the services, while also promoting equality by releasing women from domestic work. One of the most important principles of the house-commune was to fight the bourgeois model of the nuclear family by removing the ‘heart’ of the home – the kitchen – where family socialising had traditionally taken place, replacing it with shared kitchens and dining rooms where all the residents would eat together. Furthermore, adults were to be separated from their children, who were taken care of in other parts of the building. This idea generated a lot of controversy at the time (Stites 1989, 200–204).

Eventually, although several plans of house-communes were made, only a few were ever actually built (Stites 1989, 200–204). However, they are worth describing as they portray the ideology that later led to the establishment of communal apartments, the prevailing type of urban housing throughout most of the Soviet era. Construction in the 1920s was quite modest compared to later decades, especially the 1960s (see Table 3 later in this chapter). Communal experiments were mostly conducted on existing housing stock, if the plans were realised at all. House-communes never became a widespread mode of living because they did not attract strangers to each other to move in together, and of the few that were built, some were insufficiently equipped to work as the architects had planned (Stites 1989, 239). Interestingly, although the house-communes were intended to realise the utopia of communal living, the spacious house-communes in Moscow and Petrograd were never turned into communal apartments. Instead they were reserved for the elite, offering more luxurious living conditions than the average communal dwelling (Boym 1994, 128).

2.2. Housing Conditions and Housing Administration in the 1920s and 1930s

Housing conditions deteriorated for many Leningrad dwellers in the 1920s and the actual living space per person remained below the official 'sanitary norm' that defined the minimum amount of healthy living space, of nine square metres per person (Lebina 2003, 44). The sanitary norms defined the living space to which every citizen was entitled. It is noteworthy that people were entitled to a mathematically calculated and bureaucratically distributed number of *square metres* rather than a room or a private space (Boym 1994, 125). Bedrooms and living rooms were counted as living space, while the kitchen, bathroom and common areas of the apartment were 'non-living space' (*nezhilaia ploshchad'*) (Sosnovy 1959, 3). Having a small enough living space made it possible to register for improved living conditions, which involved queuing up for a larger apartment from the municipality or from a state enterprise. The real living space was lower than the norm, 5.85 square metres per person throughout the Soviet Union in 1926. The situation in Leningrad, 8.73 square metres per person in 1926, was better than it was in the less industrialised, peripheral cities (*ibid.*, 4–6).

Naturally, some people had considerably more living space than the norm, while others had less. Striking inequality and a large variety existed in the housing conditions between different social groups. Families in the 1920s and 1930s were officially settled to bathrooms, hallways, kitchens and other common areas by the authorities while new apartments were being built for the elite (Fitzpatrick 1999, 98–99). '*Doma spetsialistov*' were built in Leningrad for specialists in various cultural spheres and sciences. These were built for propaganda reasons: to show that a successful career would be rewarded by the state and that better living conditions could be achieved through hard work. As an example, Aleksei Stakhanov¹¹ (along with other exemplary workers) was reported to have been given an apartment to himself (Meerovich 2004b, 164–170). However, only very few people were fortunate enough to get their own apartment.

11 A record-breaking miner who was presented as the embodiment of a hard-working Soviet citizen. Other Stakhanovites were workers who became privileged because of their 'outstanding performance' at work. Their achievements were widely publicised to set an example to the people (Fitzpatrick 1999, 74).

Table 2. Worker families' dwelling types in Leningrad in 1935, in percentages

Old housing stock		New housing stock	
Separate apartment/several rooms	10.8	Separate apartment/several rooms	16.2
Separate room	46.5	Separate room	69.5
Part of a room	25.6	Part of a room	14.3
Kitchen/similar space	5.2		
Space in communal dwelling	11.9		
Total	100	Total	100

Share of old and new housing of total housing stock not defined in source.

Source: Sosnovy 1959, 10.

Table 2 presents the types of living in Leningrad in 1935. As the table shows, a separate apartment was the dwelling type of a minority of workers' families. In the old housing stock almost 90 percent of families lived in communal apartments and the corresponding number in the new housing stock was almost 84 percent. The 'several rooms' category may indicate a communal apartment but it still entailed more spacious living conditions than the other categories. 'Space in communal dwelling' refers to less than a room in a regular communal apartment, merely a corner in a common area. It should be noted that Table 2 refers to *families*, not individuals. Thus, part of a room means that an entire family shared the room with other people. Almost 12 percent of Leningraders lived in 'corners', that is, they slept on the kitchen floor, under the stairs, in a hallway, or a similar area. This suggests that a separate room in a communal apartment was far from the least desirable type of living at the time. Barracks and dormitories, the "standard housing for students and also common for young unmarried blue- and white-collar workers" in the 1930s, were much worse, usually lacking running water (Fitzpatrick, 1999, 49–50).

It has been claimed that the material conditions existed for happy communal living but that psychological adaptation failed to take place as expected (Humphrey 2005, 40). On the other hand, the practical living conditions in communal apartments did not actually meet the requirements for the utopia of "socialism in one building" as Richard Stites has called it (1989, 200). Communal apartments were usually established in old single-family apartments or houses (Semenova 2004, 59) that were

not designed for communal living. There was only a small kitchen and no communal services like dining rooms or libraries, as the house-communes were planned to have. In spite of these defects, communal apartments remained the most common type of urban living for decades (Stites 1989, 239–240). They were particularly common in Leningrad, as there were a lot of existing old houses with spacious apartments, with rooms that could be further divided with partition walls (Gerasimova 2002, 213). The apartments usually housed one family in each room, although one room could even be shared by two or three families (Sosnovy 1959, 17). Not all communal apartments were alike, of course; they differed in the quantity of living space and the old apartments often had very spacious rooms, sometimes dozens of square metres in area. A four-room apartment might be inhabited by four households, whereas another apartment of the same size might house only two families. In any case, the low living space per person reveals that the living conditions were very tight indeed. Furthermore, the low, heavily subsidised rent system actually favoured the better-off, as those people living in spacious, separate apartments paid the same amount per square metre as the inhabitants of communal apartments (Morton 1980, 254, 256).

The communal apartment is the symbol of the Soviet era for many, not least for those who lived or still live in them (see e.g. Bezzubcev-Kondakov 2005). Because these exceptional living circumstances framed the everyday life of ordinary Soviet citizens for decades, they have had a great impact on the psychology of people. Life in a communal apartment, including the complicated relationships and eccentric neighbours, has inspired numerous Soviet writers (such as Mikhail Bulgakov, Mikhail Zoshchenko and Sergei Dovlatov) and has been thoroughly examined by contemporary scholars such as Ilya Utekhin, Katerina Gerasimova, Natalia Lebina and Svetlana Boym, among others. Living in very close quarters with neighbours extended the limits of privacy. Strategies of 'privatisation' included residents using furniture and personal belongings as markers of their space in common areas of the apartment (Gerasimova 2002, 221–222). As a result, communal living evoked precisely those 'petty bourgeoisie' and 'counterrevolutionary' feelings that it was intended to abolish (Bezzubcev-Kondakov 2005). The lack of space and privacy led to constant queuing and compelled residents to make arrangements to cope with everyday life. This included scheduling the use of a bathroom (Gerasimova 2002, 217)

and giving each resident a different code for the doorbell, to be able to tell whose visitor was coming (Utekin 2004). Everyday life in a communal apartment has been pathologised and described as a “war of all against all” (Bezzubcev-Kondakov 2005) but also as mutual help between neighbours (Meerovich 2004b, 224). Living under the stressful conditions of overcrowding and a lack of privacy put a psychological strain on residents and even “exacerbated mental illness” (Fitzpatrick 1999, 48). However, if neighbours were able to get along, they could help each other in everyday tasks like grocery shopping and babysitting (Meerovich 2004b, 224).

The Soviet Union as a whole has been compared to a closed institution, to an army, prison or school (Fitzpatrick 1999, 226–227). Communal apartments have been viewed as representing the Soviet Union on a micro scale (“socialism in one building”), or as a physical expression of the “Soviet mentality” (Makarova 2005, 11), living under constant control with the ambiguity of public and private space as its dominant features. For Katerina Gerasimova, the communal apartment is an expression of “public privacy”, that is, the “openness of personal life to public scrutiny and location of everyday domestic activities in collectively controlled territory” (Gerasimova 2002, 224). Another type of dwelling with stricter and more obvious control mechanism was the hostel, *obshchezhitie*. Hostels were directed at students and workers, especially temporary workers (*limitchiki*), and had custodians (*dezhurnye*) who restricted entry to residents with an entry card (*propusk*). While other countries also have student hostels, Soviet hostels had certain distinctive characteristics. These included the *starosta*, a resident-activist that organised cleaning tasks and kept order on every floor, and informers who reported politically suspicious behaviour (Humphrey 2005, 46–47).

The cramped living conditions offered neighbours the opportunity for close surveillance of each other and the state used communal apartments as an instrument of social control. Neighbours reported each other to the authorities, often in the hope of acquiring the room of those they denounced. The risk of being exposed by a neighbour was especially high in the years of the Great Purge in the 1930s (Lebina 1997), when massive arrests, executions and labour camp convictions of ‘counterrevolutionaries’ were exercised. Although meant as a communal mode of living, communal apartments were not free from hierarchy. One of the residents was chosen as the *kvartupolnomochennyi*, the apartment supervisor, and this person

was in touch with *domkom* (*domovoi/domovyi komitet*), the house committee that managed the whole apartment block (Hosking 2004, 16). The head of the house committee was the *upravdom* (*upravliaiushchii domom*), or superintendent (Lebina 2003b, 190). The *kvartupolnomochennyi* were important for the authorities because they had the dual task of controlling residents' housing service payments and reporting on their neighbours' daily life (Lebina 2003, 44–45). While the apartment supervisor's informative task may be morally questionable, some organisation was probably necessary to keep order in large *kommunalki*. Modern homeowners' associations are led by a chairperson, whose task of maintaining order in the house is similar to that of the apartment supervisor but without the job of reporting of its members to the authorities.

Another person who was responsible for maintaining order in the house, even in the pre-Soviet era, was the janitor (*dvornik*). The janitor was tied to his¹² workplace, as his apartment was located in the house in which he worked. There were strict rules for janitors related to keeping order, especially during state holidays, when the yard had to be kept in an 'exemplary' state and the janitor had to wear a uniform (Zakirova 2006, 17). According to Boym (1994, 129), janitors were often individuals who had recently moved to the city and had to 'earn' their residence permit by providing information about residents to the house committee. Janitors also often socialised and drank with the local authorities (*ibid.*).

The communal apartments, as with separate apartments, were administered by the house committee, which was an important institution in raising 'good' Soviet citizens (Boym 1994, 129). House committees had already been established by 1914, when residents' representatives formed committees inside houses to maintain order and protect the residents during politically unstable times (Lebina 1999, 160). Some house committees also distributed ration cards for food (Shomina 2004, 10). After the Revolution, the new Soviet authorities were not pleased with the original house committees because of their reluctance to function as control organs. The house committees were reorganised from above and the staff were chosen by the authorities so that the committees would be loyal to the Soviet rule and would supervise the enforcement of the housing pol-

12 Janitors were usually men, although female janitors became more common during and after the Second World War (Zakirova 2006, 17).

icy at the local level. Thus, the house committee was transformed from an organ of self-management by the residents into a controlling authority. Existing house committees were considered too independent and were given less leverage and not considered to be official administrative organs (Meerovich 2004b, 35–38).

The house committees also had a positive effect. Control meant that places in common use were well looked after and residents cooperated in activities such as planting flowers. Nonetheless, for most of the Soviet era the house committees rarely represented the residents' interests; instead they were used to implement social and political control imposed from above (Shomina 2004, 10). In the post-Soviet era house committees have been formed by residents, based on the model of the original *domkomy*, in order to improve the maintenance of their house. House committees are similar to contemporary homeowners' associations but they are less formal and have less legal leverage. Residential administration was therefore already in existence in the Soviet Union, in the form of apartment supervisors, janitors and house committees, but more in terms of control and surveillance than joint decision-making in the spirit of democracy, which is the idea behind homeowners' associations.

The 1920s is often viewed as the period of innovation and free experimentation, in arts, for example, before totalitarianism took over in the 1930s. On the other hand, the foundation for the impending ideological control was in fact laid during this decade (Brovkin 1998, 1–2). Ordinary people did not find the experiments with communal living, in the form of various communes and consolidated housing, to be particularly comfortable. Victor Buchli has claimed that the totalisation of the domestic sphere in the 1920s was so strong that, in comparison, Stalin's era offered relief, a "delimited... degree of empowerment", and gave people the chance to participate in governance (1999, 186). According to official propaganda, the purpose of communal living was the people's well-being. However, the real agenda behind the housing policy and architectural design was hidden from the people and even from the architects who planned the communal dwellings. In reality, the communal mode of living was used to control people (Meerovich 2003, 172–173). Although housing conditions were especially drastic in the 1920s and 1930s and only improved from the late 1950s onwards, the communal apartment was for decades the main type of housing in urban areas. Communal apartments housed the masses, and

as long as a majority of the people lived in equal housing conditions, there was no one to envy, except for the small number of elite who lived in better housing. Housing was a psychologically important tool that made the people feel equal on one hand and subordinate to the elite on the other. Living under the constant surveillance of neighbours, with minimal living space and privacy, certainly had psychological implications (Semenova 2004, 65–67). As the state owned and managed most of the urban housing stock, people had very limited possibilities to change their housing situation. The system did not encourage people to be active consumers, in fact the opposite was true. In the post-Soviet era the system changed dramatically, and people who lived for many years in the Soviet system were expected to take matters into their own hands, without the experience or knowledge required to do it. Ignorance and confusion about how to act under the new rules of conduct can potentially lead to withdrawal from decision-making in homeowners' associations. On the other hand, the experience of living in such close contact with each other may facilitate cooperation and collective decision-making in the current situation.

2.3. The 'Stick and Carrot' Policy and the Right to Housing

Housing tenures in the Soviet Union were categorised as (a) state-owned, consisting of (i) municipal (i.e., the local soviet) and (ii) 'departmental' (*vedomstvennyi*) enterprise housing. In addition, there was a small amount of housing stock that was (b) owned by social organisations (such as unions), (c) cooperative or (d) private (Andrusz 1992, 140). The private housing stock consisted mostly of detached single-family units (Gentile & Sjöberg 2006, 706). The socialist doctrine said that private property would eventually become meaningless in a communist society as all needs would be satisfied collectively (Held 1996, 142–143). Instead of private property, 'personal ownership' was possible, which meant that items, including dwellings, could be appropriated for personal use, but no profit could be made from them. Apartment-ownership was, however, rare in urban areas. Buildings were considered separate from the land on which they stood. Land was nationalised completely and could not be owned by private individuals (Marcuse 1996, 129–130).

In the Soviet Union the state was the employer as well as the owner of

the housing stock and thus it provided both work and housing for most people. Low rents went hand in hand with low wages (Kagarlitsky 1989, 77, as cited in Marcuse 1996, 150). Most of the housing was distributed by state enterprises (Bychkova & Popova forthcoming, 8), which made workers directly dependent on their place of work. According to Andrusz (1990), by the end of the Soviet period 40 percent of housing was distributed by employers (the ‘departmental’, *vedomstvennyi*, housing stock). Mark Meerovich (2003, 4) claims that the uncomfortable housing conditions in Soviet Union were due less to the absence of construction materials or the state’s financial problems and more to a deliberate state policy. The state prioritised heavy industry at the expense of housing construction, maintenance and management, which affected citizens’ well-being (Morton 1980, 254). The government used housing as part of its ‘stick and carrot’ policy, allowing housing only for those who worked, not according to need as officially stated in the Constitution (Meerovich 2003, 4–5).

Early examples of combining working and living were the “working and living communes” (*trudo-bytovye kommuny*), established during the re-housing policy in the 1920s. The communes, or collectives, provided medical and cultural services for factory workers and opportunities to socialise with each other, thereby connecting employees with their workplace. Good Soviet citizens were raised by the collective and, because workers not only worked together but also lived together, the collective would control and correct their work and behaviour at all times. The idea was that workers would be competing to achieve the best performance at work, which would be rewarded with privileges (visits to fine sanatoriums or holiday resorts, additional square metres of living space, personal cars, etc.), thus improving their position in the collective (Meerovich 2004b, 115–119).

An effective control mechanism was the residence permit (*propiska*), which was introduced in 1932. It was also an instrument of demographic control that prevented overpopulation of cities. According to socialist principles the optimal city size was 50–60,000 inhabitants and *propiska* were used to limit city growth (Bater 1980, 27). A passport system existed in the Tsarist era and was liquidated after the Revolution, but the later mass migration to cities justified the introduction of a domestic passport and registration system (Höjdestrand 2005, 36). Kolkhoz workers were in the worst position because the passport system concerned only those who lived in cities, working villages and sovkhozes. Kolkhoz workers were tied

to their place as they could not move to the city without a passport. People in rural areas only won the right to propiska and the possibility to move to the city in 1974 (exceptional cases were permitted in 1970). Propiska became an effective way to regulate migration. City-dwellers living without a propiska were fined and could be sentenced to maximum of six months of open prison for continuous disobedience. Furthermore, propiska violation was often used as an excuse to arrest and convict dissidents (Liubarskii 1993). The propiska system made it very difficult to improve one's housing conditions and achieve upward mobility (Morton 1980, 256).

In 1940 the legislation was complemented with regulations that also tied people to their place of work so that they could not choose where they lived or where they worked (Liubarskii 1993). Propiska and work became prerequisites for each other – it was impossible to get a job without a propiska or a propiska without a job. A person without a propiska was also denied certain civil rights and social benefits such as medical insurance, education, unemployment benefits, the right to vote and access to housing (Höjdestrand 2005, 37–38). Propiska and *trudovaia knizhka*, a work document introduced in 1938 on which working merits were listed, anchored people even more tightly to the places where they lived and worked (Meerovich 2003, 35). Allocating housing through the Soviet enterprises guaranteed a worker's loyalty to their employer. At the beginning of the 1930s *trudovaia knizhka* became the main document for an urban inhabitant. This was another identification document, which expired unless it contained monthly notes, and getting or changing a job, travelling or finding an apartment was impossible without it (Meerovich 2004). Accordingly, housing was intertwined with work and functioned as an instrument of social control.

One group was excluded from housing rights. Ex-criminals were declared *bomzh* (*bez opredelennogo mesta zhitel'stva*, without a defined place of living) in their propiska after release from prison, effectively making them homeless (Höjdestrand 2005, 41). This was a way of exercising the stick and carrot policy on criminals, who were punished for their crimes by being denied housing. This was also a way to keep unwanted elements away from the cities. Propiska regulations and punishments for breaking the rules were loosened in the 1970s (Liubarskii 1993). In 1993 propiska were made illegal but they were replaced with a similar system, registration to a permanent residence (*registratsiia na mesto zhitel'stvo*) (Höjdestrand

2005, 44). The registration system still exists today but it is not as strict and people do not necessarily live in the apartment to which they are registered.

In the Soviet Union for some people to obtain a propiska was extremely difficult, so alternative ways were devised to get one, such as fictitious marriages. A new profession even emerged, 'marriage brokers', who would help people find a suitable partner for such a purpose. Couples sometimes divorced in order to acquire more living space, although they actually continued living together (Morton 1980, 249–250). Or it would sometimes occur the other way around: a divorced couple could be forced to live together because separating would lead to worse housing conditions (Fitzpatrick 1999, 47). 'Manipulation of registration' also existed, for the purpose of improving one's housing conditions. This could include taking care of an elderly relative in exchange for registration to the apartment and the right to inherit it (Salmi 2006b, 198–199).

Acquiring a dwelling through a waiting list was slow and only possible for those whose living space per person did not exceed 4.5 square metres (in Leningrad). As a result, one way to improve one's housing situation was to exchange apartments (Lebina 2003b, 192–193). Exchanges were advertised in notices plastered in public places like kiosks, bus stops, walls and in the *Bulletin for Housing Exchanges* that was published in most big cities. In every large city there was also a Housing Exchange Bureau, an agency of the Department of Registration and Allocation of Housing Space. The Bureau published the Bulletin and approved exchanges but did not help people to find exchange partners. The exchange could be cancelled if the bureau suspected that money was involved in the exchange, as was indeed often the case (Morton 1980, 243–246).

Although Soviet society was ostensibly equal, political merit was important for obtaining housing. The intelligentsia, that is, the upper middle-class cultural and scientific professionals, were in a better position in the housing queue. High-ranking military officers, distinguished artists, scientists and war invalids were legally entitled to additional living space and the elite often lived in spacious apartments that had been specially built for them (Sosnovy 1959, 10–11). Jumping the housing queue, even building a cottage on the state's account, was possible for employees in high-ranking positions. A shadow housing market also existed and unofficial channels were used to acquire better housing (Andrusz 1990). Money

played an important role in improving housing conditions. In this shadow housing market apartments were illegally rented above the official prices (Morton 1980, 242). The distribution system was corrupt and a 'free' apartment could be bought from the authorities (Berezin et al. 1996, 86). Alternatively, a 'procurement agent' could be (illegally) hired to improve one's position in the housing queue (Schwartz 1981, 290–292). Social networks were also crucial in acquiring a dwelling, as they were for other consumer goods (Salmi 2006b). Housing was not the only commodity in short supply in the USSR, so personal relationships were needed and used to access those items that were otherwise out of range (Hosking 2004). Good connections were essential in finding a dwelling; knowing the right person could result in moving ahead of the official waiting list (Morton 1980, 250). *Blat*, the system of exchange of favours, was also used to find materials for house repairs, of which there was a shortage, or to obtain a desirable place to build a *dacha* (cottage) or a garage (Ledeneva 1998, 30–31). *Blat* and networks were a means of survival in the era of shortages. *Blat* is still used today, although to a lesser extent, and the meaning of the term has changed somewhat (Ledeneva 1998, 178–179). As Hosking notes, "Soviet society intended to be an egalitarian society based on abundance; it actually became a hierarchical society based on scarcity" (Hosking 2004, 13).

Even though control of housing was strict, employment usually guaranteed a secure dwelling for life, as eviction was extremely rare. Because rents were low and housing was allocated by the authorities, financial reasons did not prevent people from acquiring a dwelling. According to one commentary on the Soviet Constitution, housing was based on social issues rather than financial ones; instead of one's ability to pay, the determining factors were the number of people in the family, their health, participation in the Great Patriotic War, and the like (Alexeev 1988, 414). Now, in the post-Soviet era, principles of the market economy direct the housing sector. Although, in theory, the state still guarantees housing for everyone (Constitution of the Russian Federation, Article 40), it does not specify exactly how this is guaranteed. Social housing is available only for the poorest people, while the majority are expected to buy or rent their apartments on the market. This is a huge change to the policy of state-provided housing. Many people were used to this situation, which is reflected in how they speak of having been "given" housing, using the passive tense, instead of actively buying or renting (Semenova 2004, 54). Accepting the chang-

ing situation would have been hard for some people, who felt that state-provided housing was the state's moral responsibility towards its citizens. Protests against increasing rents and housing payments, as well as eviction for non-payment, can be expected.

2.4. Cooperative Housing

The first housing cooperatives, established in the 1920s, were residential organisations that managed and/or provided housing to the people. They were ideologically-driven experiments that followed the more radical house-communes (Buchli 1999, 29). Economic cooperatives were established in Russia as early as 1865 in the Baltic area but due to opposition from local bureaucrats they remained limited in number until the 1905 revolution, when regulations on cooperatives were changed. In 1921 there was a “network of cooperatives” in Soviet Russia and “there was scarcely anyone who was not a member of, or linked in some way, to a co-operative” (Andrusz 1992, 138–139). Cooperatives have been seen as a transition from capitalism to socialism, somewhere between the two regimes, setting the conditions for socialism. Although cooperatives were popular, the first housing cooperatives only emerged in the 1920s. In the era of the New Economic Policy, from 1921 to 1928, the difficult economic situation in the country forced Lenin to allow limited private trading. This also made the climate more favourable for private management in the form of housing cooperatives. A very different form of housing, the communal apartment, soon became dominant.

Following the massive municipalisation of housing, the state was not able to directly manage the entire housing stock. The old house committees could not be relied on to control residents, as they were led mostly by the previous upper-class homeowners and other politically unreliable elements. Housing management was supposed to be in the hands of workers, so house committees were reorganised (as described above) and, shortly thereafter, housing cooperatives were created (Meerovich 2004b, 32–35). In 1924 the idea of housing cooperatives was raised in the XIII Party Congress and the decree on cooperative housing associations (*zhilishchnyye kooperativnye tovarishchestva, ZhSK*) came into force (Andrusz 1992, 141). There were two main types of cooperatives: rental cooperatives (*zhilishchno-arendnye kooperativnye tovarishchestva, ZhAKTy*) and house-build-

ing cooperatives (*zhilishchno-stroitel'nye kooperativnye tovarishchestva, ZhSKT*). The rental cooperatives rented municipalised housing and were an efficient way to manage municipalised housing (ibid.). The idea behind rental cooperatives was that tenants of municipal housing would renovate and maintain their own dwellings, which would entitle them to reduced housing payment fees, especially when large-scale renovation was needed (Dolgushina 2006). The most comfortable housing in Petrograd was in the centre of the city, where 97.5 percent of housing stock had water pipes and sewerage. In the traditional workers' district of Vyborgskii, however, 80 percent of apartments lacked basic amenities in 1924. The cooperatives did improve the housing stock. For example, in 1926 a cooperative at house #72, in 25 October Street managed to install heating, sewerage and bathroom in every apartment of the building (Lebina 2003, 35–36).

The second type of cooperative, house-building cooperatives (*ZhSK*), included workers' cooperatives (*rabochie zhilishchno-stroitel'nye kooperativnye tovarishchestva, RZhSKTy*) and general citizens' cooperatives (*obshchegrazhdanskies zhilishchno-stroitel'nye kooperativnye tovarishchestva, OZhSKTy*). As the name implies, the main difference between rental cooperatives (*ZhAKTy*) and building cooperatives (*ZhSK*) was that the latter were not established in existing housing but were built (or renovated) by their members. The house-building cooperatives built new houses, completed the construction of unfinished houses and renovated deteriorated houses for their members (Dolgushina 2006; Lebina 2003, 36). According to Andrusz, workers' cooperatives were reserved for employees of the state, the cooperative and other public organisations, while anyone could become a member of the general citizens' cooperatives (Andrusz 1992, 141). Chernykh, on the other hand, has claimed that *OZhSKTy* were accessible for those people who had the financial resources to build their own dwellings, such as craftspeople and the petit bourgeoisie (Chernykh 1995, 74). Workers' cooperatives had more rights than general cooperatives; they were entitled to credit and building materials from the state (Andrusz 1992, 141). Besides cooperatives, a group of residents could rent a whole building. Cooperatives were a way for citizens with adequate financial resources to improve their housing situation (Shomina 1995, 80). In addition, the state encouraged self-construction that could also be realised in the form of a house-building cooperative. Private constructors were offered free lots and 10-year tax exemptions as a way to ease the housing shortage (Harris 1999, 284–285).

To some extent, the 1920s cooperatives socialised the domestic realm: laundry, housing maintenance, preparation of food and, to a limited extent, childcare were performed collectively. However, this did not liberate women from being the equal counterparts of men in industrial work. Instead, both tasks were placed on women's shoulders, resulting in the double burden of wage-work and housework (Buchli 1999, 29–31). Partly as a communitarian project of the residents and partly as a policy ordered from above, so-called self-managed canteens (*samodeiatel'nye stolovye*) were established from 1929 onwards. The canteens, often set up by ZhAKTy, were an experiment in the “collectivisation of daily life”, with the aim of releasing women from domestic work. One canteen provided meals for 250–300 people during the food crisis and they were quite widespread in Moscow, Leningrad and other industrial centres. The canteens were eventually closed down in the mid-1930s, as they became unnecessary once food rationing had ended (Matsui 2008).

Cooperatives were a significant phenomenon in the 1920s. Financially they were quite independent and they could determine how housing was redistributed (Lebina 2003, 35). Accordingly, their power to distribute vacant apartments attracted people to become members. There was a membership fee defined by the joint meeting but it had a legally stated upper limit, and members could be evicted for neglecting housing payments or disturbing neighbours (Dolgushina, 2006). According to Buchli, the fees were high enough that poorer workers could not afford them, making them a movement of urban professionals (1999, 31). Rental cooperatives were the main type of housing in Petrograd in the mid-1920s: 75 percent of housing were ZhAKTy, while only five percent was private housing stock (Lebina 2003, 35). This was before the ‘consolidation’ and rehousing policy was put into practice in 1927. ZhAKTy were subject to it as well at the time and some of them were abolished (*ibid.*, 42–43).

The number of cooperatives also started to decline in the mid-1930s, for several reasons. The building cooperatives could not handle the large-scale construction or the more sophisticated building techniques that were required. Secondly, the financial position of the local soviets (authorities) had improved, which allowed them to again take charge of housing management (Andrusz 1992, 142). Furthermore, as the cooperatives gained more financial independence over time and were able to renovate and construct houses without state support, they created a potential threat for the state's

dominance of the housing sector. Because housing was to be tied to labour, dwellings should not be obtained through any channel other than from the state, which allocated housing through workplaces (Meerovich 2004b, 27–31). Cooperatives sought greater independence and tried to avoid fulfilling the state's regulations, and the state could not tolerate this indiscipline. For example, cooperatives transformed *kommunalki* into separate apartments, which went against the state's idea of housing that was 'transparent' and easily supervised. As a result, housing cooperatives such as ZhAKTy were abolished in 1937 (ibid, 266–267). The cooperatives of the 1920s and 1930s are an interesting phenomenon because they show that efficient self-organisation and management of housing existed in the Soviet Union before the state completely took over the housing sector and compressed people into communal apartments. On the other hand, some researchers have regarded ZhAKTy less as democratic management organisations and more as control organs that did not make a great difference to later municipal housing management (Siegelbaum 2006, 10). However, the cooperatives of the 1920s are important because they show that some degree of self-management of housing existed before the state completely took over the housing sector. Furthermore, the early cooperatives set a model for the cooperative system that was established in the 1960s.

2.5. Housing Cooperatives in the Later Soviet Period

Having being prohibited for over 20 years, cooperative housing returned in the 1960s, when attitudes towards private ownership became more permissive. The building cooperatives of the later era, *zhilishchno-stroitel'nye kooperativy*, ZhSK, can be seen as an alternative to homeownership. The idea was to offer a means of acquiring a separate apartment through hire purchase, thereby easing the housing shortage. In 1962 a new law for developing cooperative construction came into force, which allowed state loans for up to 60 percent of construction costs with a repayment term of 10 to 15 years. In 1964 the credit part was increased to 70 percent in rural and remote areas and the repayment time increased to 20 years (Andrusz 1992, 143). However, despite the state's enthusiasm, cooperatives did not increase in the desired phase; instead, cooperative construction decreased in the 1970s, although it did increase again in the 1980s (ibid., 146). Cooperative

residents had fewer rights than tenants; they could not get state subsidies for housing maintenance, which was available for residents in all other types of housing, not only in municipal housing (Shomina 1995, 81).

In 1982 the terms were improved by extending the 70 percent credit part to apply to the whole country (except for Siberia, with 80 percent) and the repayment term was extended to 25 years (Andrusz 1992, 143). In the late 1980s, Gorbachev revived the cooperatives to enable restricted private trading (Andrusz 2002, 129). Two decrees came into force in 1988, one to accelerate the development of individual housing construction (*O merakh po uskoreniiu razvitiia individual'nogo zhilishchnogo stroitel'stva*) and another to accelerate the development of housing cooperatives (*O merakh po uskoreniiu razvitiia zhilishchnoi kooperatsii*). In order to fulfil the goal of providing every Soviet citizen a separate apartment or house by the year 2000, private construction was to be increased with the help of the local soviets. In rural areas credit for construction was to be given with a repayment term of 50 years, while in the cities the term was 25 years. Credit was to be given for capital repairs as well, with a 10-year repayment term. Enterprises and sovkhozes could sell houses to their employees, with the price determined by the employee's position. The quality of private construction was also to be increased (*O merakh po uskoreniiu razvitiia individual'nogo zhilishchnogo stroitel'stva*).

The 1988 decree on cooperatives specified two types of cooperatives that resembled those of the 1920s and 1930s (Andrusz 1992, 150). One was the house-building cooperative that could build a house or occupy one after making capital repairs to it. The other was the type that could buy either a newly built or repaired house from an enterprise or local soviet (*O merakh po uskoreniiu razvitiia zhilishchnoi kooperatsii*). The local soviets had the right to add up to 15 percent to the construction costs of houses in particularly desirable locations. According to Andrusz, this had two main consequences: it strengthened the local soviet's financial position and autonomy and it forced rental charges to correspond with the location more than they had previously (*ibid.*, 151).

The state promoted cooperatives in the 1980s on the basis that housing maintenance would be improved because owners would be more motivated than tenants to take care of their houses (*ibid.*). This assumption seems to have held true, as the common areas of cooperative houses were known to be in better condition (Shomina 1999, 1). Although people treated the

state-owned apartments in which they lived as their own (Reid 2006, 159), they did not seem to take care of the common areas with the same intensity. The current housing reform also aims to improve the condition of the common areas in multi-family buildings by privatising them and transferring the responsibility from the public sector to the homeowners. Cooperatives were meant to increase the rate of housing construction as much as two to three times by 1995 (O merakh po uskoreniiu razvitiia zhilishchnoi kooperatsii). Between 1996 and 2000 cooperatives were to account for 30 percent of new construction in towns (Andrusz 1990).

However, cooperatives' share of the housing stock remained modest and by 1990 they accounted for only four percent of the housing stock (Struyk et al. 2000, 4). Cooperatives were more widespread in larger cities, partly because it was easier to construct there, as pre-fabricated panels were easily available in the vicinity of the factories that produced them (Andrusz 1992, 146). Waiting lists for better housing tended to be long. In 1990 there were 14.3 million families in the queue for housing and 1.8 million for cooperatives across the whole Soviet Union in 1989 (Andrusz 1992, 145, 149). Certain restrictions applied for eligibility to a cooperative: the person had to be registered in the district and the applicant's living space had to be below the average for the area, as determined by local authorities. Residents of Leningrad cooperatives were often young families with children who had moved out of a communal room they had shared with their parents (Gerasimova 2000). In the late 1970s cooperatives were established that were specially targeted for the young (*molodezhnye zhilishchnye kooperativy, MZhK*) (Shomina 1995, 81).

Officially, people could be rewarded with a cooperative for working hard or under especially difficult circumstances, such as in a harsh climate, or as compensation for a handicap or a dwelling that was to be demolished. However, the system of allocating cooperatives was somewhat corrupt, as was the entire housing system. Illegal practices of paying extra 'key money' were common and privileged people received cooperative apartments outside the official waiting list (Andrusz 1992, 144). According to Morton, cooperatives were "largely occupied by the intelligentsia and their children", who could afford to pay to improve their housing conditions (1980, 255). This contradicts Gerasimova's view of cooperatives as dwellings for young families (Gerasimova 2000), a contradiction that could be due to regional variation in cooperatives' residential structure. Also, Berezin et al. note

that cooperatives' residents were "not from high-income sectors of the population", but were families with average financial positions (1996, 87).

According to the Law on Cooperation in the USSR (*O kooperatsii v SSSR*), a housing cooperative's administrative structure closely resembles today's homeowners' associations. It consists of a common meeting of the members, a chair and, in the case of a large cooperative, a board (Article 14). This makes homeowners' associations the successors to cooperatives. The tradition of cooperatives can simplify the idea of homeowners' associations for people today, which is very important in order for the successful management of homeowners' associations. However, cooperatives were a small-scale phenomenon and they could not be considered a sufficient example for making homeowners' associations comprehensible for residents. Although cooperatives were not that common in the later Soviet era, they are relevant for this study as they represent both an important step towards homeownership and a housing management organisation that closely resembles the present homeowners' associations.

2.6. Khrushchev's Housing Reform

Stalin's housing policy had failed to reduce the housing shortage. After his death, the 'Stalinist' neo-classicist architectural style was abandoned as a part of the de-Stalinisation process. *Stalinki* were monumental buildings that had spacious, usually communal, apartments with 3–3.5 metre high ceilings (Lebina 2003b, 162–164). Ever since their construction, *stalinki* have been regarded as prestigious (Taranov 2002, 85), and today they are among the most sought after dwellings in the housing market. After the Second World War, however, the country desperately needed new housing and the grandiose Stalinist houses could not be built in a short time at a limited cost. The new first secretary of the Communist Party, Nikita Khrushchev, declared that 'people do not need beautiful silhouettes of cities; they need square metres' (Taranov 2002, 83). New technology was used for the effective large-scale production of simple houses known as *khrushchevki*.

Despite the population decrease caused by the war, the Soviet Union had also acquired new territories (Bater 1980, 63) and because the existing housing stock had been damaged, the situation was critical and required

immediate action (Harris 1999, 297). People were living in barracks, cellars, lofts and abandoned industrial buildings, which may have been bearable as a short-term emergency solution but definitely not suitable for permanent human habitation. These dwellings often lacked sanitary facilities, water supply and gas and the living conditions caused illnesses, such as rickets and dysentery, and were hazardous; the dwellings sometimes literally collapsed on top of the residents. Dissatisfaction with the housing conditions is illustrated by the number of complaints¹³ that citizens sent to the Communist Party in the hope of receiving a new place to live. Housing was the most common subject of complaints in the 1950s (Kulavig 2002, 41–51).

Considering the widespread discontent in the country, housing was politically a very serious issue. Complaints were taken seriously by the party because discontent with the housing situation could lead people to question socialism. Was the country really heading to right direction if the system could not provide decent housing to its citizens? (Kulavig 2002, 41–51). The general discontent therefore also became a risk to the existing political power and, in order to restore trust in the system, the situation had to be relieved. As a result of the housing deficit, private construction and the purchase of homes for private ownership was made possible by a decree in 1948 (Sosnovy 1959, 13). The quality of private construction was very low, houses were built with poor materials, sanitary or technical standards were not met and the houses were located on the outskirts of the cities (*ibid.*, 15). The state helped the owner-builders by providing them with tools, advice and building materials (Harris 1999, 300).

Khrushchev's era was the first time since the 1920s that the Soviet power openly admitted the country's housing crisis (Sosnovy 1959, 14). The real living space per person across the country had diminished from 5.85 square metres in 1926 to as low as four square metres in 1940 and it was still under five square metres in 1958 (in Leningrad the corresponding number was 5.18 square metres in 1956) (*ibid.*, 4–5). In 1955 communal apartments

¹³ Letter writing was encouraged by the authorities, who felt it was “a democratic practice that brought citizens closer to their government” (Fitzpatrick 1999, 176). Remington (2002, 89) calls this “parochial contacting”, pointing out that while citizens were able to express private claims, the system did not allow them to organise politically to drive their demands. Letter writing continues to be the main channel for contacting the authorities today.

were still being designed, but architects admitted that this kind of housing was not desirable and complaints were received from residents (ibid., 7). Two years later, however, in 1957, a document “On regarding the development of housing construction in the USSR” (*O razvitii zhilishchnogo stroitel'stva v SSSR*) stated that communal apartments and several families living in one apartment was unsuitable. It was claimed that this was not the state's deliberate policy but rather a result of economising during the era of industrialisation. “A separate apartment for every family” became the slogan for the reform, effectively saying that separate apartments were no longer solely the privilege of the elite.

The huge task of relocating people from communal to separate apartments had to be realised with minimum expenses, in accordance with the ‘minimisation’ principle. All unnecessary architectural and furnishing details, such as bay windows and lifts, were removed. Instead, prefabricated panels were used to build houses in serial production. Khrushchevki were typically five-storey buildings with one-, two- or three-room apartments. The typical apartment size was 40 square metres and the ceiling height ranged from 2.2 to 2.5 metres. In order to reduce expenses, cheap, low-quality materials were used and the houses were built quickly. This new construction mode saved between 30 and 35 percent in building expenses but contributed to the small apartments being uncomfortable and impractical. The five-storey multi-family houses started to be built in Leningrad in 1956 (Lebina 2003b, 171–178).

Because of their defects, khrushchevki were given the nickname *khrushchoby*, in reference to the word *trushchoba*, or slum (Boym 1994, 125). It has been said that the whole building could laugh at an anecdote told on the fifth floor due to the poor soundproofing (Lebina 2003b, 162). Because the houses were built in a rush in order to fulfil the construction plans, the facades were sometimes left unfinished and the courtyards without landscaping (Sosnovy 1959, 12). The poorly built houses had cracks in the walls and problems with heating. Residents and architects were equally dissatisfied with the ugly panel houses that created districts that all looked alike. This is parodied in the famous Soviet film entitled *Irony of the Fate*, in which a character arrives in a strange town but mistakes it for his home because it looks just like his and even the street name is the same (Taranov 2002, 85–86; Ruble 2001, 146, 150).

Table 3. Housing construction in the Soviet Union, millions of square metres

Year	Total	State	Workers	Kolkhozes
1918–28	203	23.7	27.5	151.8
1929–32	56.9	32.6	7.6	16.7
1933–37	67.3	37.2	7.1	23
1938–45	184.2	75.7	24.5	84
1946–50	200.9	72.4	44.7	83.8
1951–55	240.5	113	65.1	62.4
1956–60	474.1	224	113.8	136.3
1961–65	490.6	300.4	94	96.2
1966–70	518.5	352.5	72.8	93.2
1971–75	544.8	407.3	64.3	73.2

State: State and cooperative enterprises, organisations and housing cooperatives

Workers: Workers and employees on their own expense and state credit

Figures reported at intervals of the five-year plans, starting from 1929.

Source: Narodnoe khoziaistvo SSSR v 1977 g.

As Table 3 shows, although khrushchevki were not the ideal housing solution, the scale of new housing construction was massive. Housing construction prior to the 1950s had been on a very small scale, especially in the 1920s and 30s. New housing was built and it was modernised by installing gas and heating to more apartments (Aksyutin 2004, 346). It has been claimed that khrushchevki were only meant to last for about 25 years rather than for a lifetime (Glock et al. 2007, 208). However, Khrushchev himself said the houses were constructed to last a century (Taranov 2002, 86), as was the idea in socialist urban planning in Stalin's time (Lebina 2003b, 164).

In the late 1960s the existing housing stock began to deteriorate strongly. This was the result of a policy that kept rents at a low level while simultaneously constructing a large amount of new housing. Because of this, however, there were not enough resources left over to maintain and repair the existing housing stock. Furthermore, new construction was concentrated on the outskirts of cities, leaving the old districts in the centre to deteriorate (Szelenyi 1996, 304–305). Housing construction in Brezhnev's era was similar that of his predecessor, except that the buildings had between nine and 13 storeys instead of five storeys (Staub 2005, 339). Brezhnev-

era housing was slightly more spacious, comfortable and better equipped, with lifts and rubbish chutes but it was also panel constructed (Moscow Times 1999, Nevskii prospect website). The quality of housing improved in the later decades of the Soviet era. Better building materials were used, existing houses were renovated and new houses were more spacious and convenient (Gentile & Sjöberg 2006, 704).

Despite the problems in terms of the quality and comfort of the new housing, Khrushchev's reform managed to create much-needed new housing. However, most of Leningrad's population still lived in old, pre-revolutionary housing stock and communal apartments (Lebina 2003b, 187–188). Estimates of the living space per person in the Soviet era vary considerably across different sources but it is clear that Khrushchev's reform increased living space. According to Ruble (2001, 139), the average living space per urban dweller doubled between 1956 and 1989, from 7.7 to 15.8 square metres. Most sources give lower figures than Ruble. For example, Morton (1980, 235) claims that the average living area per person in the USSR in 1970 was eight square metres and 10 square metres in Moscow. By way of comparison, the average living space per person in Russia in 2006 was 21.1 square metres (*Rossiiskii statisticheskii ezhegodnik* 2007). According to Morton, 30 percent of the Soviet Union's citizens lived in communal apartments in 1974. Although this is still a high number, it is a substantial improvement over the situation in 1960, when 60 percent of the nation lived communally (Morton 1980, 235–236). The amount of communal apartments has always been higher than average in St. Petersburg, so the number is likely to have been higher in the city. The housing situation did not improve as much, or as equally as it could have, because of the unequal distribution of housing. Erik Kulavig describes the situation as follows:

Between 1959 and 1960, homes were built for 227,500 families in Moscow, but only 22.3 per cent of those who received apartments had been on the waiting list. The reason for this was that most of the new buildings were reserved for particular ministries, factories and institutions which gave first priority to their own employees, and first and foremost to those in the highest positions. There was thus a striking social inequality in the sharing-out of apartments and building materials. Of the most needy 70 per cent were workers, but they were awarded only 30 per cent of the new housing, while the remaining 30 per cent received around 70 per cent of the newly built apartments. (Kulavig 2002, 41–42).

The urban landscape changed significantly in Khrushchev's Thaw period, during which new construction was directed at new neighbourhoods. The 1950s saw the creation of the first microdistricts (*mikroraiony*), autonomous neighbourhoods that would provide all the services its inhabitants needed: kindergartens, schools, a clinic, shops and cultural amenities. Microdistricts were planned to have between 8000 and 12,000 residents and to consist of smaller housing units, 'superblocks' (*kvartal'i*), components of 1000–1500 people. Several microdistricts constituted a district (*raion*), an administrative unit comprising between 30,000 and 50,000 inhabitants. The plan was influenced by the garden city idea of the 1920s, meaning that everything in the district would be within walking distance, without the annoyances and dangers of the districts of old industrial towns. However, many employers were reluctant to move their enterprises to the suburbs, so most microdistricts ended up as dormitory districts, forcing residents to travel long distances to work on overcrowded public transport (Staub 2005, 337–340; Ruble 2001, 148–150). Secondly, the services that were planned for microdistricts were only built decades later, if at all (Molodikova and Makharova 2007, 53). As a result of all this, a separate apartment in an old house in the city centre, close to services and workplaces, remained the most prestigious type of accommodation (see Morton 1980, 255–256). In any case, microdistricts still form the residential complexes and local level administrative units in contemporary Russian cities. Housing management became more centralised in 1957 and the number of janitors, who had taken care of maintenance in every building, was reduced. Several house committees in Leningrad were merged together and re-established into 200 housing-management offices, or ZhEKi (*zhilishchno-ekspluatatsionnye kontory*) (Lebina 2003b, 190). ZhEK¹⁴ continues to be the local authority in charge of housing management.

Khrushchev's reform also entailed new stratification of housing. Until the mid-1950s the masses had lived in cramped communal apartments. Although the housing situation was not satisfactory by current standards, there was "equality in poverty" as Victoria Semenova put it, and there was no significant social stratification in housing before the 1960s (Semenova 2004). The great masses all lived in similar circumstances, so there was no

14 In some cities, such as St. Petersburg, ZhEK has been renamed ZhES, or *zhilishchno-ekspluatatsionnaia sluzhba* (housing management service).

one to envy (*ibid.*, 66); only a small number of elite had lived in separate apartments. In the 1960s, however, such accommodation became accessible for ordinary families. Social stratification among the masses began to increase, bringing Soviet Union closer to the West in this sense, although on a much smaller scale. In the Soviet Union social stratification was based on privileges and access to things other than money. There were “no millionaires around” as one respondent recalled in Alena Ledeneva’s study on post-Soviet economy and *blat* (1998, 181). Housing, along with education, health care and employment, was provided for everyone (with the exception of *bomzhy*). Differentiation in housing conditions grew but on a much smaller scale than in the post-Soviet era and it was not clearly visible because communal and separate housing existed within the same block (Morton 1980, 254). This continues to be the case in St. Petersburg today in the old housing communal apartments that still exist alongside privately-owned apartments.

However, the massive amount of construction had a positive effect in easing the housing shortage. The average amount of living space increased and communal apartments became more spacious for the remaining residents. This was the first time that the housing shortage had been taken seriously in the Soviet Union in the form of concrete and effective measures to improve the situation. However, the low-quality, hasty construction and neglect of proper repairs have led to problems that remain today. Khrushchevki are frequently found in a dilapidated state and in need of capital repairs or demolition. Although a separate apartment meant more privacy than a *kommunalka*, the state wanted to ensure that the ‘communist way of life’ was retained. Standardised housing, built from identical prefabricated panels, and the mass production of furniture ensured that the frame of private life remained common. The state continued to monopolise the housing sector and the new apartments were not private property. The home was still a public concern and with the ‘gift of the state’ came the responsibility to take good care of it. The official propaganda nominated residents of the separate apartments as *khoziainy*, caretakers, who were expected to keep the apartments in good condition (Reid 2006, 148–156). However, more space and reduced proximity of neighbours certainly allowed more personal liberty and privacy than before.

2.7. Impact of the Soviet Period on the Present Situation

The Soviet housing system had specific features that are relevant for the present housing situation in Russia. Housing policy was driven by socialist ideology and housing was used as an important tool to raise Soviet citizens. Housing stock was nationalised at the beginning of the Soviet era; privately owned apartments were taken from the former elite and redistributed to workers. A new, communal way of living was to be realised in house-communes. This did not, however, gain popularity among the people and never became widespread. Instead, due to the severe shortage of housing throughout the Soviet era, communal apartments became the most common type of urban living. Living in uncomfortable proximity to neighbours and the lack of private space took its toll on people. Although the housing shortage was exacerbated by population growth, some scholars believe that the shortage was actually produced intentionally by the state, as it enabled control of citizens on a macro level and at a micro level (Meerovich 2004b, Morton 1980, 254). The state monopolised the housing sector because it owned most of the housing stock, which was allocated to citizens following the 'stick and carrot' policy. Officially, the Soviet Constitution from 1936 (Article 128) stated that the right to housing was based on need, but in practice it was earned by working for the state. Housing was largely allocated by state enterprises, making workers dependent on their workplace. Housing was intertwined with work and good workers were rewarded with better housing, while ex-criminals were excluded from the housing-distribution system altogether. The close quarters within communal apartments allowed neighbours to keep a close eye on each other and it was common in the early decades to report politically suspicious behaviour to the authorities. Propiska, a registration system, was used to control mass migration to cities and tied people to their place, making it very difficult to change one's housing conditions or to achieve upward mobility. Alternative channels, such as *blat* and unofficial housing market, were used to acquire better housing.

On the other hand, residential segregation did exist but only to a limited extent; for example, cooperative members tended to represent the upper stratum of society rather than the lower classes (Bater 1980, 104, 111). Housing differentiation increased in Khrushchev's era when large-scale new construction made separate apartments accessible for the masses.

However, stratification was not as great as in the West or even in contemporary Russia, as homeownership remained virtually impossible in cities. Khrushchev's housing reform relieved the housing shortage through new housing but it was hastily constructed and of poor quality. In order to reduce the costs of the new construction, renovations and maintenance of the existing housing stock were neglected. The effects of this policy can be observed today, even though the 'emergency' condition housing stock is now being repaired or demolished.

As a form of compensation for unachievable owner-occupation, tenant's rights were strong, practically equal to homeowner's rights (IUE 2003) and rents were kept stable and low (Andrusz 1990). It has been claimed that tenants felt that state-owned apartments or rooms were their own property, resulting in a feeling of "pseudo-homeownership" (Reid 2006, 159). The state tried to make the residents of separate apartments consider themselves as *khoziainy*, caretakers, of their apartments (ibid., 154). However, although people may have felt morally responsible for their dwellings, this is quite different from being legally in charge of property. Thus, housing privatisation in the post-Soviet era has brought a significant change in this respect. Secondly, homeowners nowadays are, along with their neighbours, legally responsible for the maintenance and management of the common areas of the building. This idea may be difficult to comprehend for people who are used to the state handling those duties and who regard the common property as no-man's land. Even if the system is understandable in principle, implementing it in practice may be difficult without prior experience of joint housing management (with the exception of residents of ZhSKs, a small minority).

The difficult housing situation made it necessary for people to use their creativity, *blat* and connections to obtain better housing as well as other goods (Salmi 2006b, 197–198). However, the system did not encourage creativity; instead, people were raised to be passive recipients of state-allocated goods and employees had little or no opportunity to impact their housing situation. Unlike in the West, individual housing strategies were not based on choice and people were subject to the actions of the authorities (Semenova 2004, 54). In the Soviet Union the state was the 'caretaker' and the provider of housing. This is not to say that the Soviet citizens were completely passive, but activity took different forms, as the rigidity of the Soviet housing policy forced people to use alternative channels to improve

their housing situation. Nonetheless, the Soviet housing system did not give its people the skills and readiness necessary to actively participate in the current, market-economy-based housing system.

On the other hand, a model of residential housing management also existed throughout most of the Soviet era in the form of housing cooperatives. It is worth noting that a self-management housing organisation already existed in Russia in the 1920s, preceding today's homeowners' association, although the two systems were quite different. The cooperatives from the 1960s onwards were never especially widespread but they are relevant because of their similarity to today's homeowners' associations. Cooperatives' members were responsible for common property, and the model of members' collective decision-making is basically the same as in homeowners' associations. Cooperatives are well known by the people and their example can make homeowners' associations more comprehensible for ordinary people in modern society. The 'original' resident-based house committees, which existed before the state took over housing management, are also reminiscent of today's residential housing organisations.

It is evident that the Soviet era has left a legacy for the present day housing situation in Russia that is problematic in several respects. The poor condition of the housing stock and the communal apartments on one hand, and the unreadiness of people to be active consumers in the market on the other, both descend from the Soviet era. The following chapters will examine how the demolition of the socialist housing system and the creation of a new, market-oriented one in its place has succeeded or otherwise.

3. Housing after the Soviet Union

This chapter examines the housing situation in post-Soviet Russia. The housing sector has been subject to a profound change, from a socialist towards a market-oriented system. The chapter starts by introducing the housing privatisation reform and its consequences, both intended and unintended. It then covers the housing reform that came into force in 2005, describing its aims and analysing the problems that have been encountered in the course of its implementation. The privatisation of housing management, of which homeowners' associations are an intrinsic part, is then examined in detail, along with other management alternatives stated in the legislation, and their positive as well as negative aspects. This research focuses on St. Petersburg, so the chapter mainly describes the housing administration structure and housing conditions in that city. The housing movements and organisations that have sprung up in the post-Soviet era are also introduced, as contemporary civic activism in Russia largely focuses on housing issues. The volume of civic activity shows that there are clear problems in housing and that people are willing to take action to improve the situation. Finally, the chapter draws together the aims of the post-Soviet era reforms and the obstacles involved in implementing them. This chapter is based primarily on previous studies and newspaper articles but also on expert interviews of this study. Empirical data from the study is used to support the analysis of the current macro-level situation in the housing field. This chapter constructs the framework for examining homeowners' associations in practice in the two chapters that follow.

3.1. Housing Privatisation and Other Reforms in the 1990s

In the early 1990s a vast reform begun, aimed at reducing the state's role as the primary actor in the housing sector, taking a step towards a capitalist housing market. Similar changes have been made across Eastern Europe since the 1990s, aimed at creating a more efficient housing market by privatising housing stock and then moving housing management and maintenance to the private sector. The point of departure for the reforms has been similar in all of the Eastern European countries: the overwhelming pres-

ence of the state in the market as the owner and manager of the housing stock. The poor condition of housing stock due to neglect and the state's lack of resources for housing maintenance are problems that are characteristic of all these countries. However, different countries have taken different approaches to implementing the reform. As a result, a particular 'East European model' of housing has not developed and there are great differences in the housing policies of the various countries (Clapham & Kintrea 1996). Here I am concentrating on Russia's situation, realising that the reform in Russia is part of a wider pattern of change.

State financing of Russian housing construction decreased from 80 percent in 1991 to 11 percent in 1999 (Kosareva et al. 2000). In the early 1990s responsibility for housing construction, administration and housing services was moved to local governments along with other social policy tasks, as a part of the municipal self-government reform. This decentralisation has also been executed also in other former Soviet countries (Struyk 2001, 1046). Housing administration and other social infrastructure tasks placed a financial strain on local governments, which relied on budget allocations from federal and regional governments (Gel'man 2003, 48; Evans 2000, 119).

Housing stock in the Soviet Union was divided into (a) state-owned, consisting of (i) municipal (i.e. the local soviet) and (ii) 'departmental' (*vedomstvennyi*) enterprise housing. In addition, there was a small amount of housing stock that was (b) owned by social organisations (e.g. unions), (c) cooperative or (d) private (Andrusz 1992, 140). The private housing stock consisted mostly of detached single-family units (Gentile & Sjöberg 2006, 706). Seventy-nine percent of urban housing stock in Russia was state-owned in 1991 and this number was as high as 90 percent in the largest cities (Struyk et al. 2001, 1047).

Table 4. Ownership of housing in Russia in 1990, in percentages

	Urban	Rural	All
State	44	35	42
Departmental	35	2	25
All state	79	37	67
Public housing	1	9	3
Cooperatives	5	0	4
Personal property	15	54	26
Total	100	100	100

Public housing: trade unions and collective farms

Source: Berezin et. al. 1996, 84.

Table 4 shows that personal property accounted for 15 percent of housing in urban areas in 1990, with one percent owned by trade unions and collective farms and five percent by construction cooperatives (Berezin et al. 1996, 84). Ownership was first permitted¹⁵ in Russia in 1988, when residents of cooperative houses were allowed to become owners of their apartments by paying the remaining value of the apartment¹⁶ (Kosareva et al. 2000, 153). Steps towards owner-occupied housing had, therefore, already been taken in the 1980s, when housing cooperatives approached private property (Andrusz 1992).

Privatisation of state-owned housing stock started in 1991 with the Law on Housing Privatisation (*O privatizatsii zhilishchnogo fonda*), the first step towards moving the responsibility of housing to private citizens (UNECE 2004, 27). So-called free privatisation was implemented based on the principle of vouchers (Kosareva et al. 2000, 153). According to the law, everyone is entitled to free privatisation but only once. Under-aged children have the opportunity to become co-owners of the apartment in which they live with their family, or if they live alone, with the consent of

15 This refers to apartment-owning characteristic to urban areas. Ownership of single-family houses was already permitted but is more common in rural areas.

16 Thirty percent of the price was paid when one became a member of the cooperative, while the state gave credit for the rest of the price (Andrusz 1992).

their parents or guardians. Having come of age they can privatise another apartment (O privatizatsii zhilishchnogo fonda, Articles 2, 11). Restitution, the return of nationalised housing to its former owners, has never been applied in Russia as it has in other East European countries except Bulgaria (Clapham 1995, 686–687).

Table 5. Ownership of housing in Russia and St. Petersburg in 2006, in percentages

	Russia	St. Petersburg
State	5.6	27.1
Municipal	14.6	0
Private	79.7	72.9
of which in citizens' property*	76.5	69.8
Other	0.1	0

Source: Federal'naia sluzhba gosudarstvennoi statistiki.

* Other privately owned housing stock belongs to private companies and organisations.

A comparison of Tables 4 and 5 shows that housing ownership changed fundamentally between 1990 and 2006. Just under eighty percent of housing stock in Russia was privately owned in 2006, of which 76.5 percent was owned by citizens ownership (the rest was owned by legal persons; private companies and organisations). Just 5.6 percent of the housing stock was owned by the state and 14.6 percent was municipally owned. The share of privately owned housing stock in St. Petersburg, 72.9 percent, was almost as large as it was in the whole country, while the share of state-owned housing stock was 27.1 percent.¹⁷ According to the Law on Implementation of the Housing Code in 2005, the right for privatisation was supposed to end on 1 January 2007 and for municipal housing already in 2005, in case the rental agreement was made after 1 May 2005 (Article 6). However, the time limit was considered to be too tight and the period was extended so that neither of the rules hold true anymore (Rossiskaia gazeta, 18 July

¹⁷ All public sector housing in St. Petersburg is state-owned and there is no municipal housing stock.

2006). According to current legislation, the free privatisation in Russia will end on 1 March 2010 (*O vvedenie v deistvie Zhilishchnogo kodeksa*, Article 2, Point 34).

Not everyone has taken advantage of the opportunity to privatise at no cost. This can hardly be seen as a problem, given that the private housing stock already accounts for nearly 80 percent of the entire housing stock. However, analysis of who has decided to privatise and why is relevant because it reveals information about housing circumstances in general. According to Kosareva et al., at the forefront of privatisation have been pensioners and older people who have wanted their children to inherit their apartments (2000, 155). Transferring apartments to another generation was already possible in rented apartments in the Soviet era if the heir was registered in the apartment. As a result, inheritance may not have been a very strong incentive for privatisation. Secondly, good quality apartments with high market value and a good location have often been subject to privatisation (*ibid.*).

There are some negative incentives that have prevented privatisation (*ibid.*, 156). State-owned housing was the most common tenure type in cities and tenancy rights were so strong that people did not think of themselves as tenants in the Soviet Union; instead, the permanent nature of dwelling fostered a feeling of “pseudo-homeownership” (Reid 2006, 159). Tenants’ positions have not changed much since the Soviet era (Glock et al. 2007, 207). Tenants are entitled to sublet the apartment, have other people occupy the apartment and to exchange the apartment. The tenant is responsible for making the housing payments, but also for carrying out current repairs on the apartment (*Zhilishchnyi kodeks*, Article 67). However, municipal, social housing is no longer available for the masses as it used to be in the Soviet Union, as the new Housing Code has restricted the opportunities to acquire social housing (see Chapter 3.2).

Due to the secure tenancy, home ownership has not been associated with increasing security of occupancy. In the Soviet Union tenants were nearly impossible to evict, and even today eviction is rarely exercised, even in the case of non-payment of rent. As mentioned, tenants have the ability to bequeath their occupancy to their children or grandchildren registered in their apartment. Furthermore, ownership of the apartment means responsibility for maintenance and renovations of the house, which makes privatisation a less tempting option financially, especially if the house is in

need of renovation. To ease the burden, maintenance and repair fees for owners were reduced for a transitional period that ended in 2008. Until then, owners paid almost as much as tenants in non-privatised housing stock (Kosareva et al. 2000, 156). However, the general impression seems to be that apartment owners pay higher fees that may prevent tenants from privatising. This view was also expressed by one respondent in the interview data as a reason for not wishing to privatise his apartment.

In addition, Maria Plotnikova has found that education plays a decisive role in making the decision to privatise. Plotnikova says that education reduces the uncertainty of rising maintenance costs because better educated people are less prone to economic uncertainty, particularly the risk of losing one's job, so a potential rise in maintenance costs does not overly threaten their budget. On the other hand, household income did not appear to have a significant effect on privatisation, which, according to Plotnikova, indicates that poor households do not understand the financial value of their dwelling and have not taken advantage of the opportunity to gain property (Plotnikova 2004, 21–22).

As a consequence of privatisation, the coexistence of privatised and state or municipally owned apartments in one building has become common. This is partly due to the communal apartments, which are usually located in old buildings in the centre of the city. The problem with emptying the apartments and turning them into single-family dwellings is that, for the price of one room, it is difficult to afford to buy a whole apartment in the centre. There can also be psychological reasons that deter people from moving out of a *kommunalka*. People who are still living in communal apartments are mostly older people who are accustomed to living in the centre. They are unwilling to move to the outskirts of the city, which provides a very different living environment, both architecturally and psychologically. The historic centre of St. Petersburg holds certain prestige and people are proud to live there. Even in the Soviet era the city centre was the most highly valued living area, particularly compared to the new districts far from the centre, which meant long commutes and where services were not as easily accessible (Morton 1980, 255–256). Secondly, having been used to the presence and close proximity of neighbours, living in a separate apartment can create a sense of loneliness (Humphrey 2005, 47). The coexistence of privatised and state owned apartments has implications for management as well: management of mixed-ownership buildings can

be problematic, as tenants and homeowners are in unequal positions and have differing interests regarding management and maintenance.

In the first years of privatisation some people lost their dwellings as a result of fraud, due to which privatisation was unofficially renamed in the 1990s as *prikhvatizatsiia*, a combination of the word *privatizatsiia* (privatisation) and *khvatat'* (to grab). The fear of housing fraud and crime related to privatisation may have been one reason why people did not privatise their apartments. One respondent who lived in a non-privatised apartment told a story about a man who had privatised his apartment in the first years of privatisation and was killed the next day, apparently (according to the respondent) in order to take over his apartment. The respondent observed that privatisation can make an apartment subject to "criminal actions". Although it may sound like an exaggeration, his view is not without substance based on the information of prior studies. Fraud has often occurred in the form of housing exchange, a common method for improving housing conditions in the Soviet era. The scheme was usually along the following lines: a person gave the registration of their current address to the person with whom they were supposed to exchange the apartment. Having given up their old dwelling, it turned out that the address to which the person was supposed to move was bogus – a non-existent address or a dilapidated apartment in uninhabitable condition. The unfortunate individual could end up homeless if they did not have any support networks on which to rely. The legislation was later changed so that moving the registration from one address to another had to be done at the same time, which made defrauding more complicated (Höjdestrand 2005, 52–58).

However, takeovers of apartments happen even today, which is why the Public Chamber has produced a leaflet warning citizens. In Russia these takeovers are known as *reiderstvo* or *reid*, after the English word *raid*. The fraud may falsify documents that entitle someone to an apartment, including a marriage certificate (with the real apartment owner) and a document of the fraudulent party's inheritance of the apartment. The Public Chamber warns citizens about registering people to their apartment and about signing any papers with unclear content. It also advises keeping registration documents and domestic passports in a safe place and warns of the possible physical threat that the raider might impose (Obshchestvennaia palata 2006).

Residents of communal apartments have been the target of fraud, as communal apartments are often located in prestigious, architecturally val-

uable old buildings with a central location that makes them commercially interesting to speculators. Harsh measures, even murder, have been used to take over apartments. In a typical case an elderly apartment owner was promised that she would be taken care of for the rest of her life as part of a deal to sell her apartment. After the apartment was sold she died very quickly, rather conveniently for the other party in the deal (Glock 2007, 207–208). Defrauders can even be related to the apartment owner, someone who takes good care of the elderly apartment owner until the moment the apartment ownership switches to the relative (Kvartirnyi riad, 3 April 2008). The practice of a relative taking care of an elderly apartment owner in exchange for registration and, thus, the right to inherit the apartment, was used to improve housing conditions back in the Soviet era (see Salmi 2006b, 198). If both parties fulfil their part and fraud does not occur, this can of course be a convenient arrangement for all concerned parties.

The way in which the transition from a socialist economy to a market economy should have been realised has been widely discussed (see e.g. Sutela 2004, 194). This also applies to the privatisation of housing. Whether the implementation of privatisation reform should have taken place free of charge has also been questioned. Obviously the principle is humane, enabling anyone to become the master of their own dwelling. In addition, it has enabled the residents of communal apartments to obtain a separate apartment, albeit far from the city centre. On the other hand, not all the new proprietors have sufficient financial resources to maintain their property, as their property may consist solely of their apartment. This differs from Western countries, where purchasing a home requires certain resources, usually financed partially through a house loan and partially with savings. In Russia, therefore, homeownership does not indicate a certain social position or wealth, as is usually the case in Western countries. The group of 'poor homeowners' poses a challenge for housing maintenance, particularly in homeowners' associations that should be able to finance maintenance and repairs on their own.

Whether the privatisation period should have been extended until the year 2010 is an even more disputed question. Marina Akimova, a housing activist and chair of St. Petersburg's association of cooperatives and homeowners' associations, said in a newspaper interview that the free privatisation has been a "huge mistake", because people have not been properly taught about being homeowners and taking care of their property.

Furthermore, because of the extensive privatisation, the share of social (state) housing stock is too small (Dailystroi 27 December 2006). When Akimova was interviewed for this book in January 2008, she felt that the share of privatised housing was already too large, especially as many of the homeowners are poor and needy. In her opinion there was no point in continuing the privatisation right, as only people without any other financial assets have not yet privatised. If these people become homeowners they will not be able to afford the maintenance and repair costs and will end up being dependent on others (Akimova interview conducted on 29 January 2008). It seems likely that those people who are willing to privatise have already done so, as the right to privatisation has existed for over 15 years.

In the Soviet Union rents and housing payments were heavily subsidised by the state, so residents paid only a nominal share of the real costs. The rental rate was fixed in 1928 and remained constant throughout the Soviet era. Rent, combined with housing service payments, accounted for approximately 2.5 percent of a factory or office worker's salary (Berezin et al. 1996, 85.) However, in the late 1980s there was "a move away from universalism to selectivity" in free housing (Andrusz 1992, 145) as it became evident that the state could not provide enough free housing for its citizens. As rents and housing payments were raised in the 1990s to correspond with actual costs, housing allowances became necessary. The housing allowance programme was launched in 1994 and implemented by local governments. It was the first means-tested programme in Russia, designed to function as a social safety net for low-income families that had difficulty paying increased housing costs (Struyk et al. 2003, 19.) In the first years after the programme was implemented, participation in it was low, as there was little knowledge about the programme's existence (Struyk et al. 1997, 1815). In the early 2000s approximately 8.2 percent of households were receiving housing subsidies (Struyk et al. 2003, 8).

The programme aimed to make privatisation a more tempting option for tenants by raising rents for municipally owned housing. After the rent increases, housing privatisation was supposed to make privatisation more profitable than renting, given that poor homeowners were entitled to subsidies (Struyk et al. 1997, 1791). The housing allowance programme is implemented at the local level and there are great variations between regions. Because of economic conditions and political reasons (such as avoiding public discontent) many local governments have not raised the

prices for housing and utility services or the limit that entitles a household to a housing allowance to the levels set by the federal government. Because of regional differences, the housing allowance programme has so far not fulfilled its intended function as a social safety net (Struyk et al. 2003, 7–10, 20.) A more recent study has found that coverage of the housing allowance programme is low, meaning that few households that are eligible for allowances actually take part in the programme. On the other hand, targeting is high; in other words, those people that do take part are those that the programme is meant to serve. Local economic conditions affect the city's level of funding for the allowance programme (Struyk et al. 2006, 216–217).

Non-payment of housing costs is quite common in Russia due to the low risk of eviction. A Levada-Center survey notes that non-payment is quite frequent but that the situation has improved in recent years. In April 2007 eight percent of the respondents said they made their housing payments “sometimes on time, sometimes not” and only one percent admitted to paying late. In September 2000, 12 percent paid late and 13 percent were sometimes late. In December 2004 four percent paid late and nine percent were sometimes late (Levada-Tsentr 2007, 171). It is possible that non-payment has become less common in the past few years as the standard of living has risen, although this may change as a result of the recent economic decline. The new Housing Code may have also affected the situation by making tenant eviction easier and more common. Still, according to the law, in case of eviction based on non-payment, the tenant in municipal housing must be offered a similar dwelling (Zhilishchnyi kodeks, Article 90). Evicting a resident is possible only if that person repeatedly uses the apartment in an unsuitable manner or violates neighbours' rights and legal interests, and the situation is not fixed after a warning. The legislation seemingly refers to a tenant rather than a homeowner, as eviction is possible on the demand of the property's owner (*ibid.*, Article 35). It is noteworthy that a member of a cooperative can be expelled based on a decision by other members and evicted in the case of non-payment of their share of the apartment (*ibid.*, 130, 133), whereas the expulsion or eviction of a homeowner or a member of a homeowners' association is not covered in the Code.

One reason why eviction is rare is the shortage of state housing in St. Petersburg. A tenant can only be evicted without being offered another dwelling in exchange if they have used the dwelling in an unsuitable man-

ner or have violated neighbours' rights and legal interests (Zhilishchnyi kodeks, Article 91). Currently the city has nowhere to place the non-payers. Foreclosing properties is legally complicated and even if it was easier, tenants usually do not have any property to be foreclosed, so the measures to prevent free-riding are quite dire (Konserg 2 August 2005).

Because housing payments have been raised to, or close to the level of real expenses, non-payment has become a more serious problem, as more money is involved now than before. According to a Levada-Center survey in April 2007, 68 percent of respondents said that 100 percent payment of housing and communal services was too much for them. Fifteen percent of respondents said it was high but tolerable and only two percent saw it as acceptable and not difficult to pay (Levada-Tsentr, ZhKH). Despite this, evictions seem to be increasing. In the autumn of 2005 it was reported very visibly in the media that the new Housing Code was being put into practice in terms of eviction. Two long-term non-paying families were evicted from their apartments to communal apartments and televisions and other home appliances were reportedly taken into possession by authorities due to non-payment (see e.g. Moi Raion 28 May 2005). This showed that non-payment can really lead to eviction. However, the authorities have made assurances that pensioners will not be evicted; the most at-risk demographic are working people who possess two- or three-room apartments. Evicting poor pensioners would probably raise strong objections. The authorities are at pains to show that the evictions are fair by not evicting the poorest tenants. Eviction is generally opposed by many people, probably because it has been so rare and because the Soviet state guaranteed apartments for all workers. According to the Levada-Center survey in April 2005, 51 percent of respondents disapproved of the eviction of systematic non-payers of housing and communal services, while 39 percent approved and 10 percent could not decide (Levada-Tsentr, Reforma ZhKh).

3.2. The New Housing Code

The new housing reform, which started in 2005, is the most profound change in the housing sector thus far in the post-Soviet era. The new housing legislation consists of 27 laws, including the new Housing Code that came into force in March 2005 and replaced the old and outmod-

ed Housing Code from 1983 as well as many other laws of the 1990s. The Housing Code is a continuation of the reforms of the 1990s. It is the next step following the privatisation of housing stock, that is, the privatisation of housing management and the maintenance sector. The aim of the legislation is to create an effective, efficient housing market. Within this aim, citizens are encouraged to take the role of active consumers in the market by strengthening the consumer's position and expanding the variety of choice in the market. In brief, the main task of the new housing legislation is twofold: to offer affordable owner-occupied housing for the middle-class and social housing for those who cannot afford anything else.

Besides the Housing Code, several projects for improving the housing situation in Russia, both on national and local levels, have been implemented in the 2000s. Along with education, health and agriculture, housing has been made a "national priority", meaning that an extensive federal programme is being implemented to develop housing. The programme aims to increase housing construction and house loaning. The quality of housing and communal infrastructure is also to be improved, while affordable housing and communal services are to be ensured for citizens.

Another national project for improving housing conditions in the 2005–2010 period is called "Affordable and comfortable housing for Russian citizens" (*Dostupnoe i komfortnoe zhil'e grazhdanam Rossii*). The programme is implemented at the local level through local government legislation. In St. Petersburg programmes have been implemented within the project to (1) provide housing for the young, (2) develop mortgage lending and (3) provide housing for education, health care and social work. These programmes show that housing is a top political priority. "Affordable housing" (*dostupnoe zhil'e*) has become a kind of slogan for the housing reform, often repeated in context of the reform. Housing affordability is very important, as the state no longer provides housing for average citizens. Emphasising the fact that ordinary citizens can afford housing in the new market economy is also psychologically important, to make people feel as though they are included in the new system.

The social housing system has been profoundly reformed by turning towards means testing, away from the Soviet principle of universality that entitled all citizens to state-owned housing. In the past, apartments were distributed according to the shortage of living space; now social housing is accessible only for those who cannot afford anything else (see Zhilishchnyi

kodeks, Article 49). This is a significant change in the housing policy, as only the poor are now entitled to social housing. The limit that entitles people to queue for social housing is defined by local governments who follow the recommendations of the Ministry of Regional Development. The limits are defined locally because income levels differ across the country. The process for evaluating eligibility is complicated as the family's property is also considered (*Rossiiskaia gazeta* 11 March 2005.) Those who cannot afford to buy an apartment and are not 'poor enough' to be entitled to social housing are eligible for housing subsidies. This group of people is expected to be quite large so expenditure on housing subsidies expenses will probably grow substantially. Surprisingly, there were no mass protests when the new Housing Code came into force, unlike when the pensioners' benefit system (*sistema l'got*) was reformed (*Politicheskii zhurnal* 1 March 2005) and most pensioners' free benefits were changed into subsidies (the so-called *monetizatsiia* reform). However, although mass-scale demonstrations have not been organised, organisations have been formed to protect the interests of certain groups. This is discussed in more detail under the "Housing movements and associations in Russia" section.

According to media reports, the quality of housing and communal services such as water supply, garbage disposal and the distribution of electricity and gas continue to be poor despite substantial increases in tariffs for housing and communal services. It has been claimed that in general, Russians are not used to demanding better quality and do not realise their rights as consumers in the market (*Kvartirnyi riad* 2, September 2004), so local administrations should control the quality of housing and communal services (*Rossiiskaia gazeta*, 2 June 2004). Requirements concerning quality are defined in the legislation but in practice they are not fulfilled. Newspapers report cases in which tariffs have been raised above the legally set limit (*Novye izvestiia* 1 March 2005). As mentioned, it is not unusual for residents not to pay their housing costs, which is one reason for raising the tariffs (*Mir i dom*, 26 October 2004), although non-payment can also be a result of high tariffs when people cannot afford to pay them.

The housing reform aims to increase the importance of house loans as a tool for developing the owner-occupied housing sector. Interest rates and taxes have been very high in Russia, meaning that taking out a home loan has been quite uncommon; in 2005 only the wealthiest 10 percent of Russians could afford to do so (*Rossiiskaia gazeta*, 14 January 2005). Before

the reform, short payment terms for loans also prevented loan applications and the high risks of loaning made people suspicious toward banks and market mechanisms in general. The general economic uncertainty and the risk of losing one's job have not encouraged house loans either (Rway, 2 October 2004.) As Burawoy and Verdery (1999, 2) note, time spans in the constantly changing post-socialist society have been short, which makes it hard to make long-term financial plans and investments.

Since the implementation of the reform, loan repayment terms have been extended and interest rates lowered. Housing loan stock nearly tripled in 2006 but it still totalled just over 10 billion euros. Although home loans have become more popular, housing construction has not increased to the same degree and, consequently, apartment prices have gone up. In 2006 prices for new apartments grew 40 percent and over 60 percent for old apartments but development evened out in 2007. Even though rising apartment prices mean that many Russians cannot afford an apartment even if they do obtain a home loan (*BOFIT Weekly* 16/2007), 2.4 times more home loans were issued in St. Petersburg in 2007 than in 2006. Compared with the new apartment prices, the current value of home loans could finance about one-quarter of the total demand on the market. The recent economic crisis has greatly affected the situation, however. The growth rate of home loans has slowed and the unstable market situation has led to rising interest rates and stricter criteria imposed on borrowers (HSE 2008, 2).

Table 6. Construction of residential buildings in Russia

Year	1995		2000		2006		2007	
	millions m ²	%	millions m ²	%	millions m ²	%	millions m ²	%
Total	41.0	100	30.3	100	50.6	100	61.0	100
State	9.1	22.0	3.5	11.6	3.2	6.3	3.3	5.4
Municipal	4.0	10.0	2.8	9.2	2.9	5.7	3.0	4.8
Private	14.8	36.0	19.3	63.9	39.6	78.2	50.4	82.7
Mixed	13.0	32.0	4.2	13.9	4.0	8.0	3.2	5.2

Mixed: not specified in the source

Source: Rossiiskii statisticheskii ezhegodnik 2008, Table 17.13.

Housing stock has deteriorated in many parts of Russia (UNECE 2004), so new construction, along with repairs of existing housing, is needed urgently. This applies especially to St. Petersburg, as an old city with housing stock that is in particularly bad shape. However, public sector construction has continued to diminish throughout the post-Soviet era, as shown in Table 6 above. Private sector construction, for its part, has risen considerably and is responsible for most of the new construction. The average area of a new apartment has also grown from 60.8 square metres in 1992 to 84.6 square metres in 2007 (*Rossiiskii statisticheskii ezhegodnik* 2008). Private construction in St. Petersburg has increased in recent years, growing 11 percent from 2006 to 2007, although residential construction slowed down in the second half of the year (HSE 2008, 2). Construction across Russia in 2008 did not grow compared to the previous year and in 2009 it is expected to decrease by 15 percent (*Vedomosti* 9 December 2008) or even more. In any case, it is clear that the economic recession that started in 2008 has had a great effect on housing construction. Another aspect of the new construction is that it is sometimes carried out by destroying historically valuable architecture. St. Petersburg is an old city and its housing stock is so deteriorated in some places that demolition is the easiest option, albeit a controversial one considering the architectural value of the buildings.

Fraud in housing privatisation has already been described. In recent years, apartment buyers have been defrauded by constructors. It is customary in Russia to buy a new apartment through so-called shared participation construction (*dolevoe stroitel'stvo*). This means that apartments are sold before their construction is finished and apartment buyers become investors in the construction by paying the apartment's price. Obviously, there are risks in this procedure and some apartment buyers have ended up losing their savings without acquiring the apartment. In some cases construction of the house has been left unfinished or substantially delayed due to bankruptcy or lack of resources of the company. In other cases the constructor has simply disappeared after the apartment has been paid for, taking the money with them. Newspapers have reported cases of apartments being sold twice, or even three or four times to different buyers (*AiF Peterburg*, 21 February 2007; *Ekspert* 27 March 2006).

To prevent such fraud and to protect investors, the responsibility of the constructor has increased in the new Housing Code. The state has established a working group in the State Duma to solve the problem and

cheated apartment buyers may end up getting their apartments through a court order. St. Petersburg's vice-governor, Aleksandr Vakhmistrov, has announced that a special fund will be established to pay financial compensation for the 100–150 people who cannot obtain the apartment they paid for, as it is too difficult to track down the complicated purchasing process (Kvartplata.info). Housing reform also strengthens the consumer's position in the market by offering tax reductions to homeowners and securing the position of house loaners and participants in housing cooperative programmes. A law concerning credit histories and control of credit ratings (O kreditnykh istoriiakh) came into force in June 2005; before that, credit histories were not controlled in Russia.

The housing reform is also a part of the process of building a new Russian middle class. The term 'middle class' was not used in the Soviet Union, as social classes were officially abolished; distinctions that did exist were based more on power than property ownership (Bertaux et al. 2004, 5–6). Vladimir Shlapentokh described the Soviet people as consisting of two groups, the "superiors and subordinates" (1989, 217), that is, the small privileged nomenklatura (the party elite) and the working class, to which the majority of the people belonged. Of course, this division into two groups is very rough; a closer look shows that there were distinctions within the groups, determined by access to goods. Besides these two groups, there was also the group of outcasts, the marginalised or repressed citizens who were sentenced to exile or to prison camps in Siberia and the like (Bertaux et al. 2004, 6). In economic terms, the middle class could perhaps be described as professionals with better access to goods than the proletariat. They had better living conditions, better apartments and perhaps a *dacha* (summer house).

In post-Soviet times, promoting the middle-class has been important as a strategy for 'marketing' the reform to the people, to show that reducing state housing subsidies was justified as people were better off than they had been before and could manage without the state's support (Harloe 1996, 12). The essence of the middle class in post-socialist Russia has been actively debated in the academic field, as it is something that had not really existed before. The newspapers seem to regard owner-occupied housing stock as an important prerequisite for development of the middle-class, as home ownership is seen as a sign of a stable society and a properly functioning market economy (see Prais-TASS 20 January 2005). For some peo-

ple homeownership can be a way to gain wealth and improve their social position if they privatise a valuable apartment. On the other hand, social stratification also increases as some people become property owners while others remain as tenants. Due to the practice of free privatisation, homeowners do not form a uniform social or cultural group; they can be from very low-income brackets or very affluent. Although the media often connects home ownership with the middle class, this alone is not a sufficient criterion by which to define the middle class.

Becoming used to the role of an active consumer, as was expected by the housing reform, does not happen overnight. Accordingly, people are not necessarily aware of their rights and are not used to demanding them when dealing with companies or authorities. According to Shomina, citizens do not understand their role as active creators, but instead see themselves as mere users (2004, 17). This is often referred to in Russia as the 'Soviet' mentality, which corresponds to what is known as 'tenant' mentality elsewhere in the world. This way of thinking is not restricted to housing but the results of a Levada-Center study on democracy from December 2006 suggest that the general view of the state as a paternalistic force still prevails. In the study, 25 percent of respondents felt that the state should provide the "rules of the game" to citizens and monitor their realisation. Nineteen percent had responded in this way in 2001. The majority, 63 percent, supported the other alternative, that the state should take care of its citizens and provide an adequate level of subsistence. In 2001 the equivalent percentage had been 73. This shows that attitudes are changing slowly and that most people still support a paternalistic state. In the study, elderly people in remote areas expressed more conservative views, while young people had more liberal attitudes (Levada-Tsentr, "Demokratiia" v Rossii.)

People seem to perceive the reform quite differently from its official agenda. According to a Levada-Center survey in April 2007, 66 percent of respondents thought that, in practice, "housing and communal sector reform" meant increasing prices for housing and communal services, while only 25 percent thought that it would lead to an improvement in the quality of those services (Levada-Tsentr 2007, 172). This shows that people's experience of the reform was not very positive. Their opinions were based not only on expectations but on experience after two years since the reform started to be implemented. This survey does not show the reform to have been very successful.

3.3. Housing Management Reform

Perhaps the most important and profound change in the new Housing Code is the privatisation of housing management and maintenance. The current housing reform requires homeowners to take responsibility for the management and maintenance of the common areas of their building. The privatisation of housing meant that tenants became owners of their apartments but it did not make them care for the common areas, which remained neglected and in poor condition in most cases. The new Housing Code states unambiguously that homeowners have joint responsibility for the management and maintenance of common areas.

Homeowners can choose one of three alternatives for management of the building: (1) direct administration by the homeowners without forming an association, (2) administration through a homeowners' association (*tovarishchestvo sobstvennikov zhil'ia*, TSZh) or housing cooperative or (3) authorising a company to do the management (Zhilishchnyi kodeks, Article 161). Homeowners in all multi-family buildings must decide, in a common meeting of the homeowners, on the form of management of the building. It is also possible for a homeowners' association to hire a management company, resulting in a mixed form of management that falls between the second and third options. Only homeowners, not tenants, may participate in selecting the management type. If homeowners of a particular building did not make a decision regarding the management by 1 January 2007, the local authorities were to appoint a company for the task based on price competition before 1 May 2008 (according to changes to the law on 22 December 2006). However, it seems that the deadline has not been followed. The New Eurasia Foundation's statistics show that in 2007 only 42 percent of homeowners in multi-family buildings had chosen a type of management (Fond Novaia Evraziia 2007). The deadline has obligated homeowners to decide very quickly and the topic has been widely discussed and reported in the media. However, according to experts, the media does not always present an accurate picture of the situation and false assumptions are sometimes published, which serves to misguide residents rather than provide useful information.

In the direct management option, contracts regarding maintenance and repairs of common property are made in a common meeting of homeowners (a majority vote is required) and homeowners act as one party in

the contract. For water, electricity and gas supply and heating, each homeowner makes a contract separately in their own name rather than as one entity. However, with the written consent of all or a majority of homeowners, one person can be authorised to make contracts on behalf of others (Zhilishchnyi kodeks, Article 164).

If a management company is chosen, the contract between the homeowners and the company should include a list of the common property that the company will manage. The contract should state the services and work scheduled for maintenance and repairs of the house, as well as a list of communal services arranged by the management company. Prices for the services and their payment must also be provided in writing. The method of control by which the management company fulfils its duties should also be agreed on in the contract. The contract must be identical for all homeowners in a multi-family building. The contract can be made for a minimum of one year and a maximum of five years at a time but in the absence of separate notification from either of the parties, the contract will continue for another period. The company is responsible for presenting a report of its work for the homeowners once a year (Zhilishchnyi kodeks, Article 162).

The third option, a homeowners' association, is the subject of this study and is therefore introduced in detail. Where the example for Russian homeowners' associations actually comes from is not explicitly explained in any document found during the course of this research. The model does not necessarily originate from any specific country, as homeowners' associations are widespread in Europe and the United States. Homeowners' associations and condominiums have been established in many post-socialist countries as part of the privatisation of the housing management sector (see Clapham & Kintrea 1996). Russia is following the development of these countries. For example, Estonia, Russia's neighbour and a former republic of the Soviet Union, made its homeowners responsible for housing management in 2003. In addition, the housing cooperative system that has existed in Russia and the Soviet Union for decades, albeit to a very small degree, also resembles a homeowners' association. However, it is not possible to closely compare Western homeowners' associations with their counterparts in Russia because of the differing economic, cultural and political backgrounds. In Russia the new management system has been implemented on the legacy of the Soviet housing system. Furthermore, homeowners'

associations in Russia are initiated by authority-driven reform and not by the homeowners' direct initiative. On the other hand, homeowners' associations in Russia require active participation from their members, more than Western homeowners' associations usually do. This aspect also brings Russian homeowners' associations closer to civil society, compared to their Western counterparts.

The Law on Housing Privatisation in 1991 created the first basis for homeowners' associations by stating that "owners of privatised dwellings in state or municipal housing stock are co-owners or users of technical equipment of the house and places of common use" (Article 3). Building repairs were said to be the homeowners' duty and homeowners could form an association (or partnership) (*tovarishchestvo*) or some other union (*ob"edinenie*) for this purpose (Article 22). Thus, the possibility of forming a homeowners' association was stated in legislation for the first time, albeit vaguely. Furthermore, Article 24 declared that the contribution that each apartment owner must make towards the maintenance and renovation costs of the infrastructure, areas in common use and courtyard of the house would be proportionate to the size of their apartment. This was the first step in giving homeowners' joint responsibility for common property. However, the privatisation law did not privatise the common areas; it stated the homeowners' financial responsibility but not ownership of the common areas.

The Law on Fundamentals of the Federal Housing Policy (*Ob osnovakh federal'noi zhilishchnoi politiki*), which came into force in 1992, defined the main housing concepts, including condominium and homeowners' associations (Article 1), and stated citizens' rights to housing (Article 2). It also stated parts of the common property and the fact that it is in the joint shared ownership (*v obshchei dolevoi sobstvennosti*) of the homeowners (Article 8). The conditions for paying housing and communal services as well as subsidies for the poor were also stated in the law (Article 15). The law thereby laid foundations for later reforms and set a legal basis for homeowners' associations, as well as for a programme of rent increases and housing allowances (UNECE 2004, 27). This law acted as the framework for Russia's housing policy until 2005, when the Housing Code came into force.

A predecessor to the Law on Homeowners' Associations was the President's Order on the Ratification of the Temporary Act on

Condominiums¹⁸ in 1993. It stated that a condominium is an association of homeowners in a real property complex, including residential and non-residential premises. The order contained the basic idea of a homeowners' association: that it is related to the use and maintenance of common property. The main organs of the association, the board and homeowners' common meeting, are also mentioned but their tasks are not as clearly defined as in later legislative acts.

The first Law on Homeowners' Associations (*O tovarishchestvakh sobstvennikov zhil'ia*), which came into force in 1996, stated that homeowners are owners of the common property (Article 8). The components of common property are also specifically defined to include the staircases between apartments, lifts, lift-wells, corridors, roofs, technical floors and basements, land within the decided borders, mechanical, electrical, plumbing or other equipment and other objects used for maintenance of the condominium's common property complex (Article 7). This definition appears in almost exactly the same form in the Housing Code of 2005, with the addition of attics (*Zhilishchnyi kodeks*, Article 36). In the 2005 law the term 'condominium' has been replaced with the term 'homeowners' association'. The difference is that a condominium comprises not only dwellings but also the land itself, whereas a homeowners' association refers only to dwellings. Despite the change, many Russians still refer to homeowners' associations as condominiums. Homeowners' rights regarding common property, their responsibilities concerning maintenance and renovations and their payments are listed in the 1996 law (*O tovarishchestvakh sobstvennikov zhil'ia*, Articles 8–9, 15–18).

In 2005 the new Housing Code (*Zhilishchnyi kodeks*) replaced the Law on Homeowners' Associations, although its main content concerning homeowners' associations was the same as the 1996 law. A homeowners' association is defined as a “non-profit organisation, an association of owners of facilities in a multi-family building, [established] for common management of the common property in a multi-family building, maintenance and exploitation of the complex, administration and use of the

18 The document uses the term *tovarishchestvo domovladel'tsev* instead of *tovarishchestvo sobstvennikov zhil'ia*. *Domovladelets* is literally a home possessor or holder, but *tovarishchestvo domovladel'tsev* refers to the same kind of homeowners' association as the later legislation.

common property in a multi-family building within the boundaries stated in the legislation” (Zhilishchnyi kodeks, Article 135). The association is required to be legally registered and it has the status of a legal entity, which strengthens its legal position and enables it to enter contracts with other legal entities, such as housing service companies.

A homeowners' association can be established in a multi-family building at a common meeting of the homeowners. The votes of over fifty percent of all owners of the building are required. Voting power is defined by apartment area, meaning that the owner of a larger apartment has more votes than the owner of a small apartment. In the case of a newly built house that is under construction, the future owners can establish the association. In St. Petersburg homeowners' associations seem to be common in newly built houses. The association's rights and responsibilities, stated in the legislation, include the right of the association to make contracts concerning its administration, renovations and maintenance. Among other things, the association makes a cost estimate each year on the full renovation of the building, when needed, and defines the amount of payments for members. It can rent its facilities, make financial transactions and demand its receivables in court, in case a homeowner neglects their payments on common property (Zhilishchnyi kodeks, Articles 48, 135–137, 139.)

The association is responsible for maintaining the technical condition of the common property and for taking ‘measures’ in case a third party prevents a homeowner from using the common property, although the type of measures are not specified. The association is to ensure that homeowners fulfil their financial responsibility regarding maintenance and renovation of the common property, according to their share, which is defined by the size of their apartment. Agreements should be made with those homeowners who are not members of the association concerning maintenance and renovation of the common property (*ibid*, Article 138).

Decision-making takes place in common meetings of the homeowners. The annual budget, the amount of compulsory housing payments and rental of the common property are decided by the common meeting, which also deals with complaints concerning the board of the association and elects the chairperson who will lead the board. In order for the meeting to be legally valid, over 50 percent of the association's members must be present. Two-thirds of all the association's votes are required to make decisions about fundamental matters of the association, such as its liqui-

dation or reorganisation (as a housing cooperative), taking a bank loan, using the association's profits and renting its facilities. Decisions regarding other matters require over half of the votes of those who are present in the meeting (Zhilishchnyi kodeks, Articles 144–146). Nevertheless, decision-making in a homeowners' association is possible without holding a meeting, through remote voting (*zaochnoe golosovanie*). This entails mailing the questions to homeowners in written form, to which they may either respond 'for', 'against' or 'abstain from answering'. The voting forms must be returned before the announced date in order to be taken into account in decision-making (*ibid.*, Article 47).

The board is the executive organ of the association and its main task is to validate the decisions made by the common meeting. It may also decide about matters that are not covered by the common meeting. The board consists of homeowners chosen by the common meeting, is led by a chairperson and is chosen for a period of no longer than two years. The board's meetings are legitimate when over half of its members are present. The board handles the association's accounting and ensures that the association follows the law and that members make the compulsory housing payments on time. In case of non-payment the association can demand payments through the courts. The board can either carry out the management independently or make a contract with a management company. The board is the organ that hires and fires service staff for the building and forms contracts with external companies regarding the use and renovations of the common property. The board is also responsible for announcing common meetings (Zhilishchnyi kodeks, Articles 137, 147–148).

The board is controlled by the audit committee, members of which are not members of the board and are also chosen by the common meeting. The audit committee is chosen for a maximum of two years and is led by a chair. It ensures that obligatory payments are made by members at least once a year. It also presents the annual cost estimates to the common meeting as well as the income statement (as the board does) and the statement of financial actions and obligatory payments and deposits. The audit committee is controlled by the common meeting (*ibid.*, Articles 147–150).

In addition to the Housing Code, homeowners' associations are regulated by their articles of association. The contents of articles of association are not specified in the Housing Code, although the articles of association for a cooperative are (*ibid.*, Article 113). This gives homeowners' associa-

tions slightly more freedom than cooperatives. Local authorities, voluntary organisations and the like provide examples of articles of association, which contain mostly the same regulations as the Housing Code, such as the rights and responsibilities of the association and its members, the association's duties, etc., but a homeowners' association may also write its own version.

In terms of its administrative structure, a housing cooperative (*zhilishchnyi/ zhilishchno-stroitel'nyi kooperativ, ZhSK*) resembles a homeowners' association. As described in Chapter 2, housing cooperatives first appeared in Soviet Russia in the 1920s. In present-day cooperatives an apartment is obtained on hire purchase and its members participate financially in the construction or repair and maintenance of the house (*Zhilishchnyi kodeks*, Article 110). The cooperative's administration consists of a common meeting (so-called conference), a board and a chairperson and it is controlled by an audit committee (*Zhilishchnyi kodeks*, Articles 115–120). In a building in which all residents have fully paid for their apartments, the cooperative can be changed into a homeowners' association (Article 122). Transformation of cooperatives into homeowners' associations or condominiums has been undertaken in other former socialist countries, such as Czechoslovakia and Poland, since 1992 as part of the privatisation process (Clapham 1995, 687). It was originally mandatory to change a cooperative into a homeowners' association but this requirement was later removed (*O vvedenii v deistvie Zhilishchnogo kodeksa*, Article 14). It is also possible to change a homeowners' association into a cooperative (Article 140) but there does not seem to be any reason to do this.

3.3.1. Comparison of the Three Management Alternatives

How the three forms of management work in practice and which alternative should be chosen depends largely on the house in question. Certain factors advocate each alternative, which will be analysed here, relying largely on Maria Plotnikova's study (2007) as well as on the material provided by the Institute of Collective Action¹⁹ (*Institut Kollektivnoe Deistvie, IKD*)

¹⁹ IKD is a small NGO consisting of sociologists and activists that provides information on housing reform and housing movement activities on its website.

and expert interviews with Vladimir Gaidei from the Housing Committee and Marina Akimova from the St. Petersburg's Associations of TSZh and ZhSK.

According to Plotnikova, the direct management option, in which each household makes separate contracts with housing and communal service providers (water, heating, electricity), is the most suitable one for small buildings because a larger housing unit is more difficult to control without a management authority (Plotnikova 2007). Neighbours are not responsible for each others' housing payment debts, as is the case in the two other management alternatives, where the contract is made for the whole building as one entity. In the other two options, if free-riding occurs then the overdue amounts rest on the shoulders of all the other neighbours. The entire building is at risk of being disconnected from the housing service in question because it is technically impossible to disconnect just one household. Doing so involves an illegal procedure but it is used occasionally (see *Moi raion* 9 September 2005). The free-rider may in fact be a company that owns premises in the house, not necessarily a resident (Konserg, 12 November 2007). More often, however, the association goes into debt instead of deducting the free-riders' share from other residents. From the point of view of free-riding, a management company is an easier solution for residents, as the company makes the payments rather than the homeowners directly, and the management company is responsible for making the non-payers pay. This saves the homeowners (or the chairperson) the trouble of pressuring and convincing the free-riders to pay, but the end result is still the same in that others are responsible for the non-payer's share. Avoiding the free-rider problem is an important point that supports the direct management alternative.

To fight the free-rider problem and to make the system fairer, meters (*schetchiki*) that calculate water or heat consumption have been installed since the 1990s. The idea is to make residents aware of their expenditure of resources and to encourage energy-saving. However, due to the technicalities of Russian infrastructure, where one pipe runs through the whole house, the meters had been installed at the building level, not taking into account variations of use between the apartments. Therefore, the system has failed to decrease free-riding (Bychkova & Popova, forthcoming, 16–17). Nowadays, however, meters are installed in the apartments of new buildings, so each household only pays for what it consumes.

The Institute of Collective Action, IKD, is a voluntary organisation and, as such, could be expected to encourage citizens to form homeowners' associations, which are non-profit organisations. This is not the case, however. Instead, the IKD recommends the direct management option, in which households operate as individual entities. Direct management allows individual households to buy management services from several companies or to make a contract with a certain company (IKD). A more convenient option is to negotiate a contract for an entire building, as this saves households having to make individual contracts. The most serious defect of this alternative is that there is no legal entity, such as a TSZh, that would make it possible to collect a fund for future renovations. In order to solve this problem the IKD suggests either entrusting the collected money to the accountant's home (it is still customary in Russia to keep savings at home instead of a bank account), in a personal bank account or in the bank account of a maintenance firm. All these alternatives are risky, so the IKD suggests establishing a separate organisation for fund-raising (IKD). Because of these difficulties, direct administration is practically non-existent in St. Petersburg (Gaidei interview 28 January 2008).

However, the direct management option does not exclude the possibility of cooperation between residents. A committee can be formed to discuss maintenance, choose a company together and negotiate charges (Clément 2007). The residents have the advantage of negotiating directly with the housing and communal service providers, without a housing management company as an intermediary. This gives residents the opportunity to more closely monitor the service providers. Also, according to Marina Akimova, the service providers' contracts are not as strict with individual households as they are with homeowners' associations. Therefore, direct management is popular elsewhere in Russia, although the authorities do not recommend it for larger buildings.

TSZh has the advantage of not having to pay for a management company (if they do not choose to hire one) and it is possible to change the association's administration (the board) if necessary. Furthermore, the money the members pay is used only for their benefit, and not for the management of any other association or building. The IKD sees the management company alternative as the worst one of the three but if residents do choose it they should ensure that the agreement is in their interest and looks after the quality of the services. If the agreement is made by the authorities

(after 1 January 2007, the deadline for residents' decisions), homeowners cannot contribute to the agreement or make changes to it. Management companies are expensive, taking 25–30 percent of residents' housing payments. In addition, companies can be unreliable because the existing legislation does not require them to be licensed or to have adequate capital to compensate customers' losses in case of the company's bankruptcy. As Vladimir Gaidei from the Housing Committee notes, not only residents need to be educated about housing management; management companies' staff lack knowledge and also need to be trained. Dissolving a contract with a management company is complicated if the company does not want to end it, in which case the negotiation takes place in court. The authorities have been accused of being corrupt in their choice of companies, rather than choosing on the basis on price competition as should have been done (IKD). In addition, when a company is chosen by an association, changes to the contract can only be made through the homeowners' common meeting. That is, an individual household cannot make changes without the others in its building (Gaidei interview 28 January 2008).

If residents decide to establish a homeowners' association, the association must be transparent in terms of informing residents about its decisions, as stressed by the Movement against Arbitrariness in Housing Associations²⁰ in IKD's brochure. The Movement also encourages residents to actively bring up initiatives, suggestions and complaints to the board and to prevent the board from misusing its position. According to the Movement, residents should demand high quality housing maintenance and not settle for bad service. If the association follows the legislation, the accounting will be done regularly and the budget will be accessible for homeowners, who can see where their money goes. Thus, a homeowners' association is a transparent form of management, at least *de jure*. Furthermore, from the point of view of democratic administration and self-governance, it is important that the association is not run solely by a chairperson who makes all decisions in an autocratic manner. When one person leads the association, the risk of fraud is higher. Therefore, the rights and responsibilities of the chair should be clearly stated in the articles of association (*Itogi* 4 October 2005). If the residents are not active, at least the board should be

20 One of the many local housing NGOs based in Moscow, the Movement appeals to the government to correct faults in the housing legislation.

active in decision-making. Annual checks by the audit committee are also crucial from the point of view of transparency and justice. This is how the homeowners' association *should* work. The next chapter will review how TSZhS in St. Petersburg actually work in practice.

Ultimately, the form of management that should be chosen depends largely on the location, condition and social structure of the house, which often go hand-in-hand. Newly built houses are in fairly good condition, despite the possible construction flaws. The socioeconomic structure is usually consistent as well, as homeowners have bought their apartments and not privatised their old ones for free. A TSZh has a good chance of working in such a building, as large-scale, expensive renovations are not immediately necessary and the homeowners are financially solvent. A TSZh might also be a good option for a building in a valuable location in the centre, because it may register the land around the house to the residents' property and then exploit it commercially. On the other hand, houses in the centre of St. Petersburg are often old and in need of capital repairs (*kapital'nyi remont*), and their residents cannot necessarily afford the expenses. In such cases, or if the house is located in the outskirts of the city where the land is less valuable, residents' direct administration may work better.

The easiest way to manage a very large house with only a few active residents is through a management company, which may also be a good idea if the residents appear unwilling to take part in decision-making. Mobilising residents to participate can be difficult, especially in large buildings with hundreds of apartments, and letting a company handle the management may be more convenient. On the other hand, a homeowners' association might work well as long as there are at least some active residents. Still, making democratic decision-making work in a very large building can be challenging if interest in participation is low. Overall, housing management is easier in a socially consistent building in which residents' income, financial resources and interests are fairly similar because this makes it easier for a homeowner's association to find consensus and make decisions. If the homeowners fail to choose the type of management before the deadline, the municipal authorities have the power to appoint a management company based on "competition" (Clément 2008b). In such cases, according to Clément, the authorities choose a company that they are connected with so that the authorities benefit from the deal (*ibid.*). This is a questionable practice from the homeowners' point of view.

A homeowners' association is often established during the construction phase of a new building on the constructor's initiative (although the future owners' consent is necessary, of course). Prior to the new Housing Code, authorities, at least those in Moscow, encouraged constructors to establish associations. Constructors were given the right to the construction free of charge on the condition that a TSZh was established and that the TSZh was managed by a private company (which can be the same company as the constructor) (Konserg 9 January 2006). When a homeowners' association is established in an existing house, instances of misuse have occurred, such as it not being favoured by enough residents or residents not even taking part in the common meeting to decide on the establishment (Gaidei's interview 28 January 2008).

3.3.2. Practical Situation and Challenges Facing Homeowners' Associations

Local governments have considerable power in the housing reform, as the reform is implemented at the local level. The distribution of housing subsidies is decided at the local level by the federal subjects of Russia, one of which is the city of St. Petersburg. Homeowners are entitled to subsidies, as are tenants and members of housing cooperatives (*Zhilishchnyi kodeks*, Article 159). Secondly, local authorities are responsible for informing and educating residents about the housing reform. However, local authorities had minimal interest in supporting the formation of TSZh in the 1990s, as local governments were unwilling to take responsibility for the associations' management (IUE 2003, 103). At the time private construction companies took the initiative in establishing homeowners' associations (*ibid.*, 114). Before the new Housing Code, forming a homeowners' association in a mixed multi-family building was difficult; the local administration, as the owner of the municipal flats, was usually unwilling to join a private owners' association (UNECE 2004, 82).

Nowadays, however, St. Petersburg has been very active in promoting the establishment of homeowners' associations compared to other cities in Russia. St. Petersburg's Housing Committee has actively distributed information on homeowners' associations to the municipal authorities and the state as well as private housing management companies. The Housing

Committee has also won several awards, given to the best management organs in the housing and communal sector in Russia, which indicates the committee's level of activity. Besides the authorities, social organisations and private agencies also provide practical information about housing management to city dwellers. However, district-level and other city authorities are not always as willing to cooperate with the associations as the Housing Committee.

Despite the amount of information provided to residents, it has been claimed that "information about the reform is lacking" (Clément 2008, 76) and there seems to be a lot of ignorance on the subject. Many Russians seem to rely on information provided by a friend or acquaintance rather than read the Housing Code or find out the facts for themselves. Some people reject private companies in general, and will therefore not accept the services of a private management company. Some experts, like Marina Akimova, believe that the task of choosing the type of housing management is too great for residents, as it would require more information about management than a typical homeowner has or is willing to acquire.

The House Committee's campaigning has resulted in a large number of homeowners' associations in St. Petersburg. Data from the New Eurasia Foundation shows a striking difference between St. Petersburg and rest of the country. In 2007, 42 percent of multi-family buildings across Russia had chosen their type of management, following the Housing Code's regulation, with only 2.6 percent being managed by homeowners' associations or housing cooperatives. Just over half of the remaining buildings were managed by management companies and the rest were directly managed. The situation is different in St. Petersburg: 35 percent had chosen their type of management, 54 percent of which were managed by homeowners' associations and 45 percent by management companies – only one house was directly managed by the homeowners (Fond Novaia Evraziia, 2007). Those multi-family buildings that have not chosen a management type continue to be municipally managed. As the data shows, management reform has not proceeded as quickly as planned, with less than half of buildings having chosen a type of management by 2007.

According to Oleg Vikhtiuk, a Housing Committee official, growth in St. Petersburg since 2005 has been exponential. From 1996 to 2004 less than 100 associations were established, while the number in the first quarter of 2005 alone was 973. In the spring of 2006 associations covered al-

ready over 25 percent of the city's housing stock. The Housing Committee provides figures that are slightly different from those of the New Eurasia Foundation, which could be due to different methods of compiling statistics and/or a change in the situation between 2006 and 2007. The associations' share varies considerably among the city's 18 districts. In remote districts, outside of the actual city of St. Petersburg, homeowners' associations accounted for only a few percent of the housing stock in spring of 2006. These include the municipal town of Kolpino, the Kurortnyi district, which comprises several municipal towns (Zelenogorsk, Sestroretsk, Repino etc.), the Petrodvortsovyi district, also known as Peterhof, and the island of Kronstadt. In other districts homeowners' associations' share varied from 10 percent of the housing stock in Petrogradskii to 48 percent in Frunzenskii (St. Petersburg's Housing Committee statistics). Homeowners' associations are the most common in the suburban districts, which are subject to large-scale new construction.

Recently there has been an increase in popularity in terms of management alternatives. In 2007 homeowners' associations were not established to the same degree in St. Petersburg and the private management companies' share increased instead. According to Gaidei from the Housing Committee, this is due to a lack of clarity in the association's registration. Gaidei says that some associations have been established illegally, without the 50 percent support of homeowners or without a proper common meeting in which all homeowners would have taken part. The documents of the common meeting have sometimes been insufficient and the authorities have liquidated the TSZh as a consequence. As a result, private management companies have been chosen instead. This is partly also because some municipal management companies have become privatised and turned into private companies.

According to Marina Akimova, some city authorities have strongly pushed for the establishment of homeowners' associations. Associations have been established on the city's initiative in buildings in which the city owns a large percentage of the apartments and, accordingly, had considerable leverage in decision-making. Most of the residents did not have a clear picture of the association before its establishment, which has led to problems in management. Housing newspaper *Kvartirnyi riad* (17 January 2008) reports huge, city-initiated TSZhs in which there might be even 181 apartment houses in one association. These 'homeowners' associations'

have been formed in Orenburg, Saratov, Staryi Oskol and other cities in Russia. Residents find it difficult to express their opinions in these associations and to find a consensus in decision-making, as residents in different buildings often have differing interests. It is also complicated for one building to withdraw from the association, as the decision to do so must be made in a common meeting, at which it may be difficult to obtain the necessary majority. The city has established these associations in order to bring them under the management of the municipal housing company (Kvartirnyi riad 17 January 2008). These associations resemble what Cook and Vinogradova call “marionette” organisations – structures that are supposed to be social organisations but are created by state or government officials and conducted by them so that ordinary people do not play a role (2006, 34–35).

The need to fulfil the Housing Code's obligation to choose the management type when the deadline was approaching has resulted in a peculiar situation. Construction companies have registered artificial homeowners' associations, which in reality do not function as associations; there is no board, no bank account, etc. (UNECE 2004, 84). These giant, artificial homeowners' associations are clearly against the original idea of homeowners' associations as self-governing, resident-managed organisations in which residents make decisions concerning their property. When a municipal housing company manages dozens of houses that have been brought together in one association, the situation is not very different from the old form of municipal management before the housing reform. Neither has the change necessarily been for the better from the residents' point of view.

The fact that pressure to establish homeowners' associations comes from above, constitutes a challenge for practical management. Homeowners are required to organise the management of their house; that is, self-organisation is not voluntary and does not stem from the residents' initiative but is mandatory and expected by the authorities. Self-government, imposed by another party instead of the subject itself, makes a problematic starting point for management (Alapuro forthcoming, 20). In homeowners' associations that are conducted from above, homeowners are not necessarily inspired to participate in joint decision-making. The users may adapt the rules into practice differently than was intended by the authority.

Unlike other countries, membership in homeowners' associations is voluntary for apartment owners in Russia. According to the Housing Code,

homeowners have a *right* to become members of the association, but they are not obliged to do so (*Zhilishchnyi kodeks*, Article 143). TSZh's membership used to be mandatory: the Law on Homeowners' Associations, which preceded the current Housing Code, stated that all homeowners must become members of the association at the moment that the association is registered (Articles 32, 49). These articles were declared illegitimate in 1998²¹ when the RF Constitutional Court decided that mandatory membership was against the Russian Constitution (IUE 2003, 99). Article 40 of the Constitution states: "1. Everyone has the right to an association, including the right to establish professional unions to protect their interests. Freedom of action for social associations is guaranteed. 2. No one can be forced to become a member or to take part in any association" (Konstitutsiia RF).

Russia is therefore the only country in the world in which membership of a homeowners' association is voluntary. Homeowners' associations are mandatory in privately owned multi-family buildings in many Western and Eastern European and Asian countries (Germany, Poland, Hungary, Uzbekistan, etc.). In other Eastern European countries, such as Estonia, Romania and Belarus, establishing the association is voluntary but if the association exists then membership is obligatory for all homeowners. Voluntary membership may seriously hinder the association's ability to work effectively if a large proportion of owners decide to stay outside (IUE 2003, 99). It can also result in debts for the association as there may not be enough members paying the housing costs (*Rossiiskaia gazeta*, 2 June 2004). Voluntary membership can also lead to the free-rider problem, where some residents do not pay for housing services but still benefit from them. Legally, the homeowners who decide not to join the association have to make a contract with the association to pay the maintenance charges (*Zhilishchnyi kodeks*, Article 138). However, newspapers have reported that, in practice, neighbours might end up paying the share of non-members (*Itogi* 4 October 2005).

A Levada-Center's survey, conducted in 2006 to evaluate democratic values in Russia, shows that a relatively large share of people do not feel responsible for what is going on in their neighbourhood or street (48 percent felt very little or no responsibility, while 27 percent felt "quite a small amount of responsibility") and a large proportion feel they cannot affect

21 Decree 10 of the RF Constitutional Court, 3 April 1998.

what is going on in their neighbourhood or street (57 percent said that they have very little or no effect and 31 percent said that they have only a minor effect) (Levada-Tsentr, *Problemy demokratii*). Regional differences are not noted in the study so it is impossible to tell whether people in some regions feel differently than those in others. This suggests that there may be obstacles related to joint responsibility and cooperation in homeowners' associations. On one hand, these results are not directly applicable to homeowners' associations, as TSZhs can be established by the residents and residents are in charge there. On the other hand, homeowners' associations are based on a reform that obligates homeowners to organise, and therefore the organisation may seem distant for the residents. A homeowners' association is one step closer to private and domestic life and one's immediate surroundings, so people can be expected to feel a little more responsible at that level.

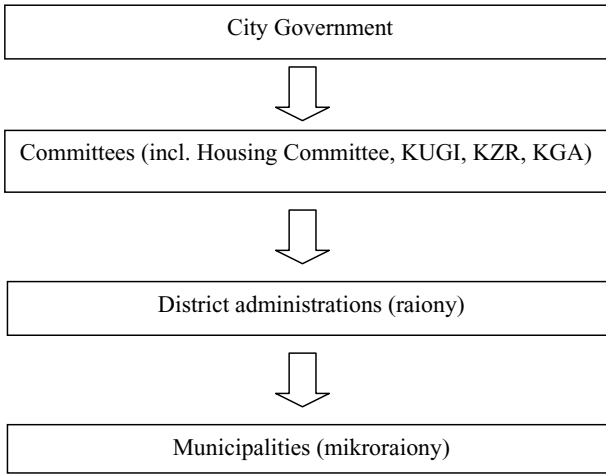
3.4. Housing in St. Petersburg

Because local governments have been given a key role in implementing the reforms, it is worth mentioning St. Petersburg's housing administration. The city administration consists of a government led by a governor and vice-governors, about 40 city committees and 18 district administrations (*raiony*) that are divided further into municipalities (*mikroraiony*). Besides the national housing policy, housing is regulated at the local level by St. Petersburg's Legislative Assembly (*Zakonodatel'noe sobranie*, ZAKS). St. Petersburg, like other local governments, has its own housing policy. St. Petersburg's housing policy defines its residents' rights to housing, including eligibility for social housing and regulations on maintenance of the housing stock. For TSZhs it is especially relevant that the city offers subsidies for TSZhs' maintenance and full renovation (*kapital'nyi remont*) of the house (*O zhilishchnoi politike Sankt-Peterburga*, Article 5). However, newspapers have reported that, to the residents' disappointment, practical fulfilment of capital repairs has been very slow due to insufficient resources.

Several committees administrating the city of St. Petersburg handle housing matters in one way or another and are in touch with citizens or homeowners' associations. The Housing Committee (*Zhilishchnyi komitet*)

is the main organ for executing the city's housing policy but perhaps even more influential is the Committee for the Administration of City Property (*Komitet po upravleniiu gorodskim imushchestvom, KUGI*), as it is in charge of the management and privatisation of the state's property. KUGI is also responsible for renting city property and acquiring property into the city's possession. KUGI is a large and powerful organisation that is divided into 13 departments and has 20 district-level agencies (*raionnye agentstva*). Besides being St. Petersburg's executive organ, KUGI is also a territorial agency of Russia's State Property Committee. Subordinate to KUGI is the City Board of Real Estate Inventory and Evaluation (*Upravlenie inventarizatsii i otsenki nedvizhimosti, GU GUION*), which makes the technical inventory and estimates the value of the city's real property and housing stock. Under KUGI's coordination is also the St. Petersburg Property Fund (*OAO Fond imushchestva Sankt-Peterburga*), which handles the buying and selling of property for the city, and the Committee for land resources and land development (*Komitet po zemel'nyim resursam i zemleustroistvu Sankt-Peterburga, KZR*), which is in charge of the city's real estate cadastre. The body that registers real property objects is the Federal registration service in the St. Petersburg and Leningrad area (*Upravlenie Federal'noi registratsionnoi sluzhby po Sankt-Peterburgu i Leningradskoi oblasti, UFRS*). Related to KUGI is KGA, the Committee on City Planning and Architecture (*Komitet po gradostroitel'stvu i arkhitekture*), which regulates the construction of new mansard roofs to old buildings, for example. Of these bodies, homeowners' associations mostly deal with the Housing Committee and KUGI, especially in cases of unclear property rights of premises in the house, and KZR when registering the land plot to the association's property.

Figure 1. St. Petersburg's administration



In practice, however, residents deal mostly with the local and municipal authorities. St. Petersburg, a city of 4.5 million inhabitants, is divided into 18 districts (*raiony*), each of which has a population of approximately 200,000 people. These districts are further divided into 111 municipalities (*munitsipal'nye okrugi*), operating on the *mikroraion* (neighbourhood) level. Municipalities are local self-government units that are administered by municipal councils (*munitsipal'nye obrazovaniia*). Citizens and homeowners' associations may approach these local authorities for information about housing management, for example. Some municipal councils publish their own information leaflets, providing practical information on housing issues, such as how to act when a neighbour causes water damage. After the Housing Code came into force, copies of the law, as well as commented versions of it, have been widely available, sold inexpensively in bookstores and in street kiosks and metro stations. Housing at the district level is administered by the district housing agencies (*Raionnye zhilishchnye agentstva*), that is, *GUZhA* (*gosudarstvennoe uchrezhdenie Zhilishchnoe agentstvo administrativnogo raiona*), which take care of issues such as housing maintenance payments. Municipal housing management companies are called *Zhilkomservis* and two or three of these companies operate in each district (*Zhilishchnyi komitet* website). Maintenance of municipal houses is han-

dled by municipal housing agencies known as *ZhEK/ZhES* (*Zhilishchno-ekspluatatsionnaia kontora/sluzhba*). ZhES were created already in 1956 and are the municipal housing organ closest to the resident, to which residents can turn in case of a problem such as a break in water supply, heating etc. (Ofitsial'nyi portal Administratsii Sankt-Peterburga).

St. Petersburg's housing stock is characterised by a large number of old buildings, often containing communal apartments. According to Nikolai Kornev (2005, 77), in the city's central districts, such as Tsentral'nyi, Petrogradskii, Admiralteiskii and Vasileostrovskii, over 90 percent of the multi-family buildings were built before 1917 and only a quarter of the houses were fully renovated during the Soviet era. In 2008, over 1500 houses in St. Petersburg have been estimated as being in "emergency" (*avariinyi*) condition (Konserg 18 July 2008). In the Soviet era, urban development focused on constructing new districts on the outskirts, with less attention being paid to repairs and development in the centre (Makhrova and Molodikova 2007, 101).

The communal apartments are also typically located in old buildings in the centre of the city. Although *kommunalki* are often located in architecturally valuable houses, they are also the most dilapidated housing of the city (Glock 2007, 207). Today St. Petersburg still has more communal apartments than any other area or city in the country. According to the 2002 census, 10.6 percent of the city's population lived in communal apartments in 2002, while the corresponding number in urban areas across the whole country was two percent (*Vserossiiskaia perepis' naseleniia 2002 goda*). Apart from the old housing stock, new construction in the city is typically of large multi-storey housing complexes with hundreds of apartments. The popularity of communal apartments and enormous housing complexes pose challenges for residents' self-management of housing. Residents' participation and converging interests are important in order for residents' cooperation to work. This can be difficult to achieve if the ownership structure is mixed and if there are hundreds of apartments in the building.

St. Petersburg's Housing Committee launched a programme in 2008 called "Settlement of communal apartments in St. Petersburg" aimed at emptying communal apartments and turning them into single-family apartments by 2016. There are several ways to realise this policy. One of them is for a resident to sell their room to someone and receive a subsidy

from the city, enabling them to buy a studio apartment, although “not a new” one (Zhilishchnyi komitet website). Alternatively, the resident may apply for municipal housing. The second option is that the resident buys the other room/s in the apartment, thus gaining ownership of the whole apartment. The resident receives a subsidy for this based on how long they have queued for an apartment from the city. If they have waited for less than five years, they pay 60 percent of the price. If the resident has some kind of recognition from the city or state (for example, as a World War II veteran), as many pensioners do, they pay 40 percent, regardless of how long they have been waiting. If the resident has waited for 15 years or more, they pay 30 percent. A third option is that the city buys apartments in the house together with an investor. The body responsible for executing emptying the communal apartments, as well as for handling housing exchanges and housing privatisation under the Housing Committee, is called *Gorzhilobmen*, which has district affiliates called *Raizhilobmeny* (Zhilishchnyi komitet website).

Kornev claims that even though communal apartments are being emptied and turned into separate apartments and office premises, there is still demand for renting a *kommunalka* room among those who cannot afford anything else. Communal apartments are no longer as densely inhabited as they used to be, as many residents have moved out, leaving more living space to their neighbours. *Kommunalka* is hardly the most desirable type of housing but it is still better than an *obshchezhitie*, hostel, which is usually regarded as the most unwanted type of housing (Kornev 2005, 77–78). Although *obshchezhitia* are intended primarily for students and workers, for temporary habitation, some have families living in them. According to the 2002 census, 4.1 percent of St. Petersburg’s population lived in hostels at the time, which corresponds to the country’s average. If the housing conditions of communal apartments and hostels are assumed to be unsatisfactory, this means that over 14 percent of the city’s population live in unsatisfactory housing conditions (Rosstat 2004). This number does not even include people living in dilapidated ‘emergency’ (*avariinyi*) housing conditions, the residents of which are supposed to be rehoused because the houses are on the verge of collapsing. Another group that urgently needs housing is military retirees, who received temporary housing during their service but have been without housing since.

The quickly deteriorating housing stock and its infrastructure pose a

challenge for urban housing management and maintenance throughout the country. The housing stock in Russia is partly very old and partly poorly constructed within a tight time schedule and minimum expenses, as noted in the previous chapter. Especially in St. Petersburg, a considerable part of the housing stock is dilapidated and in need of urgent repairs (UNECE 2004, 34). Fifty-one percent of the city's housing stock consists of the infamous khrushchevki and brezhnevki, which are often in poor condition (Glock 2007, 208). According to a deputy in a St. Petersburg municipal council, the districts (responsible for maintenance of the infrastructure) do not have enough resources to carry out renovations, so the pipes, basements and infrastructure remain in bad condition. In 2006 and 2007 St. Petersburg's Housing Committee initiated a programme to repair 478 houses in emergency condition (Zhilishchnyi komitet website). The shortage of available land plots has driven the authorities to use questionable measures for acquiring land (Clément 2007). For example, it has been claimed that the city has declared buildings in the centre to be in 'emergency' condition and unfit for habitation even when they were not, in order to acquire the buildings for business purposes. Most of the dilapidated housing is in the centre and when it is demolished the residents are relocated far away to the suburbs, while the city profits from selling the land and luxurious 'elite' housing is built in place of the old building (*Moi raion*, 19 May 2006).

The poor condition of housing stock further complicates the management of homeowners' associations. Repairs are seldom financed with bank loans so they are either paid for by the homeowners themselves, which is rarely possible, or, more likely, with the help of local authorities, who subsidise or finance the repairs completely. In a 2003 piece of legislation St. Petersburg's administration promised to finance capital repairs for all houses in need of renovation, where a TSZh was established (*O finansirovaniï kapital'nogo remonta*). The aim of this law was to encourage the establishment of TSZhs, realising that most associations cannot conduct the renovations at their own expense. However, renovations do not happen automatically, as the city's resources are limited, and a homeowners' association has to actively push itself to the city's 'address programme' (*adresnaia programma*) on capital repairs. According to the Housing Committee's chairman, Unis Lukmanov, if the association shows that it takes the renovation seriously, such as by having steel doors and intercom systems in-

stalled in the building to prevent outsiders from entering, thereby aiming to improve the condition of the house, it has a better chance of obtaining the renovation (Delovoi Peterburg, 10 May 2005). According to a Levada-Center survey in March of 2007, only 10 percent of St. Petersburg's dwellers were satisfied with the city's housing and communal management, compared to 86 percent who were dissatisfied. Among respondents from different parts of the country, 21 percent were satisfied with the management and 74 percent were dissatisfied (Levada-Tsentr 20 March 2007). A level of satisfaction lower than the national average could also be due to St. Petersburg's vast old housing stock, which is more challenging to manage and maintain.

3.5. Housing Movements and Associations

The many problems in the current housing situation and the profound changes brought about by the reform of the housing sector have been described above. Housing is an essential element of people's lives and it is therefore not surprising that the defects and changes have provoked civic activity. In the field of social movements in Russia, housing movements are particularly active. During perestroika and after the collapse of the Soviet Union, when voluntary organising first became possible, there was a proliferation of social organisations. Although civic activity has otherwise been modest in Russia lately, and the ability of associations to act has been restricted, social organisations focused on housing questions have been popular. The housing sector's development has been strongly emphasised in national politics in recent times, which may have also furthered the emergence of housing movements and associations.

According to Karine Clément, collective mobilisation has been undertaken primarily because things cannot be solved at the individual level through the traditional channel of appealing to networks of friends. Secondly, mobilisation is a result of people's frustration and disappointment that the public authorities have failed to take care of things, as the usual letter-writing and complaining to local authorities has not led to improvements (Clément 2008, 76). Dirty staircases and courtyards in poor condition draw people's attention as they are in the immediate vicinity of their homes. Housing is an area in which movements and organisations

are actively formed and is seen by experts and activists as one of the most, if not the most important form of civic activism in Russia today. Housing organisations do not typically receive foreign funding (although there are exceptions) and in that sense they are a more domestic phenomenon than many other social organisations in Russia. This could also be the reason why housing movements in general have gained so much media attention in Russia – they are seen as more genuinely Russian than foreign-funded organisations. Small residential organisations are common, as the threshold for participation at the neighbourhood level is low. In addition, it is natural to pay attention to defects in one's immediate surroundings first, before mobilising for a more 'global' or general matter.

Tearing down the Soviet housing system and implementing a new reform has created several problems, some of which existed in the socialist era and others that emerged under the new system. Housing movements, like social movements in general, are formed to demand and defend citizen's rights. They are often small organisations, operating at a micro-level of a few households, neighbourhoods or towns. According to Clément it is typical for Russia that mobilisation takes place at a micro-level and rests on the shoulders of individuals, who first organise so-called initiative groups (*initsiativnye gruppy*)²² to advocate a certain cause. This core group of activists may in time grow into a larger organisation (Clément 2008, 73–76). The term 'initiative group' is commonly used by the activists themselves. Initiative groups and active individuals also play a key role in homeowners' associations. The establishment of a homeowners' association in an old building can result from the activity of one homeowner, who forms an initiative group around them. Initiative groups are also used to raise an initiative within the association. Initiative groups are informal, grassroots types of organisations. Some activists prefer to act in initiative groups instead of more formal organisations, as informal structures are less dependent on funding (Henry 2006b, 113).

The first social, housing-oriented organisations were formed at the end of 1980s, when the perestroika policy made civic organising possible.

22 Initiative group is a term that is probably derived from the Soviet era. The term was used in the Initiative Group for Defence of the Human Rights in USSR (*Initsiativnaia grupa v zashchitu prav cheloveka v SSSR*), a dissident organisation led by Andrei Sakharov.

Committees of social self-governance (*komitety obshchestvennogo samoupravleniia*, KOS) were organised at the neighbourhood level to defend residents' rights (Shomina 1995, 83). KOS sometimes cooperated with municipal councils but they seem to have faded out by the end of the 1990s and have likely been replaced with other similar structures in the 2000s, such as the so-called local self-government units (*territorial'noe obshchestvennoe samoupravlenie*, TOS). TOS can be formed at the level of a village, a neighbourhood (*mikroraion*), a residential quarter, a street, a group of buildings or a single building. According to the Law on Local Self-government in St. Petersburg (*O mestnom samoupravlenii v Sankt-Peterburge*), TOS are created to discuss questions of local importance and to represent and protect residents' interests (Article 26), enabling them to focus on a very wide range of questions. If a TOS is formed at a single-building level, it is very likely to concentrate on housing. Various self-governing structures can be defined as TOS, such as house committees and staircase councils, examined in the next sub-chapter.

After the collapse of the Soviet Union, when reform of the housing sector began and the state's role as a social security provider started to be reduced, housing organisations began to proliferate as a reaction to it, with the intention of protecting new homeowners and tenants. They strived for more than just housing policy, improvement of housing conditions and housing maintenance, etc. Cooperatives organised in the Moscow Union of Cooperatives (*Moskovskii soiuz ZhSK i ZhK*) united over 800 cooperatives, while the need to improve housing conditions was pushed by the All Russian Fund for Cooperation to Liquidate Communal Apartments (*Vserossiiskii Fond sodeistviia likvidatsii kommunal'nyh kvartir*). As homeownership became more common, the Union of Homeowners of Municipal, Cooperative and Enterprise Housing Stock (*Soiuz sobstvennikov kvartir munitsipal'nogo, kooperativnogo i vedomstvennogo zhilogo fonda*) was established on the basis of the Moscow Union of Cooperatives in 1994, for homeowners who had privatised their apartments in different types of housing. Its members included 125 buildings, with over 100,000 people living in them (Shomina 1995, 83–85). The Union seems to have existed until 2001 but is no longer active, judging by Internet references. It is possible that the Union has ceased to exist as cooperatives have become less common and the number of homeowners' associations has increased.

Some organisations object to the current self-management reform, ar-

guing that the state is just pushing its responsibilities onto the shoulders of citizens without providing adequate support and information. The reform is so fundamental that it would be surprising if there was no objection. Demonstrations of hundreds, even thousands of people have been organised, although they are often prohibited or prevented from taking place by local authorities. Although protests against rising housing payments have not been as numerous and visible as pensioners' protests when the social benefit system (*monetizatsiia*) was reformed, protesting seems to be constantly spreading and growing (Clément 2008b). Activism against housing reform is often openly political, as it opposes the prevailing political order. One organisation and its local affiliates in different parts of Russia that has been especially active is SKS (*Soiuz koordinatsionnykh sovetov*), the Union of Coordinating Councils. It aims to change or revise the new Housing and Labour Codes that "violate citizens' civil rights" by liquidating social benefits (IKD website). Another structure that campaigns against homeowners' associations is the Russian Communist Workers' Party's (RKRP) St. Petersburg's subdivision. It has slogans like "TSZh – death to your housing!" and claims that homeowners cannot take care of the houses that are in poor condition and that the state has created homeowners' associations to avoid its responsibilities. The organisation spreads leaflets and has organised meetings and demonstrations against housing reform, but without large-scale support.

Movements and organisations that aim to correct or improve a certain defect have sprung up in the post-Soviet era. Workers' hostel (*obshchezhitii*) movements are trying to draw attention towards hostels that have been totally ignored in the new Housing Code. One problem is that the hostels' residents have not had the option to privatise their homes, unlike other residents in municipal housing. There is also the problem of potential eviction in case a hostel is transferred from the municipality to ownership of a private company that decides to increase rents or turn the hostel into a hotel (Clément 2007). In St. Petersburg, the Union for Hostels' Residents (*Koordinatsionnii sovet obshchezhitii Sankt-Peterburga i Leningradskoi oblasti*) is quite an active organisation, aimed at improving residents' position and living conditions. According to the union's website, the state Duma is currently working on legislation to liquidate workers' hostels, as they are generally seen as the most undesirable form of housing (Obshchaga.spb.ru).

Residents have also objected to the so-called 'high density construction' (*uplotnitel'naia zastroyka*) of new residential, 'elite' or shopping centre housing in the place of existing housing, which has destroyed parks and children's playgrounds in the process. Residents' objections have sometimes been responded to with physical force. For example, in Moscow, men working for a property developer attacked neighbourhood activists with baseball bats (Clément 2007c.) A movement called 'Zhivoi gorod' (the Live City) objects to new construction in St. Petersburg that threatens to distort the city's historical image. Their website lists architecturally valuable houses that have been demolished or have been under the threat of demolition since 2003. These houses are replaced with new construction; 'elite' housing or hotels, for example, or are subject to complementary construction typically in the form of a mansard-roof. The movement is also campaigning to have Gazprom's skyscraper, which is planned to be built near the city centre, transferred closer to the suburbs, where it would be better suited architecturally. The movement is organising conferences, demonstrations and actions to protest the new construction and to protect existing architecture. So-called *subbotniki* (voluntary cleaning-up days) have been organised to draw attention to and to improve the condition of parks and gardens that are subject to new construction (Zhivoi gorod's website).

Housing organisations are mainly grassroots, informal formations of residents intended to improve their housing conditions. In contrast to the above-mentioned associations and movements, which are quite fragmented and small, there is one movement that is more organised and 'professionalised'. The 'cheated investors' (*obmanutye dol'shchiki*), people who have lost their investments in the shared participation construction, have formed an association called the Association to Help Affected Investors (*Assotsiatsiia pomoshchi postradavshim investoram*). The association was established in December 2005 and it aims to help cheated housing investors by approaching state authorities, cooperating with judicial administration to replace lost investments and drawing attention to the problem. The association arranges meetings, press conferences and demonstrations. It publishes news on the subject on its website, along with a 'black list' of unreliable construction companies, and it also maintains a discussion forum. Local agencies of the association have been formed in different parts of the country (Assotsiatsiia pomoshchi postradavshim investoram website). Estimates of the number of cheated investors vary considerably among

different sources, in any case throughout Russia there are thousands of cheated investors, according to one estimate even 200-250 000 people have been affected by the scams. The number has been estimated to continue to grow as the construction sector has faced serious difficulties during the financial crisis (Novaia Gazeta 20 March 2009).

The movement is well organised and active and has attracted quite a lot of media and political attention. This attention is also due to the fact that the fraud typically affects the middle class rather than the poorest part of the population, who live in workers' hostels or communal apartments. Increasing and strengthening the middle class has been one of the reform's aims, so problems related to that group raise particular political concern. The movement has also taken radical measures: hunger strikes, occupying "government offices or unfinished properties and tent camps – including one in front of the White House" (Clément 2007). A hunger strike in the spring of 2007 even resulted in death of one of the desperate strikers (Clément 2007b). These people, having lost their homes or savings, have nothing left to lose and are willing to take drastic action. Recently divisions within the movement have taken place: part of the movement supports the United Russia that strives, through legislative changes, to ensure that the cheated investors are refunded, while the other part supports an opposition party called Just Russia and their legislative initiatives to solve the problem (Clément 2007).

In addition to the protest and defence movements and residential housing management organisations, there are organisations that aim to educate residents, offering information and legal advice. The New Eurasia Foundation (Fond Novaia Evraziia), is a nongovernmental organisation established in Moscow in 2004, "improves the lives of Russian citizens" by implementing social development programmes and focusing on housing. It has an extensive programme called "Housing Self-Governance: Institutionalising Housing Self-management", aimed at assisting local authorities to implement the housing reform, promote competition in the housing service market and develop housing education. As part of the programme, a 'Homeowners support project' is being undertaken in cooperation with the Institute of Urban Economics. Funded by USAID, it aims to raise awareness and train housing management professionals and activists by cooperating with local authorities and management companies (New Eurasia Foundation website, Annual Report 2007). Part of the New Eurasia

programme has been the establishment of a network of 'Schools of housing education' (*Shkoly zhilishchnogo prosveshcheniia*) that operates in 11 cities across Russia (but not in St. Petersburg) with the aim of informing and educating residents about the reform. At the national level, The Institute of Collective Action (Institut Kollektivnoe Deistvie, IKD), mentioned earlier in this chapter, is a significant player. It is a social organisation focused on housing reform and consumer rights that consists of sociologists and activists, including Karine Clément, who study housing movements in Russia. IKD has a vast amount of informative material for citizens and it publishes news about housing reform and housing movements' demonstrations and other actions on its website.

St. Petersburg's best known and most influential voluntary housing organisation, the St. Petersburg Association of homeowners' associations and cooperatives, was founded as early as 1995. According to its own announcement, the association has over 700 ZhSK and TSZh as its members. The association's task is to educate and provide information for housing associations and individuals. It produces information leaflets, offers legal consultation and organises meetings and seminars for its members. According to the association, the issues most often inquired about concern accounting and legal matters. The association has close contacts with St. Petersburg's Housing Committee and the association's chairperson, Marina Akimova, has become a respected expert who is regularly interviewed in the media, consulted by authorities and invited to housing seminars and conferences, not only in St. Petersburg but around the country. The association is contacted by organisations and residents from other cities in Russia and it has contacts with similar Estonian, German and Swedish associations.

Other roof and information-providing organisations in St. Petersburg include a Union of House Committees²³ (*Soiuz domovykh komitetov SPb*), founded in 2001, which provides consultation and information on practical matters for house committee management. An organisation called 'The Civic project' (*Grazhdanskii proekt*) works in cooperation with St. Petersburg's municipal councils, monitoring residents' housing reform issues and offering consultation with authorities. Housing management and maintenance companies are also organised in at least one association

23 House committee: an informal housing management organ, see next subchapter.

(*Assotsiatsiia upravliaiushchikh i ekspluatatsionnykh organizatsii v zhilishchnoi sfere Sankt-Peterburga*). It consists of 17 companies and its goal is to share know-how and to develop a uniform management practice among its members. This kind of association is a valuable source of support, as there are so many companies with varying levels of expertise operating in the market.

Homeowners' associations also have at least one district-level roof organisation in St. Petersburg. District-level associations are necessary, considering that St. Petersburg is a city of over four million inhabitants, with most districts housing several hundreds of thousands of people. The Association of TSZh in St. Petersburg's Central District (*Assotsiatsiia TSZh tsentral'nogo raiona Sankt-Peterburga*) was formed in November 2006. According to the association's website, it currently has 49 TSZhS as its members and is expecting to gain more. Its task is similar to that of other housing associations: to provide information on housing and housing management matters to its members and to improve housing conditions in the area (Association's website).

A different kind of housing organisation is *Nochlezhka* (Shelter), an active and established homeless people's association that has existed since 1990. In addition to actual housing associations, there are associations that focus primarily on other issues but cover housing matters as well. Russia's Consumer Union (*Soiuz potrebitelei RF*) aims to teach citizens to protect their rights, for example by providing information about how to complain about poor housing and communal services (Shomina 2007, 45). The Movement of civic initiatives, (*Dvizhenie grazhdanskikh initsiativ, DGI*), which is connected to the Regional Party of Communists (RPK) and focuses on housing questions, transport difficulties in the city and ecological questions, seems to be active and well organised. Other political parties, such as Yabloko, a social liberal party, have been educating people about the housing reform and in 2005 there was a district-level project to promote the establishment of homeowners' associations in St. Petersburg. This shows the current social and political relevance of housing.

Some housing associations and movements have been presented here that are active and visible in the media and on the Internet. Only the most significant of the current movements are mentioned here and the variety of actors operating in the housing field becomes evident through the examples above. A characteristic of all the NGOs is that many activists are members

in several organisations, meaning that the core of activism is thick and organisations cooperate with each other, yet the actual number of activists is quite small. From the point of view of housing management reform and homeowners' associations, it is noteworthy that although civic activism has recently directed itself towards housing problems, self-government of housing is treated somewhat differently. According to one housing activist in Nizhnii Novgorod,²⁴ the difficulty is that NGOs in Russia tend to focus on issues such as HIV and youth issues, and housing management is not regarded as a traditional social question issue. Instead, housing management is seen as a professional field in which non-professionals should not become involved. This can decrease social organisations' interest in promoting the self-government of housing and can prevent people from participating in homeowners' associations.

3.6. House Committees and Other Informal Housing Management Organisations

In addition to homeowners' associations, house committees (*domovye komitety/domkomy*) are another significant kind of self-management organisation for residents. As described in Chapter 2, house committees existed in Soviet Russia as far back as the 1920s, but post-Soviet house committees are quite different and more closely resemble homeowners' associations. In the post-Soviet era house committees represent residents' interests, as was the case in the 1910s, before they were turned into local level housing administration and control organs (see Shomina 2004, 10). Now *domkomy* are again formed on the initiative of residents. In some houses a homeowners' association has later been established on the foundation of the house committee. Thus, although homeowners' associations are a new type of housing management in Russia, they do not enter the housing field out of nowhere; there is a history of self-government in housing in the country.

House committees have been formed on residents' initiative in order to improve housing conditions. It is often claimed that people's opinion

²⁴ Interviewed in the Homeowners' Support Project by the New Eurasia Foundation.

of their apartments in the Soviet era was “my home is my castle”, regarding only their actual apartment as their home and disregarding the common areas of the house (Shomina 1999, 1). This was not publicly accepted behaviour, as concentrating on home and private life was condemned as bourgeoisie thinking (Reid 2006, 150). As public housing maintenance did not work very effectively and residents did not care for the condition of their staircases, for example, this resulted in the poor condition of common areas. On the other hand, the tradition of regular *subbotniki*, voluntary work days, when the residents cleaned up the courtyard together, was very strong in the Soviet era. However, building entrances and staircases in Russia have typically been in bad shape, with broken lamps and mailboxes, non-functional lifts, etc. This is not simply a result of residents’ carelessness; it shows defects in the (municipal) housing maintenance. In cooperative houses (which are usually privately maintained) staircases have been in better condition (Shomina 1999, 1). The driving force for residential organising has thus been to improve the tidiness and comfort of their house, its staircases and courtyards, so that the staircase would be perceived as an entrance to their home and not as a continuation of the street and public area.

Another reason for residential organising has been the need to increase security. In the 1990s the crime rate increased (Gilinskiy 1997) and people started to feel less safe than they had before (Serebrennikova 1999). This created a need to close off the staircases, not just from burglars but also from homeless people seeking shelter and warmth. ‘Staircase councils’ (*sovet pod”ezda*) were the ‘first step’, an informal form of organised cooperation among neighbours. Staircase councils are loose formations, closer to residential cooperation than official organisations, directed at improving security matters and good relationships between neighbours rather than actual housing maintenance or management. Still, staircase councils may be the first step towards residents’ involvement in local self-governance (*mestnoe samoupravlenie*) (Shomina 1999, 9–10).

Staircase councils or house councils (*sovet doma*, if the organisation represents the whole house) may develop further into house committees (Kvartirnyi riad 14 April 2005; 23 September 2004; 24 February 2005). House committees are similar to staircase councils but more organised and management-oriented. Although a house committee does not handle the management of the building/s itself, it may cooperate with the district

housing agency (GUZhA) in making plans for maintenance and repairs. Participating in repairs and keeping entrances, staircases and yards tidy is usually a domkom's most visible task. A house committee also has access to GUZhA's accounting and expenses used for maintenance of the house. The ability to control the quality and expenses of management and maintenance has been regarded as very important as housing payment fees continue to rise (Kvartirnyi riad, 24 February 2005).

A house committee is not a legal entity, and therefore has less legal leverage than a homeowners' association, but it also has fewer responsibilities; a homeowners' association must organise management and maintenance through a company or by hiring service and administrative staff and must choose an audit committee for the association. In the case of a house committee, the GUZhA runs the management duties. A house committee is also easier to organise because it does not have to be registered in the state registry. The legal structure of a house committee consists of a chairperson, secretary and representatives of each staircase and the committee informs the residents of its work at least once a year in a meeting (Rasporiazhenie O domovykh komitetakh 2003).

Another advantage of a house committee is that tenants can participate in them, unlike in homeowners' associations, which are exclusively for homeowners. The house committee is a form of civic participation that encourages residents to look after their house, common property and environment. New regulations concerning house committees have come into force locally in the 2000s, for example in Moscow (in 2004) and St. Petersburg (in 2000 and 2003). In Moscow the number of housing committees has increased fivefold in only a few years, reaching 5350 in October 2005 (Kvartirnyi riad, 17 November 2005). It is possible that, along with implementation of housing management reform, house committees decrease as the need for them lessens and they are replaced with homeowners' associations and housing management companies. However, in case the third management option mentioned in the Housing Code, direct management, is chosen, a house committee can be useful as there is no other management organ operating in the house.

However, a domkom does not have jurisdiction to hire service staff and it cannot finance necessary repairs apart from collecting money from residents on a voluntary basis. The local housing agency may ignore residents' wishes for maintenance improvements although, according to St.

Petersburg's regulations, they should cooperate. In short, it seems that house committees can improve and beautify the area and maintain tidiness in the staircases, but they have little power on more weighty issues such as deciding on and arranging renovations (see Kvartirnyi riad, 17 November 2005). It seems that the leverage held by house committees varies depending on how they are regarded by the local housing agency. Despite the deficiencies of house committees, they are important organisations for enabling residential participation in housing management and maintenance. A house committee is less formal than a homeowners' association, which makes it easier to organise and may also lower the threshold for participating in common decision-making.

3.7. Conclusions

The intention of reforming the housing sector in post-Soviet Russia was similar to the trend across Eastern Europe: to create a new housing market that did not exist in the Soviet Union. The initial circumstances have been similar in all the former socialist countries – state control over ownership and management of housing on the one hand and a shortage of resources and poor condition of housing stock on the other – but the countries have chosen quite different paths to reform their systems (Clapham & Kintrea 1996). The privatisation of housing has enabled people to become owners of their apartments and the share of housing owned by private citizens has grown from 26 percent in 1990 to 76 percent in 2006. Privatisation has increased social stratification, as most of the previous tenants have become homeowners. While the media has emphasised the role that home-ownership plays in creating a new middle class in Russia, the ability to privatise one's apartment for free has created a large group of homeowners whose property consists solely of their apartment and who lack adequate financial resources for its upkeep. The inadequate resources of this group constitutes a problem for the recent reform of privatising housing management, which is the next step, after privatisation of the housing stock, in developing a market-oriented housing sector.

The new reform has made homeowners responsible for management and maintenance of the common property in multi-family buildings. This is a fundamental change from the previous system, in which management

and maintenance was handled by the public sector. The three alternatives for realising this task – homeowners' association, management company and direct management by the residents – all have their positive and negative sides. Which one is the most suitable depends on the location and condition of the house and its residents' social composition. According to prior evaluations and in the opinion of activists, TSZh works best in a building that has enough active and financially solvent residents participating. TSZh allows homeowners to influence the management, unlike in the management company alternative and, as a form of democratic self-government, TSZh has the potential to foster civic engagement. However, private management comes with certain challenges, such as free-riding, as effective methods to prevent it are lacking. Secondly, the poor condition of the housing stock, especially in the centre of St. Petersburg, where there is a large amount of old housing stock, makes repairs and maintenance expensive. This is a financial burden, especially for poorer homeowners who do not have the resources needed for major repairs.

The city of St. Petersburg has been active in promoting the establishment of TSZh, resulting in homeowners' associations being more common in the city than elsewhere in the country. In recent years the changing housing situation and the serious defects in housing have led to the creation of a number of housing movements and organisations in Russia. One of the problems that these movements have focused on is fraud in housing construction and sales, which has resulted in 'cheated investors' losing their dwellings and/or savings. Besides protecting residents' rights, some social organisations aim to spread much-needed information related to housing reform and to educate residents. As the new housing reform expects activity from the residents, it is crucially important that the residents understand their role in the reform and are aware of their rights and responsibilities in the housing market. Educating residents is a challenging task, as it is for residents to understand the information, especially those who are used to the public authorities taking care of housing. The importance of housing development has also been politically recognised and housing is currently one of Russia's national priority projects.

However, although social organisations regard housing as an important issue, housing *management* is usually not considered to be a social question, which may decrease social organisations' interest in it. Some activists claim that housing management is a field of professionals in which non-

professionals, that is, ordinary citizens, should not get involved. This is a factor that can seriously hinder residents' participation in homeowners' associations if they do not understand that their contribution is vital for the organisation to function. It is noteworthy that although housing has been publicly managed in Russia before, homeowners' associations have not emerged into the housing sector out of nowhere. Housing cooperatives (ZhSK), introduced in Chapter 2, and house committees (domkomy) are the predecessors of TSZhs. They are forms of self-management for residents, aiming to improve housing conditions (domkomy) or have a similar administrative structure (ZhSK) to that of homeowners' associations. In this chapter I have presented the situation in the housing sector in post-Soviet Russia, introducing the legislative reforms and their practical implementation. This is the framework and context in which homeowners' associations operate. In the next two chapters I examine how homeowners' associations succeed in practice and how they handle the problems, such as free-riding, that have come up in this chapter.

4. Homeowners' Associations' Management and Social Relations

The previous chapter described the prevailing housing situation in Russia and the aims and challenges of the current housing reform, that is, the framework of homeowners' associations in the housing sector. Attention now turns to an analysis of how this housing management system works in practice, based on the interview data. Analysis of the data is divided into two chapters. In this chapter I focus on residents' relationships and internal dynamics of the association, examining the joint decision-making, free-riding, conflicts and cooperation between members. Chapter 5 analyses the relationships of homeowners' associations with other actors. The data is examined with the help of the common-pool resource regime approach and the concept of social capital.

4.1. Data and Research Approach

My aim in studying the homeowners' associations is twofold: first, I examine how effectively a homeowners' association works as a self-governing management organisation; how homeowners' associations really work, compared to the official legislation. This is analysed by using the common-pool resource regime approach. The key question is how homeowners succeed in managing the common property collectively in the associations. Secondly, the associations' democratic potential is studied using the concept of social capital. The extent to which associations work democratically and whether the association reinforces social capital between neighbours is examined. According to Putnam, associations produce social capital and thereby contribute to building a more democratic society (Putnam et al. 1993, 173). Whether elements of social capital – trust, generalised reciprocity and social networks – can foster democratic governance, facilitate decision-making and prevent free-riding in homeowners' associations is examined through the data.

The so-called design principles of a common-pool resource regime, as defined by Elinor Ostrom, are used to help examine the associations' ef-

fectiveness. Ostrom was awarded the Nobel Memorial Prize in Economic Sciences in 2009, which she shared with Oliver E. Williamson, for her research on the commons. Ostrom first presented the design principles in *Governing the Commons* (see Ostrom 1990, 90) and has rephrased the principles in her later works (2000; 2005) but the basic idea remains the same. Many scholars have since applied these design principles to empirical studies on natural and man-made common-pool resource systems (Ostrom 2005, 259–260). These rules are intended to be guidelines to help overcome the collective-action problems that could otherwise occur, such as free-riding. I use the design principles as a tool to examine how self-governance works in homeowners' associations and the extent to which they really are the democratic associations they should be according to the legislation. Those principles that concern the internal dynamics and decision-making of associations are used in this chapter.

One of the design principles advises that a CPR regime should have *clear boundary rules*. In one sense this concerns personal relationships, a clear definition of who is in and who is out, who is a member of the regime and who is not. It is important that users can determine the group's membership, that is, group boundaries, to encourage trust and reciprocity (Ostrom 2000, 149). In homeowners' associations this principle is complicated by the fact that membership of the association is voluntary and that there are tenants who use common resources but who are not members of the association. Clear boundaries are important in order to prevent collective-action problems such as free-riding (Ostrom 2005, 260). In a homeowners' association the use of common property and resources is difficult to restrict with boundaries, to be made available only to members. Common property is therefore a common good, characterised by difficulty of exclusion.

Another principle, which Ostrom refers to as *collective-choice arrangements*, is that most individuals affected by the rules of the regime may participate in their creation and modification (Ostrom 2000, 150). This is an important precondition for decision-making to be democratic. If the Housing Code is followed the democracy principle is fulfilled in the associations, as decisions are made jointly by the homeowners in the common meetings. In order for rules to be effective, a design principle proposes that *monitoring* adherence to the rules is done by the users, or by people accountable to the users (Ostrom 2000, 151). According to the legislation the

association's administration, the common meeting and the board consist of the members, who are liable to one another. Therefore, this principle should hold true in the associations.

Breaking the rules should, according to the design principles, be met with *graduated sanctions* (Ostrom 2000, 151). But such a response seems to be lacking from the housing legislation. Expelling or evicting a homeowner because of non-payment is not explicitly mentioned in the Housing Code, although evicting a tenant is. Suing for debts is possible but given the general distrust of the justice system in Russia (Volkov 2002, 46–47), this rule may not be effective enough. *Conflict-resolution mechanisms* require that access to local arenas to resolve a conflict between users or between the users and officials should be possible without delay (Ostrom 2000, 152). In conflicts within the homeowners' association this arena is the decision-making body, that is, the common meeting of the homeowners.

The data for this study was collected between 2005 and 2008. Some preliminary interviews were conducted in February and April of 2005 in St. Petersburg and Moscow before the actual fieldwork period. These interviews were held with experts in the field or people who otherwise had first-hand information of the subject. The author also attended a one-day conference about the housing reform and its consequences, which was open to St. Petersburg residents. The actual recorded interview data consists of interviews with a total 40 respondents conducted in St. Petersburg between September and December of 2005, May of 2006 and January of 2008. Some respondents were re-interviewed in January 2008 in order to find out how the situation had changed during the previous year and a half. Eighteen chairpersons and managers and eight residents in 17 associations²⁵ were interviewed, in addition to 11 so-called experts, whose work focuses, in different ways, on housing reform. For a detailed list of the interviews, see Appendix 1. Respondents (association leaders and residents) were promised anonymity, with a few exceptions. A couple of associations have special characteristics that make them and the respondents easily recognisable. In these cases the respondents were made aware of this possibility and they consented to it. Experts, as a rule, spoke under their own names but those that wished to speak anonymously were allowed to do so.

25 One association had both a chairperson and a manager, both of whom were interviewed.

Experts included local politicians, municipal authorities, NGO activists, a journalist and a lawyer, all of whom were active in housing reform.

Of the 18 association leaders, nine were non-resident managers hired by the homeowners or appointed by a management company and the other nine were chairpersons, chosen by the homeowners. However, the difference between a manager and a chairperson should not be unduly stressed because in practice the difference was not always clearly defined. In TSZh Kirovskii, for example, the chairperson of a nearby TSZh was asked to become the manager by the residents, although he was not originally a manager by profession. Some of the leaders had previous experience in construction or municipal housing management but some had no relevant management experience. Twelve of the 18 leaders were men and six were women. In this sense TSZhs were more professional than the grassroots, informal organisations that previous studies have found to be led by women (see Henry 2006b; Salmenniemi 2008). This could be because housing is seen as a field that requires professional knowledge, compared to organisations focused on social problems, to which women usually direct their organisational activities, such as drug abuse or children's rights. The age of the associations' leaders varied between 36 and 70 years with the mean age being 54. This indicates that homeowners' association leaders tend to be middle-aged or retired.

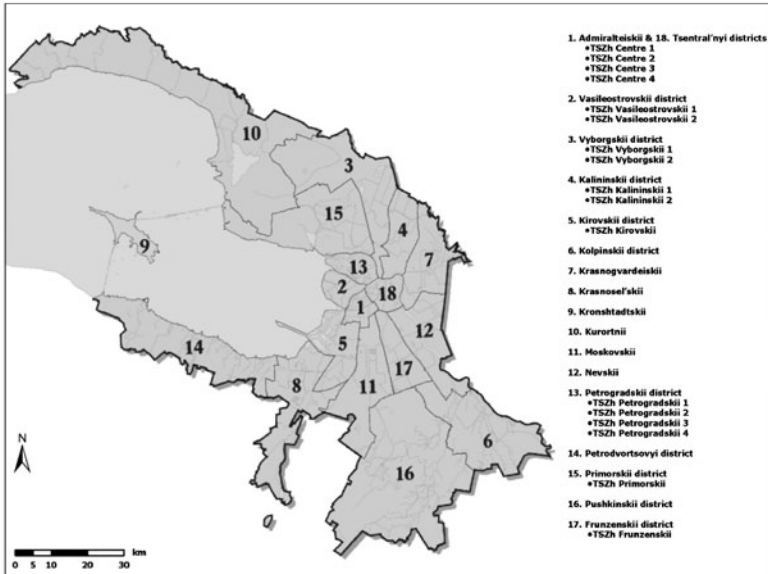
The location of the associations is illustrated in the map of St. Petersburg shown in Figure 2. The homeowners' associations in the data accurately represent the variety of houses with TSZhs in St. Petersburg: there are both old and new buildings, small and large multi-family buildings, average standard ('economy-class') as well as so-called elite²⁶ housing, from different districts of St. Petersburg. Nine of St. Petersburg's 18 districts are represented in the data. The municipal towns that are part of St. Petersburg (Kolpino, Peterhof, Kronstadt and municipal towns in the Kurortnyi district) were not included, as there are not many homeowners' associations in those districts and they are located outside the actual city of St. Petersburg. As noted in Chapter 3, the number of homeowners' associations varied by district from 10 percent of the housing stock in Petrogradskii to 48 percent

26 'Elite housing' is a vague term that is often used in the Russian housing market. It has been used here to refer to housing of distinctly higher-than-average quality in a good location.

in Frunzenskii (St. Petersburg's Housing Committee's statistics). In general, homeowners' associations are more common in suburban districts, where there is a lot of newly built housing and where the association has been established by the constructor.

All associations in the suburbs were located in new houses, most of which were built in the 2000s, with the exception of three houses built in the 1990s. The suburban building complexes were large, with the number of apartments ranging from just over 200 to nearly 700. The buildings located in the centre of the city were old, constructed between the 18th century and the 1950s. The houses in the centre were also smaller, with the number of apartments ranging from eight to just over 80. Accordingly, there is a sharp contrast between old and new housing and between the suburbs and the centre of the city. All the three elite houses were new, located in central districts of the city and small, with the largest of them having 21 apartments. All of the elite associations were led by a hired manager, authorised by a chairperson, and homeowners played only a small role in the management, apparently by their own choice.

Figure 2. Homeowners' associations in the data, by district



Whether the association was located in a new or old house was decisive for the association's dynamics; in newly built houses the association was established on the constructor's initiative in the construction phase. In the older buildings the idea to establish the association came from the residents. The socio-economic structure of residents is quite heterogenic in old buildings, which affects the management. All the old houses had non-privatised communal apartments in them, except for TSZh Centre 3, in which all four communal apartments were privatised. Nowadays communal apartments have a specific residential composition, as most of them have been emptied and *kommunalka* has become a marginalised type of housing. By and large, communal apartments are now occupied either by aged people who have lived all their lives in the apartment or by students and migrants, for whom it is a temporary dwelling. In addition, *kommunalka* has become the housing type of excluded groups, such as drunks, drug addicts and the mentally ill (Utekhin, 19 November 2008). This atypical social structure may have an effect on the management of a homeowners' association.

The old buildings had a mixture of very poor and relatively wealthy people living under the same roof. The poor residents had lived in the house for years, since the Soviet era, and taken advantage of the opportunity to privatise their apartment for free, while the 'rich' ones had only recently purchased and moved into their apartments. In the newly constructed buildings (excluding the 'elite' ones) in the suburbs, the residents can be described as middle or lower middle class rather than the poorest segment of the population (except, partly, in TSZh Frunzenskii).²⁷ Most of the new houses consisted exclusively of privately owned apartments, although some new houses also had municipal apartments in them. Homeowners' associations had been established in all buildings between 1996 and 2005, before the new Housing Code came into force in March 2005. An exception was TSZh Centre 3, which was registered only in the summer of 2005, but the process of establishment had been started much earlier.

In order to preserve anonymity and to make the associations more easily distinguishable, they are named after the administrative district in

²⁷ Description of the residents' socio-economic structure is based on the author's own estimation of the look and location of the houses and the respondents' description of the residential composition.

which they are located rather than by their real names. In a city of 4.5 million inhabitants and 18 districts, this labelling is vague enough to ensure anonymity. However, as St. Petersburg's core, the Admiralteiskii and Tsentral'nyi districts, is a relatively small area, the associations located in the area have been named simply as 'Centre'. A description of the associations' main characteristics is provided in Appendix 2.

The chosen homeowners' associations were picked randomly from an online list of all St. Petersburg's homeowners' associations. Some associations were contacted because their name had come up in a newspaper article or had been suggested by an acquaintance who had heard about the association in the media. These associations were contacted because they were expected to be willing to give interviews. This turned out to be an important factor, as many associations' chairpersons and residents were not eager to talk to outsiders. Most associations were, however, contacted without any prior knowledge about them.

Before the interview, most of the respondents were contacted by telephone and given a verbal presentation of the purpose of the research and the use of the interview. In case the respondent wanted to, she was presented a written description of the research before the interview; this was more common among the experts. The respondents were promised anonymity, with the exceptions mentioned above, and those experts who shared their views on the housing situation and homeowners' associations in general. The interviews were conducted at various locations. Chairpersons and experts were usually interviewed in their workplace, which was generally in an office (although some larger associations usually had separate office premises in the building). Some of the interviews took place in the residents' apartments but respondents were usually not eager to allow the researchers into their homes, so alternative locations were used, such as office premises of the house, nearby parks and cafés. All interviews were recorded with the respondent's permission. The interviews lasted between 20 minutes and nearly two hours, with the typical duration being a little over an hour. After recording the interview, the tapes were transcribed by a native Russian speaker.²⁸

28 Thanks to Maria Rojnova, Sylvi Nikitenkov and Olga Kalacheva for transcribing the interviews.

A semi-structured theme interview method was used to collect the interviews. In other words, the framework and central themes to be discussed were decided beforehand but no strict set of questions was used. Important themes that came up during the interviews were discussed in more depth. The interviews were used as a source of information and therefore analysed simply by reading the transcribed interviews, sorting out the central themes and focusing on them by making notes and listing important details. In addition to interviews, the author attended a homeowners' common meeting in TSZh Petrogradskii 1 with Dilorom Akhmedzhanova, a research assistant. Permission to observe common meetings in other associations was also requested, unsuccessfully. In support of the study data, interview data was made available from the New Eurasia Foundation's 'Homeowners' Support Project', which reviewed expert opinions on housing reform in Tver', Perm and Nizhnii Novgorod. The data includes three group interviews and a one-on-one expert interview, all of which were conducted in the spring of 2008. This data broadens the perspective on the current situation with homeowners' associations and housing reform from St. Petersburg to elsewhere in Russia. Newspaper articles concerning the housing reform and homeowners' associations since autumn of 2004 were used as an additional source of information, especially in Chapter 3, but also as support for analysis of the interview data.

4.2. Establishment of the Association

Homeowners' main motivation for organising a homeowners' association in old houses was their dissatisfaction with public sector management and maintenance. Therefore, the idea behind these homeowners' associations was the same as in many other housing movements and associations, as examined in Chapter 3, that is, to improve housing conditions. The old houses in the data had for many years been in need of and, in some cases, in line for repairs in the municipal housing services. A house committee (a less formal residents' management organisation) had been organised in TSZh Petrogradskii 1 before homeowners' associations existed in order to improve the management and maintenance of the house in 1994. Later, in 2002, a homeowners' association was established on the basis of the house committee. Prior to the establishment of the association (the house com-

mittee had less leverage to improve the situation) the maintenance was so inadequate that the residents had sometimes cleaned the staircase floor and the lift themselves. A private cleaning service was not used because some residents refused to pay for it. Voluntary work was therefore done to compensate for the insufficient cleaning and the residents had also laid a new linoleum floor on the staircase at their own expense. In all the old houses the residents were appalled by the situation and tired of complaining to municipal authorities in vain and they wanted to move to a private housing maintenance service by establishing the association. They wanted to raise their standard of living by improving their housing conditions: repairing the house, making the surroundings more comfortable by planting flowers or at least by cleaning up dirty staircases.

For many decades attention was not paid to the current repairs of the house and the infrastructure became unfit for use. That woke us up in 2002 to establish a condominium, to establish a TSZh and to self-organise questions on repairs and maintenance of the house. (Resp. 22, vice-chair, TSZh Centre 3, old house)

We had water damage one Christmas and waited for three years for the repairs because the entire kitchen and corridor were damaged. The water burst out because the pipes were very old and the water supply barely reached the fifth floor, let alone the sixth, and using gas equipment was very tricky, even though I had always sent [complaint] letters to the city and the district and to this ... housing services agency ... I wrote to every address that I'm paying for these services but I'm not getting anything in return. (Resp. 26, homeowner, TSZh Centre 3)

Protecting common property was another important reason for the establishment of associations, such as in the case of TSZh Centre 1 in response to the city's plan to construct a mansard roof to the building against residents' wishes. This inspired the residents to form an association to protect their house against outsiders. In TSZh Centre 3 there were small warehouses in the courtyard of the house, self-constructed by non-resident outsiders. These warehouses were taken down by the residents when the homeowners' association was established. Centrally located houses in particular suffered from continuous visits by thieves and burglars and home-

less people seeking shelter at the entrance and the staircase. Security was increased and the courtyard and staircases had intercom systems installed when the association was established in order to keep out unwanted visitors. In such ways, homeowners' associations undertake similar activities to a house committee.

The problem was that we had drug addicts at the entrance all the time. We even gave a notice to the police and this comrade was put in jail, then he spread the word [about the place] and we continuously had a bunch of drug addicts sitting at our entrance. (Resp. 2, homeowner, TSZh Petrogradskii 1, centre, old house)

A similar case led to the establishment of another association, as described by the recently hired manager:

Maybe you know how all this started?

- Started ... the reason for the establishment of the TSZh? Yes, I know – it was both from the residents' and from the chair's side. It was for you know what – you see the location of this house yourselves, that is, next to the Peter and Paul Fortress; celebrations, fireworks, what else there is. That means a lot of people, a lot of beer, and they simply used the courtyard as their toilet. People have said that when you opened the staircase entrance door there's just ... piss, excuse the expression, running to the entrance way. And then they started to think that something had to be done about that, to somehow fight against it. At first they closed the courtyard. To close the courtyard, the land had to be private, in common ownership – and from that it went on little by little, and that's how the story went, how they decided to get into this. (Resp. 29, manager, TSZh Petrogradskii 3, old house, centre)

Thus, the residents networked in response to an outside threat, invasion or disturbance. A push from the outside caused residents to gather together, to protect their common property. Increased security measures, video surveillance or guards in the courtyard or entrance, after the establishment of the association made the residents feel more secure.

But now, of course, there are no problems. If we walk there and someone is walking behind us in the courtyard, the guards see our reaction to that

person and they see right away that something's wrong. So there shouldn't be any problems on this matter. Well, of course, it's peaceful here. And with the salaries [of the service staff], and the housing payments ... we don't have any problems, everything's good. (Resp. 23, homeowner, TSZh Centre 3, old house)

It can be difficult to achieve a level of agreement among homeowners that is sufficient to establish an association in an old house. This becomes evident in the interviews with residents and chairpersons, a view that is shared by a lawyer specialising in housing. In one old building the establishment of an association was initiated by some of the homeowners. This is an important point as it makes the association a self-initiated structure, unlike a TSZh established by a constructor. As noted before, all the associations in the data were established before the 2005 Housing Code, so establishment was not legally required. Unlike in newly built houses, where the apartment buyers agreed to the association when purchasing their home, it was not easy in the old houses to obtain the consent necessary for the establishment. The establishment process required a lot of persuasion from the initiators, who went door-to-door to convince the other residents. According to some respondents, the objectors did not understand the idea of the association, nor were they interested in taking care of housing themselves. The initiators were irritated by such objections, which they regarded as stubbornness.

One more problem is that the whole house is impossible to gather together ever, no matter how much we went to people, how much we would talk to them, how much we would convince them. The mentality of a person ... not even the communal apartments' residents but other people who don't realise, they're not normal people of course, they don't understand what self-governance is, what it means to have the ability to decide, to choose, and to improve your circumstances for the price of your initiative. There's no initiative here, they think that initiative means money, but it's not just with money that you can benefit there ... (Resp. 2, homeowner, TSZh Petrogradskii 1, centre, old house)

However, the opposition was not just caused by stubbornness and suspicion towards a new type of management. The objectors were usually the

poorer homeowners, who were concerned about the rising housing costs that the association would bring, as the house would no longer be publicly managed and maintained. What worried the residents was that they would become responsible not only for their own housing payments but also for those of their neighbours. A very important question concerns the financing of capital repairs. A TSZh is legally responsible for financing the renovation but it cannot afford to finance it independently, as taking a bank loan for capital repairs is not practised. Thus, the associations rely on the city's subsidies to finance repairs, but there can be long waiting times involved. Some homeowners may therefore oppose the establishment, fearing they cannot afford the repairs. This was the case in TSZh Centre 3, where the consent of poorer pensioners was finally gained when other homeowners decided to exempt them from common property maintenance and repair payments. It should be noted that the Housing Code states that poor homeowners are entitled to subsidies for payments related to housing and communal services (water supply, heating, electricity, etc.) (Article 159). As the association's decision liberated the poorer residents from maintenance and repair payments, they only had to pay what was left after subsidies of the monthly housing and communal service charges.

Here in the centre, where TSZh have been established, people who couldn't afford to participate in the maintenance of the house were evicted. So we put in the articles of association that people in these categories will be officially exempt from paying the expenses of the common property for the rest of their lives as long as they live in this house.

- How did the rest of the people take this?

- They voted for it.

- That is, they voted for it because they think that these people really cannot pay or because they thought that association had to be established quickly?

- The association had to be established quickly, first of all. It was understood that they could not participate. It was understood that at that age they need support. As the state cannot support them, the state cannot take their share. So we, as neighbours who live next door, who have grown together here, we should take this burden upon ourselves. That was the motto. The fact that we live in the house is thanks to the people that are now old, who at the time of the siege stayed in this city. And thanks to the fact that they lived in the city and bared the difficulties of the siege, the city was protected, the city was de-

fended ... that is, they also bore their contribution for the house at the time of the war so that we could live here now. And because we have the ability, because we work, we can finance them and ourselves. So that decision was made collectively, written in the rules of the association. The rules of the association were put into action and that way we obtained the approval [of the old people]. (Resp. 22, vice-chair, TSZh Centre 3, old house)

Members of the association in this case modified the association's rules to better suit their use in order to enable the establishment of the TSZh. However, there was another reason for exempting payments from the poor homeowners, besides pure kindness towards their neighbours. The homeowners needed the association to be established and were acting on the basis of reciprocity. Generalised reciprocity refers to a continued exchange that is imbalanced, but "involves mutual expectations that a benefit granted now should be repaid in the future" (Putnam et al. 1993, 172). Here the poor homeowners were morally obliged to respect and take care of the common property. A favour was done, without expecting anything immediately in return but knowing that the favour would be returned in some way at some point. Or, as the chairperson put it, although it may sound far-fetched to an outsider, the homeowners felt indebted to the pensioners for protecting the city and the building at the time of the Leningrad siege. In return for exempting the pensioners from the payments, they expected them to take good care of the common property. Thus, something was expected but it was based on unspoken agreement and, in monetary terms, was not equal to the repair expenses.

They don't participate financially. But they participate, so to speak, in another way. All in all, you participate in all the actions, participate in maintaining the things that we do, don't break it, don't write on the walls, don't litter. Follow the order, don't smoke in the entrance ways. Why? Because comfort should be achieved together. And achieving comfort does not happen so that one day the lift is repaired and after half a day unsatisfied communal apartments' residents break it. What we do should be maintained. -- We are always trying to solve financial questions only among those people who are capable of financing it, because inviting people who can participate in financing something and people who can't, to the same meeting would be to offend and hurt them. (Resp. 22, vice-chair, TSZh Centre 3, old house)

This is not, however, a case of pure generalised reciprocity. The decision to exempt the poor homeowners was forced, as there was no other way to achieve establishment of the association. The relationship between the poor and wealthy homeowners is not truly reciprocal, as it is not based on equal relationships, rather the poor homeowners are dependent on the wealthier ones. Despite not being generalised reciprocity, this arrangement causes the association to work better, so the effect is the same as with generalised reciprocity in that it makes the community more efficient than does distrust (Putnam 2000, 21). Even though this contract may not be an example of reciprocity, it shows solidarity between the better-off homeowners' and the poorer ones. In TSZh Centre 3 the homeowners were able to compromise, showing potential for cooperation and efficient decision-making. According to Putnam, social networks and reciprocity "facilitate cooperation for mutual benefit" (ibid.). Similar reciprocal deals were not made in other associations. However, in TSZh Petrogradskii 1 one respondent (Resp. 2), a homeowner and member of the board, suggested a similar arrangement in her interview. She felt that the poorer members could, instead of paying the housing expenses, participate by performing janitorial or cleaning duties, as evicting them would be impossible.

Some residents rejected the association's idea because they were not overly concerned about the condition of the common areas. This theme is examined in more detail in the context of free-riding and participation and the 'Soviet mentality'. Some residents had a generally negative attitude towards the idea of an association and were not even interested in hearing about it. This also indicates a low level of trust in neighbours and/or a new management system. This is a poor starting point for fostering democracy and efficient decision-making, as some residents refuse to cooperate altogether. Thus, the situation was very difficult for those residents that wanted improvement and it took a lot of effort to bring the reluctant homeowners across to their side.

... it was very difficult, many people were saying, 'But why would I need a concierge?' Particularly those who did drugs, they didn't need a concierge, -- a lot of people like that. It took a very long time, it was very difficult, it's ... just the meetings, conversations, we went to the apartments, we explained. (Resp. 2, homeowner, TSZh Petrogradskii 1, centre, old house)

In the new buildings the decision about establishment was more straightforward: it was made in the construction phase by the construction company and was agreed by all apartment buyers. Constructors have been encouraged by the authorities to establish homeowners' associations as they have been given the right to construction free of charge provided that a homeowners' association is established in the house (Konserg 9 January 2006). It is customary in newly built houses that the constructor then appoints a manager from a private company to lead the management, instead of or in addition to a chairperson. It is common that, after some time, the residents take over the management and replace the manager or the management company. In this case it is simpler for residents to start the management of the association, as most of the paperwork and bureaucracy has already been taken care of by a professional.

4.3. Membership and Social Structure of the Association

Membership of the association, that is, who is included and who is not, is essentially important for homeowners' associations. The boundaries need to be clear so that the members know who they should cooperate with, as noted by one of Ostrom's design principles (2000, 149). Boundaries may help prevent free-riding in CPR regimes, by making it clear who can and cannot use the resources (Ostrom 2005, 260–261). However, free-riding in homeowners' associations is a more complicated question. Membership as such is not a controversial question, as a person who owns an apartment in the house is entitled to be a member. However, norms of cooperation can become blurred due to the membership's voluntary nature and the presence of tenants, as non-members cannot be excluded from using the common property.

Voluntary membership can affect the association's internal dynamics. According to the Housing Code (Article 138) the association should make an agreement regarding repairs and maintenance with the non-members, that is, non-members are liable to pay for the services they use. Thus, they have the same responsibilities as members but not the rights, as they cannot take part in decision-making. In some of the old houses (TSZh Petrogradskii 1, initially also TSZh Centre 3) establishment of the association divided neighbours into two groups, as some supported the

association and others did not. This division makes democratic governance difficult, as mutual understanding is hard to accomplish. According to newspaper sources as well as the data, the ones who object are often residents who do not have considerable financial resources, who have lived in the house for years as tenants and recently privatised their dwellings. They are afraid that the new, affluent owners who have recently bought their apartments will simply drive their own interests in the association and may even try to evict the poor ones (Peterburgskii chas pik, 19 April 2006). This jeopardises the poorer owners' position in the house. This is one reason why homeowners' associations do not tend to work particularly well in socially mixed buildings. The difficulty caused by the varied residential social structure was outlined by the chairman of TSZh Petrogradskii 1 as follows:

If a new house is built and where the area for sale is 1500 square metres, a fairly consistent social structure should be expected. In a newly built house in a newly established TSZh, it's a whole different story. But in the old housing stock you find all this, like here, in the opposite, there is a communal apartment ... he [a resident] is sitting in jail for selling drugs. And one floor up lives an alcoholic, who barely walks, lives the final years of his life, so what? I'm not going to set myself the task of re-educating him; this task would be doomed to fail, why should I do that? Let him live his final years the way it turns out. (Resp. 1, chair, TSZh Petrogradskii 1, old house)

A homeowners' association may also require registration from its members (the association itself must be legally registered) and/or a membership fee. High fees exclude poor owners. The associations covered in this study did not have registration or membership fees, yet there were some tenants who could not become members of the association. In case of a rented apartment, the apartment owner, which in the old houses' non-privatised communal apartments is the city, is the (potential) member of the association. Yet the tenants' position is complicated, as the homeowners (at least those in TSh Petrogradskii 1) expected them to participate in the housing payments anyway, such as the concierge's salary, which was paid directly to the concierges. Most of the communal apartments' residents did not make the payments, either due to indifference or lack of money, which irritated the homeowners. This free-rider problem is discussed in greater

depth later. The chairman viewed the situation as extremely unjust, openly despising the residents of communal apartments, regarding them as a nuisance and “parasites”.

There already exists a clearly defined group of people to whom it's no use going. Let them live like parasites then, I don't care, I just ... they live on my account, because I make payments for them. There is a group of people who make payments but the others don't pay anything. But I, how to say it, I fulfil the goal that leads to improving the standard of living and security, they live on my account. They also get the profit, but on my account. --

There are different phases of development, forms of existence, there are forms of existence of the parasites, you know? There are the creators, users and destroyers. There are users, there is that kind of group, they were born that way and will die that way ... in life they never create anything, they just use what others have created, to hell with them, let them be. I will support them but my most important task is to keep them from bugging me, if they're going to bug me, I will, through the court, I will sue them, that's it, because the law is on my side.

There's a group of people who are users, to hell with them ... for me they're already dead, you know, for me they don't exist any more ... I don't need them, I don't pay attention to them. (Resp. 1, chair, TSZh Petrogradskii 1, old house)

The chairman's harsh attitude was a result of frustration at the non-payers who refused to take part in financing improvements to the house. They would not listen to his or his supporters' explanations when they went door-to-door collecting money for the expenses. The division into two groups between those who supported the association and those who did not also applied to housing payments: one group paid the housing payments, while another group did not. The heterogeneous social structure crucially affects the dynamics of the association. Residents' varying financial resources led to disagreement in management and maintenance decisions. Poor residents would rather have the house maintained with as little money as possible, without paying too much for beautification and landscaping of the common areas. Here the differences in financial resources and socio-economic positions prevented social interaction from

taking place. As residential cooperation has a longer history in this building, dating back to the house committee in 1994, the association could be expected to be quite strong. However, networking took place only between people of the same socio-economic group. Social capital was not produced between the two groups that seemed incapable of understanding one another. The chair was not a bridging force between the two sides; on the contrary, he was strictly on the side of the 'rich' owners, whose interests he represented.

In TSZh Frunzenskii in the suburbs, the problem was a large quantity of small studio apartments, to which people were settled from the centre, from communal apartments or collapsing houses that were slated for demolition. In fact, one-quarter of the apartments belonged to so-called *l'gotniki*, people living on social security benefits.²⁹ These people were poor and objected to the extra beautification that the other residents wanted the building to have. The reluctance towards improvements does not, of course, always depend solely on the residents' wealth, but a lack of money is certainly a decisive factor for the poor ones. In sum, the problem is not the absence of clear boundaries regarding membership but the financially and socially diverse residential structure and residents' differing interests. Finding a consensus was especially difficult in TSZh Petrogradskii 1. The poorer homeowners and the more affluent ones socialised in their own groups, and bonding social capital was created when the TSZh's initiators joined together. However, bridging social capital between the two groups, which would cross the boundaries of income and social class, did not emerge.

4.4. Non-Payment and Other Disagreements

Non-payment is one of the most serious problems that associations face. The problem is significant in monetary terms, as the associations were millions of roubles (tens of thousands of euros) in debt due to non-payment. Non-payment is quite common in Russia, as noted in the previous chapter, and all of the associations covered in the data had some non-paying resi-

²⁹ *L'gotniki* can be pensioners, war veterans, invalids or other sectors of society and they are legally liable to pay only 50 percent of their housing costs.

dents. The same kind of result was found in the survey conducted by the St. Petersburg's Association of TShs and ZhSKs in October 2007. According to the chairpersons and managers of the survey, non-payers accounted for 4.3 percent of residents in the associations in St. Petersburg. One-fifth of those cases had been taken to court, with verdicts delivered for 36 percent of these cases and 26 percent pending verdicts. The survey does not describe the situation regarding the remaining 39 percent of cases, which were perhaps still in the process of pressing charges.

Apart from deliberate free-riding, there is non-payment caused by an inability to pay. It is largely the free privatisation policy that entitled a tenant to claim ownership of their previously state-owned apartment free of charge. This principle has ensured all residents equal rights to acquire housing and it has been effective in rapidly creating a large owner-occupied housing stock³⁰ But free privatisation has also created a group of poor homeowners whose property might consist solely of their apartment without any assets to pay for its maintenance. These people cannot afford repairs to their own apartment, let alone to common property. Maintenance charges have risen steeply in recent years in order to correspond to real expenses. According to the Housing Code, homeowners are entitled to subsidies on housing payments but information about how well the subsidy system works in practice is lacking. None of the respondents mentioned this option in the interviews, which may indicate a lack of awareness of the system. However, housing costs in homeowners' associations are not necessarily higher than in municipally managed houses. According to the interviewed chairs, costs can even be lower, especially if residents are paying according to the meters (*schetchiki*) that calculate energy consumption in the apartment.

Secondly, there are the 'real' free-riders, who deliberately refuse to make payments for the maintenance of common areas. Some only partially free-ride, making regular maintenance payments, for example, but refusing to pay for certain repairs on the grounds that they are unnecessary. In the chairpersons' opinion, deliberate free-riding is more common than non-payment due to a lack of money. The chairpersons often underlined that

30 According to the Federal State Statistics Service, almost 80 percent of the housing stock was private in 2006, (*Federal'naya sluzhba gosudarstvennoi statistiki*).

people who had symbols of affluence, such as expensive cars, complained of having no money for maintenance payments while little old ladies were paying diligently. Some people justified non-payment by saying they did not have the money, while some were openly indifferent towards the condition of the common property and its maintenance.

- How do they explain that? Just by saying that it's expensive?
- Yes, they say: 'Let these rich people pay'. They consider rich people those, who are owners of the apartments, not communal apartments' residents. There's even one owner of an apartment who says, 'Why do I need that? I don't need anything'. (Resp. 2, homeowner, TSZh Petrogradskii 1, old house)

Respondents feel that this indifference is inherited from the Soviet era, when common areas were owned and maintained by the city. According to that way of thinking, the public area begins at the doorstep of one's apartment and does not concern the resident. The 'Soviet mentality' is a multifaceted phenomenon that will be examined in more detail later. Indifference towards common areas seems to be one of the most significant factors preventing the associations from working effectively. Little or no improvement can be achieved if the condition of the common areas does not interest members of the association, as responsibility for the common property lies on the homeowners' shoulders.

Our people are like that – what's in their apartment, that's all, and what's behind his front door, that's no longer his. (Resp. 40, manager, TSZh Petrogradskii 4, centre, new house)

Whatever the reasons for free-riding, the fact remains that non-payment is common in Russia today.

What comes to the people who don't pay, I tell you this: at the moment a poor person doesn't pay and a rich person doesn't pay... that's characteristic of our time.

(Resp. 10, manager, TSZh Kirovskii, suburbs)

Free-riding had consequences for members' social relationships, causing disputes and tension. In the old associations, when the poor or other-

wise free-riding homeowners could not or would not pay for the housing services, others ended up paying the missing amount. The chair of TSZh Petrogradskii 1 saw non-payment as a moral problem that other, more 'civilised' neighbours had to solve by paying the free-riders' share. This kind of practice was used in other associations as well, such as the abovementioned case in which pensioners were exempted from additional payments. These associations therefore offered a kind of social protection for poor residents, although reluctantly in this case, without seeing any other solution. Poor citizens are entitled to housing subsidies from the municipality, however, so the association is not their only provider of 'social security'.

A more affluent, more civilised person should take upon himself the burden of maintenance ... if he wants to win this, if he wants to improve his staircase, he has to take upon himself the burden of expenses ... maintenance of these negligent weak things. Old men living the end of their lives, they're not capable of anything, they can't orientate... civil society doesn't strengthen, they're like babies, they're totally helpless, they don't understand anything, because the state used to decide everything for them. They're not fighters themselves, they cannot do this. (Resp. 1, chair, TSZh Petrogradskii 1, old house)

Some chairpersons claimed that lack of time to go to the bank was one reason for non-payment. Paying bills in Russia is actually quite complicated and time-consuming, as one has to go to the branch of their bank at which their account is registered in order to pay. As Ostrom (1990, 98) notes, rule-breaking is a real threat to the community when someone breaks the rules repeatedly. For homeowners' associations, long-term non-payment can obviously pose a financial threat. Usually the problem of free-riding is 'solved' simply: others pay the share of the free-rider(s). In TSZh Centre 3, where establishment of the association required that others agreed to pay most of the housing costs for poor pensioners, this was made an official rule, while in most associations it was just a practical consequence of non-payment.

As mentioned in Chapter 3, the nature of the infrastructure in Russia makes the free-rider problem difficult to fight. The pipes that provide energy supply (heating, water and gas) run vertically through the whole multi-apartment building, which makes free-riding easy, as individual households cannot be cut off without damaging the entire building (Bychkova

& Popova, forthcoming, 17). The house's infrastructure is therefore a common good: no one can be excluded from using it, while at the same time it is subtractable, so that one's overuse of the hot water leaves less for their neighbour to use. All apartments are therefore provided with heating, water, etc., regardless of whether they pay for the services. The alternative is for the whole house to be cut from the service as a penalty. This is an illegal procedure but, according to newspapers, sometimes still used.

The biggest obstacle in the prevention of free-riding is that there are no real sanctions for free-riders in the Housing Code, and the articles of association can only act in terms of the legislation, so they do not have much leverage to discipline rule-breakers. Sanctions for rule-breakers are essential in order to make the rules effective. The importance of gradual sanctions is also noted in one of Ostrom's design principles (Ostrom 2000, 151). When it comes to controlling non-payment, the associations are on their own as there is a lack of binding legislation to prevent it. This is a clear defect in the management of homeowners' associations.

- But surely you have defined the common payments in the articles of association ...

- In the articles of association it is there and in the law it is there but there are no sanctions. It's all written there: you're obliged, you're obliged, but if you don't conform to that, nothing happens to you, there's no such thing. It's written that you're obliged and that's all, all questions are resolved in the court. If you're not obliged, take it to the court, if you don't want [to pay], for example. Our courts are such that you can litigate for years. (Resp. 12, manager, TSZh Centre 2, elite house)

Evicting a resident, even a rent-paying tenant, was legally very complicated in the Soviet era. The new Housing Code has facilitated the procedure for evicting a tenant, as explained in Chapter 3. However, evicting a homeowner on the basis of non-payment remains virtually impossible. The apartment of the indebted homeowner cannot be taken into the possession of the association and the association does not have the jurisdiction to expel its members. This situation has obliged TSZhs to come up with their own solutions to the free-rider problem, although alternative sanctions are usually less effective. A common way to discipline free-riders was to restrict their access to services such as parking or the intercom system.

One association added a penalty to the debts of non-payers, although the chair noted that it did not necessarily work. TSZh Vasileostrovskii 2 deprived non-payers of the TSZh's maintenance services, such as a plumber or electrician; only emergency service was provided as long as the debts were unpaid. TSZh Centre 2, on its behalf, sanctioned the free-riders by reducing the members' rights.

We were all up in arms against her, so to say, now I don't know what to do. We decided to exclude her as a member of TSZh and deprive her right to a parking space. Really, I don't know how to do it. We can take away privileges. We say that you are deprived of those rights, but if a person is that impudent ... It's difficult, difficult in that sense. (Resp. 12, manager, TSZh Centre 2, elite house)

The chair of the TSZh Centre 1 even cut off the water supply for one homeowner, despite it being illegal to do so, because she had not paid her housing expenses for a year even though she had the resources to pay.³¹ According to the chair, the court process was very tiring and he did not even believe it would work.

I fought by cutting off the water supply. It didn't help, she put up with it and was ready to tolerate it for longer. She wrote complaints [to the authorities] that they are cutting off water, they don't have a right to do so. Really, they don't have the right to cut off water. Inspection came and said, 'You're obliged to provide water'. – 'Okay, but is she obliged to pay for the water?' 'Yes.' 'Well, you tell her that.' 'No, you have to turn to the court.' And I turned to the court. And as a result it has taken three or four months already. So many documents are required, all kinds of tax documents, and I've paid a lawyer. It's such a headache, I regret that I got into it. And she will be pleased as nothing will happen. (Resp. 7, chair, TSZh Centre 1, old house)

In case of continuous non-payment, a seriously indebted resident can be sued in the court system (*Zhilishchnyi kodeks*, Article 137). However, respondents say that the legal process takes a lot of time and effort and,

³¹ The way in which the service was cut off was not discussed. In theory it should not be possible to cut off individual households from centralised energy supply.

therefore, this option was rarely used, especially if the debt is not very large. This finding is supported by a survey by the St. Petersburg's Association of TSZhS and ZhSKs, which showed that only 20 percent of the non-payment cases had been taken to court. In addition to the difficulty of the process, another reason could also be that the chair, whose responsibility it was to get the resident to pay, wanted to avoid conflict in order to preserve peace in the house. Secondly, the chair probably also wanted to protect her own position, which could be endangered if many residents turned against her. Pressuring the free-rider could indeed pose a threat to the chairperson herself. In one association the audit committee wanted to fire the chair on the grounds of faults in accounting, which the chair felt were only minor. According to the chair, the real reason was that he was pressuring non-payers, who were members of the audit committee, to pay. The conflict ended with the chair voluntarily giving up his position. This shows that financial and management matters are not always separate from social factors but in fact intertwined with the social relations among members. Smooth social relations are important for effective cooperation-based management.

Residents with minor debts are often persuaded by the chair or, in larger associations, by a secretary, who calls or visits the free-rider to convince them to pay. In a couple of associations, court orders for debt collection were delivered to the most indebted residents (TSZh Vyborgskii 1). In one case the mere receipt of the summons, the threat of legal proceedings, had frightened some people into paying.

I picked the 18 most remorseless non-payers and started to work on every one individually. Those who wouldn't understand me got a court summons ... we hired a lawyer. Some of them came immediately, instead of going to court, to settle, to pay the debt, including the legal expenses he owed. No problem, all the people started to pay (Resp. 10, manager, TSZh Kirovskii, suburbs)

Some houses posted lists of the indebted residents in boards on staircase walls, evidently to create social pressure to pay. One peculiar factor that may have encouraged some people to pay was mentioned in interviews conducted in January 2008. There seemed to be a common belief that if a person had huge housing payment debts, they would not be granted a visa to travel abroad. Despite the implausibility of this rumour – foreign embassies would hardly have this kind of information about visa applicants,

nor would they care for it – it may have some effect, as international travel is increasingly popular among Russians, as it used to be very difficult in the Soviet era.

We hang court judgments to the information boards in every staircase, so that people will see. And some people get it and they'll pay. And for the ones who don't we will continue to demand the debts.

- Do you think that it may be embarrassing for some non-payers? That they will pay then?

- You know, yes, yes. We are counting on that, that they see the court decision and someone will really be ashamed and some people are afraid that they won't be allowed to go abroad. And at the moment, many people want to travel abroad for a holiday, some may even work there, have a joint company or something. (Resp. 38, manager, TSZh Vasileostrovskii 1, suburbs)

On the other hand, one chair noted that the amount of debt was stable and did not increase over time, as some paid their debts while some new non-payers emerged. Some indebted residents made payments every once in a while, making sure their debt did not grow too high. In this sense free-riding may sound like a relatively insignificant problem. Despite the occasional payments, however, the debts in some associations grew large enough to create financial problems.

-Are there residents who don't pay the maintenance charges?

- There are residents who don't pay the maintenance charge and the debt is large. But it doesn't grow like a snowball. It's approximately on one level and stays there. One person joins the number of the indebted and one leaves it. It happens that a person has an apartment here but actually lives in another city. Then he arrives, pays and goes back there ... So, we have a continuous one month or a month and a half's debt of maintenance charges, that kind of long-time debt. (Resp. 30, chair, TSZh Vyborgskii 2, suburbs)

One continual source of problems for management is absentee owners. In new houses, the owner of the apartment might not actually live there, instead they rent out the apartment or have bought it for a relative, for example. Renting from a private person is still quite rare. According to a Levada-Center survey in March 2007, only four percent of respondents

in St. Petersburg lived in a privately rented apartment, whereas 29 percent lived in municipally owned non-privatised apartments and 64 percent in their own, privatised apartment (Levada-Tsent, 20 March 2007). This could explain why tenants in new houses were not mentioned by the respondents as a financial or other kind of a problem.

According to Marina Akimova, most non-payers are actually absentee owners. A person may not live in the apartment they own and may not be registered there, or only one may be registered even though an entire family lives there. Registration regulations are not as strict as they used to be in the Soviet era. The number of registered people does not always equate to the actual number of residents, which causes issues for management and maintenance payments. As some maintenance firms offer their services, such as garbage disposal, based on the number of persons registered, it may not be sufficient for the association. Alternatively, the association may receive subsidies from the city according to the number of registered residents. In addition, many free-riding cases result from a person believing that they do not have to pay because they do not use the services. According to Ekaterina Sidorchenko, deputy of a municipal council in St. Petersburg, this causes a lot of disputes inside the association, such as a resident believing they do not have to pay for water, for example, if they do not currently occupy the apartment.

He says: 'I don't live here, why do I have to pay?' I explained to the person that he pays for the maintenance of the common property of the house, and that's why if you don't live here it doesn't mean that the lift doesn't have to work. -- And if the lift has to work, it has to be maintained every day. That is, if you don't live here, it doesn't mean that the property doesn't need to be cleaned. (Resp. 9, chair, TSZh Kalininskii 1, suburbs)

Here, two different logics collide. The homeowner believes that because they do not have to pay because they do not live in the house, while the housing payment regulations say that they are responsible for paying because they own the apartment. This is a question of individual's rights and responsibilities for the community. Housing services are collective in nature, as they are distributed to the whole community, the whole house. But the free-rider denies their responsibility by not paying and thereby harms the other residents, who have to pay the non-payer's share. According to

the deputy of a municipal council, people often stop paying when they go to spend the summer in their dachas (summer houses), and yet another problem is the owners of premises of non-residential use, who often do not pay for repairs. The non-residential premises, such as basements, are often damp and in bad condition, which makes repairs even more crucial. Besides the non-paying owners, companies renting premises in the building can neglect their rent. It is common for an association to receive extra income by allowing a company to hang an advertisement to the side of the house, but problems have occurred in cases when the company has not paid for the advertisement.

The system by which homeowners are responsible for each others' debts does not provide an incentive to pay. One neighbour's non-payment may encourage others to stop paying as well. According to the chair of TSZh Centre 1, the number of non-payers in his association grew constantly as neighbours followed each others' example. He claimed that there was very little he could do about it, as suing was complicated.

- And [the non-payment] has spread particularly because people saw others' example or they're not satisfied ...?

- They've seen an example and the idea develops but they're continuing to pay. Then sooner or later something happens, there's a problem with communal services and a person calls to the housing services agency but they say to him, 'But you have a TSZh'. He explains that a TSZh is not in private maintenance yet, that you serve us. They say, 'Well, you have a large debt'. And he says, 'No, I don't, I'm paying'. 'Well, then, not you, but your neighbour has a big debt.' Naturally, after that, he will stop paying too. But on the television they are frightening us all the time – we'll evict, evict. (Resp. 7, chair, TSZh Centre 1, old house)

There is a psychological barrier that prevents eviction because of the idea that housing should be based on need rather than financial solvency, a concept inherited from the Soviet era. However, the current system, in which there are no effective norms and sanctions for free-riding, is not working. The absence of sanctions in legislation prevents homeowners' associations from working properly and homeowners' associations have to devise their own, alternative solutions to restrict free-riding. The problem of free-riding can severely complicate the association's work, particularly

if there are a large number of free-riding members. Social capital, social pressure and feelings of responsibility are not effective enough to prevent free-riding if concrete sanctions are lacking.

While fighting the problem of non-payment has primarily fallen on the chair's shoulders, other conflicts and problems of the association were discussed in the common meeting of the homeowners. One of the CPR design principles also notes that conflicts should be resolved locally, in a low-cost arena. Besides non-payment, another widely disputed issue was parking, which has become a chronic problem in the city of St. Petersburg due to a lack of parking spaces. As the standard of living has risen in the 2000s, the number of cars has also increased in the city. Residential buildings often lack proper parking lots and the cars are just simply parked in the courtyard, although some newly built houses have underground parking lots. In some associations it is possible to purchase an underground parking place along with the apartment. The lack of parking spaces is a particular problem in large houses with hundreds of apartments. There is usually less than one parking space per household, while more affluent households often have more than one car. Some homeowners were parking on the lawns, on plantations and flowers or in front of the staircase doors, thereby making it difficult to enter, which irritated other neighbours. One respondent described the situation as follows:

Cars were left wherever, lawns were trampled, it was complicated to enter certain staircases. For a mother with a pram, with a child, it was practically impossible [to enter] with a pram. That's why barriers to lawns were made, lawns started to be mown and cleaned, - in general, all services are being fixed. (Resp. 10, manager, TSZh Kirovskii, suburbs)

Because of the lack of parking spaces, many associations (though not all) started to charge for parking, particularly if there were guards in the courtyard, as usually was the case. Thus, parking was transformed from a common good to a club good. The non-regulated parking lot was a non-excludable and subtractable common good, meaning that anyone could park there, but the more cars that were parked, the less space was left for others. As a paid, club good, outsiders could be excluded from parking there and it was non-subtractable because paying ensured that a free space was available for every member. Paid parking was also a good source of income

for the association. There was also the problem of outsiders parking in the association's courtyard, which the associations tried to prevent or to turn to their advantage by charging more in such cases. For TSZh Frunzenskii the parking lot turned out to be a blessing. The amount of l'gotniki, people living on social security benefits, was decisive in the association, as mentioned earlier. The association used the parking money to cover the deficit that the l'gotniki had caused; the association even managed to set up a meeting room, a gym and a children's playroom in the house with the parking money. These premises, in turn, became further sources of income, as charges were levied for their use, again with higher charges for outsiders than for residents. The services were also club goods, excludable and available only for those who paid for them.

Another cause of disputes was the use of common property. In old houses residents often use common property such as attics and basements for their personal use when the spaces are not used by anyone. A public good was thus turned into a private one. This happened especially prior to the establishment of the association, when common property was a sort of no man's land and not properly maintained. One such case was in TSZh Petrogradskii 1, where a homeowner had adopted the attic for her own personal use without permission from the authorities and without negotiating with the other residents. Other residents felt the situation could no longer be changed as the offending resident had been using the attic for many years.

Associations have also experienced other problems typical to multi-family buildings. Deteriorating water pipes have caused water damage, which sometimes led to conflicts between neighbours if the damage extended to several apartments. Insufficient soundproofing caused disputes concerning noise (examples include apartment repairs and noisy pets). These disputes were usually solved between residents without taking the matter into court. Sometimes the disputes were taken to the chair, who acted as a mediator to try and find a solution. These problems are not unique to homeowners' associations in Russia, however, but the relative frequency of water damage points to the poor condition of the housing infrastructure, which is a common problem in Russia.

4.5. Decision-Making

Decisions are made by the homeowners in the members' common meetings. Part of the democratic governance involves the ability of members of the association to participate in making and modifying the rules. This is also one of the design principles of a CPR regime (Ostrom 2000, 150). Besides the homeowners' association's rules stated in the Housing Code, every association has its own set of rules, the articles of association, which offer the possibility of more independent self-governance. It allows the association to shape the rules to the purposes and special characteristics of that association. It was mentioned above in relation to TSZh Centre 3 how rules of the association were modified so that poorer owners were exempted from certain payments.

Tenants, as non-members of the association, cannot participate in decision-making, although they do use the resources. In TSZh Petrogradskii 1 the unequal position of tenants compared to that of homeowners led to a conflict between them and the members. There the communal apartments' residents and homeowners had divided into two groups. In general, in all associations, the main problem is not that members cannot take part in making and modification of the rules, but that the *opportunity* to participate is not great enough, because over 50 percent participation is needed in order for the meeting to be legally valid. The following thoughts about the low attendance of a meeting were posted on one TSZh's website:

On the 25th of March a Common Meeting was held. The hall was, to say the least, not full, and because of this the Board is struggling for the decisions of that kind of Meeting to be accepted as legal.

Why such low attendance? There are many reasons. First, some homeowners did not know about the meeting because they are renting their apartments and don't live there themselves. Secondly, information about the meeting was not sufficient. Thirdly, the staircase elders³² [*starshie po paradnym*] could have agitated us more actively. And moreover, probably because many people have become indifferent. That is, everything that is done in TSZh pleases them completely so 'why go there?'

32 Large associations often choose 'sub-leaders' by the staircases, for example, besides the chair of the whole association, to facilitate the management.

As a rule, common meetings are held once a year, although some associations have them more often and some have given them up altogether and only used voting to make decisions. In a small association common meetings may take place in the chairperson's home or in the hallway of the house. For large associations the task of gathering hundreds of homeowners into one place is not easy and they have to rent a school hall or other large space for the meeting. If there are not enough participants, the association usually calls a second meeting and considers its decisions to be binding, regardless of how many members take part. Because of the low participation, some associations started to use remote voting for decision-making instead, which involves distributing voting forms to the members beforehand and confirming the decisions in the common meetings. This solves the problem of low attendance but it might not be the best alternative in terms of the democratic process. Discussing the matter before voting, as would happen in the meetings, does not take place if the members vote beforehand. The manager of TSZh Vasileostrovskii 2 explicated this problem and used remote voting just once, to get members' opinions on privatising the land plot. The manager valued democratic decision-making and said they tried to discuss (*obshchats'ia*) everything with the people.

There are various reasons why people do not attend meetings. Sometimes low participation is due to an absence of problems. When things are going well and there are no great difficulties threatening the association, people tend to get lazy and their interest drops. This was a common explanation given by the chairpersons, two of whom used the metaphor "you don't go to the doctor if you're not sick". This is probably a future challenge for a growing number of associations when the situation in the housing sector stabilises and the homeowners' association becomes a more established type of management.

Now we have a serious problem in our house. It seems that people are living so well now that they are too lazy to even tick a voting form, because they don't have any problems ... For us it's a serious problem, because people don't have any demands, but according to the legislation ... whether we want it or not... not only we have to have a meeting every year, for approval of the accounts, but every two years we have to have approval of the accounts and primary elections, and people ... they're satisfied, they don't go to the meetings. But the problem is that ... for example, we are operated by Sperbank's department of

our district ... they treat the documents very carefully ... legal documents of legal persons, for homeowners' association, that is, the periods of validity, and when the period of validity is passed, they demand ... 'Record of the meeting, please ... either on prolongation or on new election' ... But our meetings ... one year we didn't get the quorum, people didn't come, another year we voted using the voting forms ... and for that you have to go from door to door, but people are lazy, you know, just lazy. When we had problems, everybody was walking with slogans, posters ...

- With placards even?

- Yes, we went out to say that we'll overthrow the constructor, we won't pay for the constructor, he doesn't do anything for us ... But now everything's fine and that's also a problem. (Resp. 32, woman, chair of a TSZh and organiser of training courses for TSZh leaders)

Another problem with the meetings is that the people who arrive are not necessarily orientated towards democratic decision-making. They might advocate their own interests, which do not concern other members and may therefore create general disorder and confusion. This indicates inexperience in democratic decision-making and the possibility of a chaotic situation may discourage other residents from participating. According to the Housing Committee's information brochure, surveys reveal that 10 percent of the participants in common meetings are against the whole idea of management of the house, 25 percent are dissatisfied with the leader, nearly 60 percent do not really understand what is suggested to them at meetings, 5–10 percent do not understand any of what was discussed and five percent attended purely out of curiosity. According to the Housing Committee, some people try to use the meetings to bring up their political views.

Last year they had a meeting but now there is only the voting. Because at the meeting, you know, one arrives drunk, another who arrives is a fool, the third who comes understands nothing, the fourth just comes to shout. And it just creates a madhouse. And if an important decision has to be made ... Well, naturally, we have to get consent from the homeowners and residents. And we hold a vote, distribute voting forms to everyone and they express who wants what. (Resp 28, manager, TSZh Petrogradskii 3, centre, old house)

We have common meetings following the articles of association once a year. But the last common meeting when we got together was last year in the spring. And from then on we decided not to gather anymore because in our house common meetings turn into political meetings and most of the people who arrive ... have other goals, to take power, that kind of thing. The meetings are not constructively orientated. And therefore we decided to move to the voting, so that everyone could express their will on different questions and not turn all these things into a fight ... (Resp. 30, chair, TSZh Vyborgskii 2, suburbs)

However, residents are not always passive. When a situation emerges that requires action, the homeowners take part in the meetings. An example was when the homeowners of newly built houses made an effort to remove the manager and start managing the association independently. In large associations the administration is organised at different levels. In addition to the overall association, decision-making takes place at the 'staircase level'. This arrangement resembles the staircase council, an informal self-management structure that existed prior to TSZhs, introduced in Chapter 3. Homeowners choose representatives for the board for each floor and the chair of the whole association is chosen from among the representatives. Management initiatives are brought forward by the so-called initiative groups that promoted certain improvement, such as concierge service, for other residents. Dividing the management by floors facilitates management in large houses. In large building complexes with hundreds of apartments people may find it easier to participate on a level closer to them, by gathering together with their closest neighbours who live on the same floor. Thus, in larger associations social networks are not necessarily formed at the level of the whole house but rather by floors. The formation of initiative groups shows that joint decision-making increases networking, even though the network does not include all members of the association. Social capital is thus produced through these small networks.

Easy solutions can sometimes be found for residents' differing interests and possibilities for paying extra services, such as parking or the salaries of a concierge or guard. The service was restricted to those who wanted it and were able to pay for it. This kind of compromise is not always possible of course, such as in the case of repairing the house's piping system.

Those kind of additional services are done totally with the consent of every person, that is we have to do a survey and if someone doesn't agree with this, or cannot pay for the concierge, for example, that means these expenses are automatically transferred to the ones who want [the service]. (Resp. 5, chair, TSZh Primorskii, suburbs)

Although the Housing Code states three alternatives for housing management, mixed forms also exist in practice. A TSZh may hire a manager in addition to choosing a chairperson. When a manager is hired, the chairperson usually authorises the manager to handle practical management duties, whereas the chairperson is more of a position of trust. The chair's position may therefore be only nominal but it is also possible that the management tasks are divided between the chair and manager. Thus, the manager may handle only practical matters or, in another case, may actually lead the association by being the main decision-maker, instead of the residents. In addition to a leader of the association, a chairperson or a manager, the association usually has an accountant or several accountants handling the association's finances.

The chair is a key position in many associations. Particularly in associations in which other members tend to be passive, the chairperson has a lot of decision-making power and in some old buildings was one of the association's initiators. Some researchers have found that a characteristic of Russian NGOs was that they were based on social networks and circled around one person (Salmenniemi 2008, 41). One can also end up holding the chair's position almost by chance. The chairperson of TSZh Frunzenskii had come to the meeting at which he was eventually chosen as the chair, just because he and his wife wanted something to do instead of going to the dacha. The Housing Committee's official, Oleg Vikhtiuk, noted that the person who is chosen as the chair is usually the one who "shouts the loudest" and promotes himself or herself the most actively. He did not see this as a serious problem, as he believed that in time the homeowners would change the chair for a better one, if needed. However, according to a lawyer who specialises in housing issues, chairpersons are not always willing to give up their position, in spite of the homeowners' decision, and can be difficult to remove. He described a case in which the members of the association threatened to leave the association (that is, sell their apartments) if the chair would not give up his job. The lawyer then convinced

the chair to step aside. According to the lawyer, the chair is rarely changed. A replacement may be hard to find as the chair's position requires a lot of time and effort and sufficient knowledge about management, but it is not paid because it is a position of trust (although some associations have decided to pay the chair). According to Vikhtiuk, there are some cases of financial malpractice and embezzlement by chairpersons, which can be hard to prove in the court. Although no cases of fraud by chairpersons were mentioned in the interviews, this of course does not prove it has not happened, as most of the respondents were chairs and were therefore unlikely to reveal their own misdeeds.

The chair of TSZh Vyborgskii 2 described the chair's position by saying, "Like everything else in our house it depends on one person". Karine Clément has also found in her study on housing and other type of movements and organisations that "the key role is played by the individual who initiates collective action" (Clément 2008, 74). Most of the chairs and managers were very keen to activate other residents for the common good and for them to participate in the association's meetings and other activities. However, some association leaders (who had encountered more difficulties) had less faith in the collective empowerment of all the residents. TSZh Petrogradskii 1's chair, who referred to some residents of communal apartments as "parasites", had no hope of all the residents participating.

The chair is often a strong personality, a trait that may well have led that person to seek the position in the first place. Some of the chairs clearly realised the power they had, and either wanted to give the impression of dedication, or genuinely were dedicated to their work, fulfilling their duties even in their spare time. The strong work ethic may have descended from the Soviet era, when it was a matter of honour to do one's work properly.

I'm there any time of the day or night, I come here to make checks at three, four o'clock in the morning ...

- To check what?

- The condition of things. Why are you surprised? That's my responsibility. I, you know, say, 'The chairperson's task is not a duty, it's a way of life'. I'm serious. (Resp. 10, manager, TSZh Kirovskii, suburbs)

I'm more active ... without false modesty, more capable. I don't stop, I move forward ... (Resp. 1, chairman, TSZh Petrogradskii 1, centre, old house)

Without exception the respondents saw homeowners' associations as being better than municipal management, and they liked to emphasise the differences. According to the manager of TSZh Vasileostrovskii 2, the maintenance service is better in smaller units than in municipal management, which handles a number of buildings. For one manager private management meant being always reachable by residents and coming to work no later than seven in the morning. For another it meant that residents should be greeted on their way to work. In associations that did not have staff on emergency duty, the chairperson was practically always on call and was contacted, whether he or she liked it or not, whenever there was a technical emergency in someone's home.

I don't have an end to my working day or anything like that, I'm always at it. Because we don't have an emergency service, if someone gets water damage or a light goes off somewhere or something like that, it all comes straight to me. In addition, the heating system is completely taken care of by me. (Resp. 30, chairman, TSZh Vyborgskii 2, suburbs)

Choosing a chair might also be based on other reasons. As Aurore Chaigneau noted in her empirical study on TSZhs in Moscow, the person who is "available" often gets the chair's position. According to her data the available person was usually the senior resident of the house, the one whose apartment was conveniently located in the ground floor, or a handicapped person who was always present. (Chaigneau 2006, 165 as cited in Alapuro forthcoming, 21). In St. Petersburg's TSZhs a chair chosen on these criteria is often a pensioner, who has enough time for the job. The downside is often that this person is not necessarily the most qualified person for the task; they might not even know how to use a computer, for example, as was the case in TSZh Primorskii. That chair learned to use the computer in their spare time. In addition, the chair might lack technical knowledge, which might lead to poor decisions and lead to the risk of being defrauded by a service company. Vikhtiuk believed that, in time, the situation would improve as a result of the education provided to chairpersons by the Housing Committee.

For me, it's easier, of course, because I have technical and management experience. Of course, to manage a house, people have to be qualified. Well, techni-

cally, at least... -- I've seen that she [another chair] makes the decisions like the plumber says. But the manager, he should direct the plumber. He has to be listened to but the decision should be made by you yourself and not because you were told so. But when it's not like this, here all the problems start. And they cheat you with money and everything, you know. (Resp. 37, chair, TSZh Frunzenskii, suburbs)

The chair or manager has a great deal of responsibility and must have a great deal of knowledge about management. There might not be anyone in the house who can offer guidance about how to lead the association, as people generally lack experience and knowledge about housing management. Therefore, the responsibility of leading the association largely rests on the chairperson. The chair's task can be very demanding and require quite a lot of dedication and effort if it is to be done properly. In particular, if the association has hired a management company, the chairperson has to be qualified enough to notice if the company tries to cheat homeowners. Although several voluntary organisations and municipalities offer education and information for chairpersons, the legislation does not require the chairperson to have any particular professional qualification. The only requirement is that he or she should be a homeowner in the house. Some associations have hired a manager in addition to a chairperson in order to avoid the risk of an unprofessional chair. A manager may also be hired for practical management duties, while the chair's task is only a representative one. Thus, associations are managed by a variety of leaders that ranges from unqualified chairs to professional managers.

- But why do you need a manager [in addition to the chair]?
 - If there is a manager and a chair, yes, I agree, that kind of question can arise. But the thing is that our chair, he's retired, he has his own business, but it doesn't take all of his time. And until now [before hiring the manager] they got by okay, but he said 'I'm dead tired'. So many questions, so many problems ..., a person is old, that's our case. Another case could be that the chair is working, he has his own job, own things to do, and the manager is simply a necessity. (Resp. 28, manager, TSZh Petrogradskii 3, centre, old house)

The data suggested that residents were quite well informed about associations' events and actions. Bulletin boards that notified residents about

meetings, obligatory payments and TSZh's expenses were usually hung in common areas. Some TSZhs (TSZh Kalininskii 1, Kirovskii, Vyborgskii 1) even had their own TV channel and/or website to inform residents. The websites were more or less up-to-date, one had a discussion in its guest-book page about parking lots, the design of the website and the possibility of changing the chairperson (which was generally opposed, as the current chair was popular). The websites mainly worked as an information source, providing the board's contact information, minutes of the common meeting, etc. Curiously, however, there was an announcement on one TSZh's (Kalininskii 1) website congratulating a family on a new-born baby. This seemed peculiar for a house with almost 250 apartments in it; it was not a small community in which everyone could be expected to know each other. This could be an attempt to create a community feeling between the neighbours. In 2007 a discussion forum was added to the same website, with topics for discussion regarding parking lots and residents' own notifications, among other things. However, there were no messages, except for one administrator's message urging people to discuss the hot topic of insufficient parking. It is possible that the residents either have not discovered this form of communication or that they just use it to acquire information, such as contact information for maintenance staff, etc.

In one association (Vyborgskii 1) the TV channel was set up to facilitate decision-making. Because the association was so large, not all members could fit in the premises of the association, where the meetings were held. Therefore, the meetings were aired live through the television channel to the apartments in the building. The homeowners could watch the meeting from their homes and ask questions by telephone if they so wished. Secondly, arranging common meetings in that manner prevented them from becoming chaotic, as often happens, according to the chair, when hundreds of people are present. In this case the association had successfully modified the rules concerning decision-making to suit themselves better.

-- So that people could listen in comfortable circumstances to all the information and not to make a farce of it, as meetings usually become political meetings. Usually there are several sides and everyone starts to shout at each other. No solution to problems whatsoever. (Resp. 14, manager, TSZh Vyborgskii 1, suburbs)

Maintaining democratic principles seems to be a matter of honour to some chairpersons, who pointed out that documents concerning the TSZh were available for any homeowners who were interested. "We're not a company that hides something, you know, we have open bookkeeping" (manager, Vyborgskii 1). This may indicate a need to make a clear distinction from the secretiveness associated with the Soviet era or today's corrupt companies. The chairwoman of TSZh Primorskii also emphasised the importance of transparency, which the previous chair had not practised.

We always fought with the previous chairperson. He was like a dictator to us: 'What I say goes', so... a legacy of the Roman law; if I think like this, then it is like this. But that is not right, in what comes to TSZh there should be transparency, openness. (Resp. 5, chairwoman, TSZh Primorskii, suburbs)

Transparency of management and finances is very important. Residents may feel the chair is trying to defraud them if they are not clearly shown how the housing payments are used, as experts in Nizhnii Novgorod's interview explained. According to Marina Akimova, openness is one of the associations' main problems.

There are chairpersons that have their own secrets and they don't want people to know [about them]...

- What kind of secrets?

- Well ... like how he leads the meetings, how he handles the house management in general. There are people who don't want that to be common knowledge. As a matter of fact, one of our problems is openness. For example, I told ... Ol'ga Sergeevna, she's our chair ... that it seems like [in some associations] all [members] are chairs and bookkeepers, or the chair and bookkeeper are the same person, or there is one chairperson and all the others are bookkeepers ... (Marina Akimova)

The low participation in decision-making can lead to a situation in which a small group of active people decides on behalf of the whole association. The low level of activity from other residents gives the chairperson/manager a lot of power, which is a potential risk for the association, particularly if the leader is unqualified or untrustworthy. However, not participating is the residents' own choice, as all members have the opportunity to

participate in any case. User participation in making and modifying the rules collectively is important for a CPR regime and homeowners' associations do follow this democratic principle.

4.6. Participation and the Soviet Legacy

The word 'Soviet' is often associated with a variety of negative things, such as corruption, scarcity of goods and social inequality, especially by younger generations who do not remember or were not even born in the era. On the other hand, some people refer to the Soviet times with nostalgia and longing for the past, a time when they felt everything was better. In the context of housing, the term 'Soviet' usually has connotations of poorly built housing and poor maintenance. When it comes to people's behaviour, the term is associated with passivity and an inability to take matters into one's own hands. In the interviews for this study it became evident that people regard passiveness as being inherited from the Soviet era and they blame low participation on the rigid Soviet rigid system in which an individual's opportunities to change his or her housing situation were limited. Certainly, living under socialist rule had psychological effects but perhaps more importantly it has been or still is a question of institutional, rather than psychological obstacles. These two elements are not necessarily so easy to tell apart, as people conform to institutional norms and act according to the limits provided by them.

In the Soviet Union housing was owned and managed by the public sector but unofficially people used the exchange of favours with friends and acquaintances (*blat*) to improve their housing conditions when the official system failed to support them. Social networks were used to call a plumber privately when municipal maintenance did not react to pleas to repair a leaking pipe, for example. Even though people may be accustomed to finding ways to handle everyday individual maintenance problems, they still lack knowledge about how to organise housing management collectively. The new housing legislation has quickly changed the old order of things, leaving many people puzzled because they do not know or understand the new rules and regulations or realise their role in the system.

- What, in your opinion, is the main problem, particularly regarding the establishment of the homeowners' association?
- Insufficient information, in spite of all our efforts. And the psychological unreadiness of people to take responsibility for the maintenance of their housing upon themselves. Unfortunately, not only in St. Petersburg, but also in Russia, and not only in Russia but all over the [former] Soviet Union ... people were alienated for over 70 years from the idea that something belongs to them, that they are owners. They just used the dwellings and for everything answered the state. Particularly for people who have lived their entire lives in that situation, it's very difficult for them to break the situation and change their attitude. We are counting on this attitude changing and we are taking not only rhetorical but also practical steps towards it. (Oleg Vikhtiuk, the Housing Committee)

As the quotes above and below show, respondents – both so-called experts and residents themselves – see the “psychological unreadiness of people” or the “Soviet mentality” as one of the main obstacles to housing reform. In addition, lack of knowledge about the reform was seen as a major impediment to sufficient participation in decision-making and paying for housing services.

It's a remnant of the Soviet era, of the Soviet world view, when nothing depended on us. (Journalist, Elizaveta Dobkina)

-- The essence of this TSZh hasn't reached people And you know, our Russian, still the Soviet mentality – here we have the state, something else we're already afraid of, that other thing we don't want. Like in one TSZh a lady said, 'As I have paid to the state, I will keep on paying to the state, I don't give a damn that you have formed a TSZh there'. (Resp. 28, manager, TSZh Petrogradskii 3, old house, centre)

- Yes, they don't pay, even though they are homeowners and people who should be interested in paying because this house and all this is high quality. But still our citizen of Russia has remained a citizen of the Soviet Union. (Resp. 15, ex-chair, TSZh Kalininskii 2, suburbs)

Given that the new Housing Code came into force only recently, in 2005, many people are still accustomed to the municipal housing authorities be-

ing in charge of housing management. There was no alternative to public housing maintenance in the Soviet era, only minor improvements could be made privately, if one could afford them. Furthermore, the exhausting state bureaucracy, waiting, queuing and writing complaints to get their voices heard made people tired in the Soviet era and may have led them to submit easily to the current condition of things, not having the energy to change it. The pensioners in TSZh Centre 3 had approved the situation in the Soviet era and settled for minor improvements in their housing conditions, not expecting any major repairs to be done.

-- You know, it's difficult to talk about ideas, because we lived in the Soviet Union, we lived after a scary destruction... on the one hand we were patriots, on the other hand there was the iron curtain. We didn't go anywhere, we didn't see anything, how ordinary people can live and use all those goods [abroad]. Therefore, what could we demand? We wanted it to be clean, for cosmetic repairs to be made and after a year, they did that and six months went by and everything collapsed again. Children drew on the walls, there was no master, there wasn't a person who would answer for this. (Resp. 26, homeowner, TSZh Centre 3, old house)

Not understanding the idea of the reform and the purpose of a homeowners' association is different from the deliberate passivity that is labelled as the Soviet mentality. However, these two reactions are connected to each other and passivity may cause disinterest towards reform.

- But in your opinion, the main thing, if I understood you correctly, that inhibits the establishment [of TSZh] at the moment, is the Soviet thinking?
 - That's one, yes, and simply ignorance of laws, of relations ... including that people don't know, don't want to know anything and that pleases them. For them it's as if it makes absolutely no difference what goes on in their house, and it seems, in the whole country people live in some kind of micro world.
 -- And for that kind of person the problems of the state and as a whole, TSZh, are not interesting to him, it's redundant in his life. He thinks that a dirty entrance way doesn't matter to him. For a person to do something, motivation is needed. -- Correspondingly, if a person doesn't have this motivation for some kind of civic activity, then nothing will happen. Therefore, the main problem is ignorance, unwillingness, and also, partly, Soviet thinking. (Resp. 16, lawyer)

This passivity may have negative consequences in terms of social capital. It can prevent members from networking and lead to withdrawal from collective decision-making. Participation is also a matter of trust, or a lack thereof, towards neighbours to handle the management, or towards the new type of housing management in general. The new management system raised suspicion as, while things may not have been perfect before, there was an underlying fear that things could get even worse if the system underwent a sudden radical change. This is the reason why pensioners initially opposed to the establishment of homeowners' associations in their buildings. Following Marc Mórje Howard (2003), suspicion towards homeowners' associations could be a result of general distrust towards organisations and institutions, typical in post-socialist countries. However, this view cannot be confirmed by the data, as the respondents did not indicate general suspicion towards post-Soviet organisations. Residents' fears of somehow being cheated in the new system are understandable, even reasonable. There are some dishonest construction and management companies operating in the market and ordinary residents lack experience and knowledge about housing management. Also, if the house is in bad condition and requires capital repairs, self-management may seem too big a task to handle without the authorities. Thus, besides fearing the unknown, poorer homeowners were afraid that housing charges would rise as the building would become privately maintained and repairs would be made. A revealing example is one elderly lady's reaction to the establishment of an association:

At first it seemed to us that all this [a TSZh] is a totally untested thing, that is, it didn't exist anywhere yet, practically. And we were somehow accustomed to it [the old order of things], although just tolerably, but we knew that there is the housing agency, where we can go if something came up. It could take years with them, of course, but still, there was the hope that the state would some day take action and start to renovate the house and take care of it. We lived in those kind of circumstances; there was water and steam in the basements and it seemed to us that to make all that our responsibility, we would sink with it, because it was in such a poor condition. That's why the first reaction was, it can be said, a very negative one.

- You mean you were afraid of the possible enormous expenses?

- Expenses and the fact that we were not even that familiar with the residents, with one another. Who are they, this initiative group, in what direction do they lean, so to speak, what do they want? There was a lot going on at the time in the city and in the country... a lot of various fraud companies and all that, not to be thrown out, altogether, from your home. That is, there were many fears. (Resp. 24, homeowner, TSZh Centre 3, old house)

As Putnam notes, usually the “‘have-nots’ are less trusting than ‘haves’” (2000, 139), which could explain why the poor in particular are sceptical towards homeowners’ associations. As Putnam points out, their lack of trust is probably not paranoia but stems from real experiences of being mistreated, which the less privileged tend to have more than others (ibid.). According to the interviewed lawyer, poorer residents fear being used by the more affluent ones. They were afraid of being swept out of the way and evicted by the fortunate residents, who would rather have better-off neighbours. This fear is not totally unfounded, as in Petrogradskii 1, for example, some of the wealthier homeowners did wish that the communal apartments would be emptied and that they would get better-off neighbours instead of the existing ones.

Some respondents seem to support the idea of Russia’s uniqueness, drawing the conclusion that things are particularly difficult to change in Russia and what is possible in other countries cannot work in their country. The idea that “every country has its own destiny” is related to the old, popular verse that says, “Russia cannot be understood with mind” and “one can only believe in Russia”,³³ which was repeated especially in the 1990s, when the country’s economic situation was unstable. This makes it sound like people would settle for their destiny, not believing they had a chance to affect things. Respondents clearly found it difficult to have confidence in the future, which is understandable, considering the turbulent economic situation and the vast reforms in the post-Soviet era, the consequences of which are still being uncovered.

The Housing Committee official, Oleg Vikhtiuk, and the chair of the St. Petersburg’s Association for Cooperatives and Homeowners’ Associations, Marina Akimova, spoke about the same pattern of behaviour, that people

33 “*Umom Rossii ne poniat’ - v Rossi’iu mozhno tol’ko verit’*”, from Fedor Tiutch-ev’s renowned and often quoted 1866 poem.

either did not really understand their role or were not interested in the decision-making but wanted somebody else to decide on their behalf, as used to be the case in the Soviet Union.

Some people come to the reception to write anonymous requests. We would say, 'Please sign it, we can't deal with anonymous [requests]...' - 'No, I won't sign it, then something might...' That is, people want someone to decide their problem for them, take care of their property for them so that they can live well, but without making any decisions about it themselves. (Oleg Vikhtiuk)

Today, for example, I had a conversation ... 'We have a chairman, and he raised his salary just like that'... I said, 'Well, did you have a pre-election meeting?' ... 'Yes, but not many people go there'. The activity of people is like that: they don't go to the meetings themselves, and then when it turns out that a payment has been raised or something... cries will start. (Marina Akimova)

Although there is a general lack of interest in associations' work, there is a small group of active people in each association. It is probably common to all organisations around the world that some members are more active than others. However, previous studies have shown that it is typical of Russian social organisations to be built on a small group of activists (Clément 2008). In the old buildings the association was created by these activists and would not have existed without them. The enthusiasts were very determined to improve things, although it required a lot of effort to convince their hesitant neighbours. It can be said, without exaggeration, that the existence of some associations rested on the shoulders of only a few activists. These activists were irritated by the indifference of some residents or opposition to investments in the maintenance, beautification and repairs of the common areas. It is not certain whether the reluctance to invest in common areas is due more to a lack of money or pure indifference but financial resources are definitely a factor in this matter, which the affluent owners did not seem to realise.

There is a bunch of people, who are very active, and whose heart goes out to everyone, but the majority, something like 70 percent, is still indifferent. For them it doesn't matter, maybe it's laziness to some extent even. (Resp. 5, chair, TSZh Primorskii, suburbs)

It was just indifference, non-participation, they didn't realise what it [a TSZh] is. Even now, many don't realise and they're not interested in it. The whole house rests simply on some kind of a group of people who take the initiative to maintain the common property, pay for it and improve their living conditions and increase the security of their housing, that's all. (Resp. 1, chair, TSZh Petrogradskii 1, centre, old house)

For me, as a homeowner, the idea [is important] that my life should be protected and good in terms of housing, I know that there are places of common use, where the responsibility of every apartment owner is to participate in proportion to the expenses for maintenance of the common property. Many people don't understand this, they think that there is their apartment... and then begins another world that doesn't concern them. That kind of mentality applies to about 30 percent of the people here. (Resp. 1, chair, TSZh Petrogradskii 1)

Because people are not used to owning personal property, the concept of ownership and the responsibilities connected with apartment owning may be unclear. The chair of TSZh Frunzenskii compared Russia to the Baltic states, where, according to him, the reform was easier to carry out, as people there had been living under the Soviet regime for a shorter period and thus had not adapted their social norms as strongly as Russians. Whether the transition has been an easier process in the Baltic states can be questioned but studies show that problems similar to those in Russia have been experienced in implementing reforms elsewhere, such as in Estonia (Kährik et al. 2003).

-- We were not educated about ownership, that this is common, this is ours. We think that our property, that's only the apartment. That's the general idea and from that stems all the mistakes.

- And this mentality doesn't change?

- It's very difficult to change quickly. All our lives we were told that all this is common, that ownership was depraved. It was thought that if you were a proprietor, you were a bad person. In the Baltic States people lived for a little less time [under this regime]. I often travelled there, I had an aunt there, she was sent there during the Soviet era. I just saw and understood that people there, they [the Soviet power] didn't have time to change them. They lived for

a shorter time... That's why it has been easier there. But here the reconstruction takes longer. If you've been raised in one way, and then... That's why it's difficult here. (Resp. 37, chair, TSZh Frunzenskii, suburbs)

Apart from the 'Soviet mentality', one other Soviet institution may have had an effect on today's situation. Soviet communal apartments were controlled by one of the residents, who was the apartment supervisor (*kvartupolnomochennyi*) (see Chapter 2), thus there is a tradition of housing control by the residents. According to the interviewed lawyer who specialises in housing, this is the reason why today's pensioners are active in the board of the association; they have "all their life dreamt of being in charge of house administration". Thus, although the Soviet Union raised its citizens to be passive receivers, at the same time there was a certain, albeit modest, tradition of self-governance. While the Soviet system gave the people little opportunity for decision-making, it did encourage residents to participate, in the form of voluntary cleaning-up days (*subbotniki*) for example. Participation was important as part of the communal way of life and the communist ideology. Community activity in voluntary work days contributed to housing maintenance and was politically harmless, unlike private management, which on a larger scale would have contradicted with the state's policy of monopolising the housing sector.

4.7. Social Relations and Informal Participation

Although housing management depends to a great extent on financial resources, good social relations are also important in order for decision-making to succeed. Social pressure can also push residents to participate in an association's payments and decision-making. Close social relations can potentially prevent non-payment, pressuring residents to pay simply out of solidarity towards their neighbours. According to Putnam, associations foster closer social networks, trust and norms of reciprocity. Cooperation benefits all parties and strong norms prevent free-riding (Putnam et al. 1993, 167–169). Considering how common free-riding is in homeowners' associations, however, social relations do not seem to have this effect. Social relations are not close enough, especially in the newer buildings that have hundreds of apartments. As these houses were only built recently, their

residents have not lived there for long and have not gotten to know each other that well. In addition, some large building complexes are built slowly, in phases, and it may take time to sell them. Residents move in slowly, after completing the interior finishing, as new apartments in Russia are usually sold without any interior materials. As a result, a 'community feeling' is hard to develop in a half-empty house.

In the Soviet era neighbours were an important part of one's social network. Neighbours relied on each other frequently for help, to acquire goods, favours and information (see Salmi 2006). Knowing your neighbours was also a question of security; neighbours could keep an eye on an apartment when its occupants were away (Salmi 2006, 153). The security issue is still relevant (Shomina 2004b, 8–9) but otherwise neighbours are no longer as important for daily survival as the living standard has risen and most people can afford to purchase goods directly from the market. It was claimed as early as the 1980s that privatisation and a greater focus on family may have made neighbours less important for the individual (Shlapentokh 1989, 179). After the tough years of the 1990s neighbours' social relations are probably even less necessary. The economic decline that started in autumn of 2008 may restore the importance of personal relations but this cannot be examined through this data, which was collected before those recent economic developments. Changing one's place of resident was not easy in the Soviet Union, due to the propiska and registration regulations and apartments were allocated by the state. Therefore, moving was not very common and people lived in the same apartment for years, even decades. Now that neighbours change more frequently, they do not have the same bond with one another. Moving to St. Petersburg from elsewhere in the country has also become easier than it was in the Soviet era. People coming from different parts of the country might have less in common with each other and less interest in socialising with each other, as the manager of TSZh Vasileostrovskii 1 suggests. One homeowner (resp. 2) in TSZh Petrogradskii 1 also had a negative attitude towards people who come to St. Petersburg from the "republics" (the former republics of the Soviet Union).

Residents in the old buildings got to know each other better during the initiative stage of establishing the association. In newly built houses, association meetings and voluntary work days, one manager claimed, have the potential to bring neighbours together. The manager of TSZh

Vasileostrovskii 1 hoped for closer contact between neighbours, because like-minded residents are easier to manage and fewer disagreements can be expected between friends than between strangers.

What are the relationships between neighbours like?

- There are not many people who socialise with each other. It's a rare floor where people visit one another. There aren't close relationships like there used to be ... Well, I've lived in my house for a long time and my neighbours are also like that. Sometimes they say hello, sometimes not. And here they're all from other towns, some have come from other towns, from other districts. Not many socialise with each other. But the voluntary work day brings them closer. After they've worked in the voluntary work day already... although they're from different staircases, different floors, they socialise with each other. But no, there's no close contact, unfortunately. I'd very much like to have that, very much.

- Why would you want that?

- Because when there's contact in the floor between each other, there's better order. (Resp. 38, engineer/manager, TSZh Vasileostrovskii 1, suburbs)

The chair of TSZh Vyborgskii 2 also shared the hope for a community spirit that would foster a feeling of responsibility towards the community. By referring to the TSZh as a "family" the chair implied that he would like the association to be more than just a management body. He juxtaposed responsibility for the common good with the selfishness of those who do not participate for the common good. He hinted that participation is needed in order for the association to work democratically.

People don't realise that their neighbour is also a member of the TSZh, that this is one family ... On the one hand there is the public housing agency, while on the other hand this is TSZh. TSZh is taken as this dwelling – this is TSZh, they don't think that they're all TSZh. That is the general psychological atmosphere. (Resp. 30, chair and bookkeeper, TSZh Vyborgskii 2, suburbs)

However, homeowners in some associations have started to participate more actively. One chairperson explained this as residents waking up to the current situation:

People understand that if they don't do it, then who will? Who will look after them? The state is not going to look after us. (Resp. 14, manager, TSZh Vyborgskii 1, suburbs)

Although participation in decision-making was generally low, the members were active in other, less formal ways. Residents were constantly approaching the chairs with ideas and initiatives for improvements, such as landscaping, planting flower-beds or developing children's playgrounds. There was a continuous dispute in many associations between those who wished to beautify the courtyard, plant flower-beds etc., and others who wanted to have more parking spaces. In many associations homeowners tend to meet and socialise in the courtyard. The tradition of voluntary work days stems from the Soviet era, when subbotniki were ideologically motivated occasions³⁴ in which the workers built a healthier environment together and participated en masse (Humphrey 2005, 52). This is probably the reason why the most active participants in the 'greening' or gardening activities (*ozelenenie*) today are often elderly women, who remember the traditions of the Soviet era.

We organise traditional voluntary work days in April, after winter. People come out, tidy up the lawns, plant trees, bushes, flowers... we socialise with those who take care of the flowers... people bring me seeds, show me what kind of flowers they have and we plant them. (Resp. 10, manager, TSZh Kirovskii, suburbs)

While some residents showed no interest towards maintenance of the house or the association in general, others were very keen to improve the condition of their surroundings. Landscaping and enhancing the courtyard seemed very important for them, in contrast to the indifferent attitude that prevailed before. Many homeowners and chairpersons were proud of their well kept association and had a strong sense of belonging to it, the landscaping of which they had themselves participated in. In this way as-

34 Originally subbotniki had a more political nature. They were organised on Lenin's birthday, for example, when voluntary work was done in workplaces. These days, which involved a few hours of voluntary work, were popular, maybe because they often ended in a drinking party (Shlapentokh 1989, 100–1).

sociational activity created and strengthened social capital. Respondents of TSZh Centre 3 noted that the association had created community spirit, which had not existed before, as the residents had come to know each other only after establishment of the association.

- Have other residents of the house started to get to know each other better?
- Yes, thanks to establishment of TSZh, now they know each other. Every Friday we get together for a conversation about how things are, for a meeting, we eat and drink *shampanskoe* [Russian champagne]. It creates a community. (Resp. 22, vice-chair, TSZh Centre 3, old house)

In the same building, which has a significant number of elderly residents, a 'veterans' council' was formed after the establishment of the association, in order for the pensioners to socialise with one another. The pensioners, who barely knew each other before the TSZh, were now getting together once a week. Sometimes they had visitors who would talk to them about military history or another subject of interest, and sometimes they would just gather together for company. Homeowners would also get together four times a year to celebrate the establishment of the association and they would spend New Year's Eve, the 1st of May and other major holidays together. In addition, residents organised an annual celebration to honour the well known architect who had designed the house. This association was also exceptional in the sense that they had established a small 'museum', which was actually more of an exhibition dedicated to the memory of the architect. According to the vice-chair, the architect had been made into a symbol for the association because the residents "needed to have something in common", something that would make them feel that they belonged to the same community. Residents were proud of the fact that they had repaired the old house and there was a board on the courtyard wall with photographs of the house before and after the repairs, along with text describing the process.

The homeowners of this association, especially the pensioners, have taken action in other ways as well. They were present in the trials against the city regarding the proprietary rights of the basement and they publish their own house newspaper, called "Our house". It should be noted that the house of TSZh Centre 3 was unusual, in terms of its location in the heart of St. Petersburg in a prestigious old house. The association cherished this

point of difference and the extent to which the residents identified themselves with the house rather than the association cannot be distinguished. Nonetheless, it is the association that brought the neighbours together, made considerable renovations and improvements in the house, thereby highlighting the symbolic value of the house and making the residents aware and proud of it. Socialising to this extent was not common in other associations, however. For example, the manager of TSZh Vasileostrovskii 2 said that the association was about management and they did not have any get-togethers.

These activities speak to the community's relations and trust for each other. Trust has been accomplished through socialising in common activities. However, trust in TSZh Centre 3 did not extend to include the neighbours who had recently moved into the house. These neighbours were greeted and treated politely but the old inhabitants were not interested in socialising with them. It seems that good relationships and reciprocity had been created within a small group of 'insiders' but that this excluded newer members of the association. Outsiders, that is, non-residents of the house, were also greeted with suspicion, as the next chapter will show. Thus, the association had created social capital between its members, who had not even known each other prior to its establishment. However, social capital here was of the bonding and inclusive type, created among people who were similar to each other, inside a small community. Bridging social capital, which would have joined different kinds of people together, did not emerge in this case. In TSZh Petrogradskii 1 there was similar bonding within the core group of enthusiasts but the poorer homeowners were clearly outsiders to this group.

In TSZh Kirovskii the community was represented with their own flag. This was the chairperson's idea and the flag was designed in conjunction with the residents. To outsiders the flag indicates that there is an association and to the residents it indicates that they belong to the same community. The design and colours of the flag are the same as the colours of the Russian Federation's flag, with a silhouette of a house in white against a blue background. The Russian flag and the St. Petersburg flag are hung side by side on flagpoles in the yard, next to the association's flag. The flags can also be educational by teaching children the national and city symbols, which, to the surprise and disappointment of the manager, they apparently did not know before. This indicates the development of patriotism as well

as the promotion of community spirit. The flag was also used as a symbolic boundary between the association and the outside world. According to Ostrom, symbolic boundaries may help to foster trust and reciprocity between members, thereby helping prevent free-riding (2005, 261).

- So what does your flag symbolise?

- Well, the homeowners' association, that this is our territory. Notice that in the world, when a state is formed, including small and island-like ones, the first thing that it does is to create a state symbol... The president just talked about state symbols, didn't he? We're not supposed to advertise but to demonstrate them, right? That's why I talked to people about that ... I had a conversation with a schoolboy, I said: 'Do you know the flag of the Russian Federation?' - 'No' - 'What about the coat of arms?' - 'No'. He probably hadn't heard about Saint Petersburg's flag and coat of arms, and because of this we decided on our own signs of the TSZh. I said, 'Let's hang the Russian Federation's flag and Saint Petersburg's flag'. (Resp. 10, manager, TSZh Kirovskii, suburbs)

This shows that a homeowners' association is not merely a management organ. Socialising between neighbours took place in an informal setting and bonding social capital was created among people in similar socio-economic positions. Bridging social capital, that is, social ties between poor and wealthy neighbours, was not as common. A different kind of social networking took place in the form of the clubs (such as the veterans' council), voluntary work days and celebrations of national holidays rather than in less popular activities like official decision-making. Although a homeowners' association cannot and does not need to be a family-like community, good relationships between neighbours and a more closely-knit community do facilitate decision-making.

4.8. Conclusions

The data shows that although there are significant differences between associations, homeowners' associations generally work better in newly built houses. The residential composition in these newer houses is relatively even and disagreements between homeowners of different socio-economic status are less likely to arise than they are in old buildings, where the social

structure of the residents is less consistent. The difference between poor and wealthy homeowners in terms of interests and opportunities to pay for the maintenance and renovations makes it hard to reach consensus in joint decision-making. The tension between the poor and more affluent homeowners has led them to divide into their own groups. An example of this is TSZh Petrogradskii 1, where cooperation in the common meetings had not produced bridging social capital between the two homeowner groups. In TSZh Centre 3, on the other hand, there was no such division; instead, the more affluent homeowners expressed solidarity towards the poorer pensioners by exempting them from maintenance and repair payments.

Although, in general, there has been tension between different socio-economic groups, homeowners' associations have managed to create bonding social capital among people with similar social backgrounds. The process of establishing the association and the informal activities, such as get-togethers, clubs, voluntary work days and joint celebration of national holidays, brought neighbours who had previously been strangers closer together. Neighbours did network with each other, although more in an informal setting than in official decision-making. Homeowners' associations have thus fostered social capital in informal activities. The associations' leaders believed that a sense of community can make members feel responsible for participating in decision-making, thereby decreasing free-riding (the non-payment of housing services). Community spirit was therefore fostered by creating symbols for the association. Examples of this were seen in TSZh Centre 3, in the form of celebrations of the architect who had designed the house, and in TSZh Kirovskii, whose association designed their own flag. This had succeeded in the sense that the homeowners were proud of their association and proud to be its members. Social capital in an informal setting does not directly contribute to effective decision-making but close relations between residents create a better foundation for cooperation. Having said that, inadequate participation in decision-making remained a problem and social capital by itself was not strong enough to prevent free-riding.

Free-riding is a significant problem, which can arise due to a lack of money but also from indifference towards maintenance of common property. Free-riding is particularly difficult to fight due to the fact that eviction or expulsion of the member is not legally possible. The absence of effective sanctions makes it somewhat pointless to monitor whether the rules are followed by other homeowners. Free-riding is a serious problem as it

creates debts for the association and prevents it from working effectively as a self-governing organisation. Associations have therefore had to come up with alternative sanctions for free-riding. Court action is rarely used because confidence in the efficiency and fairness of the justice system is low. However, sometimes the mere threat of a lawsuit has led free-riders to pay. Other sanctions have included denying free-riders certain rights such as the plumbing service or a parking spot. The problem with the constant shortage of parking spaces was resolved by making parking chargeable and regulated, in other words, turning it from a common to a club good to which only certain members have access. Although this did not create more parking spaces, it ensured that members of the system did not have to compete for parking spots. Pay parking was also an important source of income for the association that could partially compensate for the financial difficulties caused by free-riding.

A lack of participation in decision-making is another problem that homeowners' associations face. The respondents largely blame this on the Soviet mentality, that is, familiarity with the role of a passive receiver of state-allocated goods and an inability to take matters into their own hands. However, the phenomenon is more complex: the system has left people unprepared to act under the new regime. In other words, institutional impediments lie behind people's behaviour. Non-participation can also be the result of disinterest towards maintenance of the common areas, which used to be the prevailing attitude when homeowners were not responsible for it. Rejection and opposition towards the TSZh, which is common in older buildings, can also be the result of fear of the unknown, a lack of knowledge of the housing reform and fear of being cheated in the new management system. While there are some passive residents, who do not take part in decision-making, there are also some very enthusiastic homeowners who are willing to make considerable effort to improve their housing conditions. The chairperson, who has a lot of power, is often one of the most active. A very authoritative chairperson may present a risk to the association's democracy if he or she prevents other members from taking part in decision-making. Some associations depend on the activity of a few individuals, without whom the TSZh would not even exist. Apart from the residents' relations, other actors, including authorities, companies and individuals, also play a role in the associations' governance. This dimension is the subject of the next chapter.

5. Homeowners' Associations' Relations with Other Actors

While the previous chapter analysed the relations and conflicts between homeowners inside the associations, this chapter examines the associations' relations with outside actors. The key question is how outsiders affect a homeowners' association's chances of success as a self-governing organisation. The term 'outside actors' refers here to all parties, both companies and individuals, that are in contact with homeowners' associations. As the regulatory body at the local level, district housing authorities are important for homeowners' associations, but management and construction companies are often in close connection with TSZhS as well. In addition, the media has a significant role in the associations' relations with local authorities.

Conflicts and disputes with local authorities and housing companies can be severe and may appear to be quite frequent. The relations are not purely hostile, however, as the associations also cooperate with each other and with outsiders. The key player in the association, as the previous chapter highlighted, is the chairperson or manager, who is also the person through whom relations with outsiders are mediated. Other residents may also play an important role, if they have expertise that is relevant for the TSZh, or are otherwise particularly active. In addition to conflicts and cooperation in personal relationships, this chapter also examines how the physical boundaries of public and private are regarded in homeowners' associations and whether the privatisation and closure of homeowners' associations' territories could be leading to the creation of gated communities in Russia.

I use the design principles of a CPR regime to help analyse how relations with outsiders affect the associations' self-government. *Clear boundaries* (Ostrom 2000, 149) regarding membership and also the physical boundaries of the association are important in order to clarify the extent of the association's jurisdiction. This design principle is questioned by the unclear property rights that, in turn, make the boundaries unclear, as will become evident. Secondly, the design principle of *conflict-resolution mechanisms* is used to examine how disputes between associations and officials are solved.

According to this design principle there should be easy access to local arenas to resolve conflicts between users and officials (Ostrom 2000, 152). In disputes between the homeowners' association and outside actors, the court of law is the obvious arena for conflict resolution. The effectiveness of this system in practice is examined through the data. Furthermore, a CPR regime should have "*minimal recognition of the right to organise* by a national or local government" (Ostrom 2000, 152). In theory there should not be any ambiguity with this principle, as the establishment of the associations is encouraged by the housing reform and the associations are recognised by the federal government in the legislation. The local authorities may regard the associations differently in practice, however, and may either contribute to or interfere in the association's work. In addition to the common-pool resource approach, the concept of social capital is used to analyse how relations with outsiders affect the associations' internal dynamics. The level of trust regarding outsiders, networking and cooperation with other actors all contribute to an association's ability to foster democracy.

5.1. Property and Land Registration Disputes

Perhaps the most hotly debated issue between associations and authorities in St. Petersburg today is property rights. This is an important issue, as a homeowners' association's main task is to manage the joint property, the common good. In order to make the association's members responsible for the property, it needs to be in the association's private ownership, shared by the homeowners and not owned by an outsider. The common property is privately owned by the association but for the residents of the house it is a common good in that residents cannot be excluded from using it. The common good is also subtractable, that is, limited. When one resident uses the good, there is less left for others to use, in the case of parking spaces, for example.

A CPR regime should have clearly defined boundaries, according to one of Elinor Ostrom's design principles, in order to be able to effectively manage the common good. This means having clear rules about who has the right to use the resources (Ostrom 2000, 149). This can be interpreted as including property rights, which are not always unambiguous in homeowners' associations. Particularly in old houses, the attics, basements and

empty apartments are subject to competition between the authorities and associations. The Committee for the Administration of City Property (KUGI) often seizes such premises, claiming them as city property. They became city property when the housing stock was nationalised in 1917 but, according to the current legislation, the common areas of the house are in common ownership of the homeowners and should be taken care of by the homeowners (Zhilishchnyi kodeks, Articles 36–39). In case the city is one of the homeowners, it is entitled to a share of the common property but cannot take the whole property into its jurisdiction. In spite of this, several property seizures have been carried out by KUGI, especially in the centre of the city. There have been cases in which the technical premises of the house have been declared to be uninhabited, registered to the city's ownership and then sold to private companies. This breaches the law, as technical premises are part of the common property and belong to the homeowners of the building (*Ekspert Severo-Zapad*, 43 2005). Over the past few years there has been a constant dispute in the city court and in the high court over whether attics are the property of the city or the homeowners. KUGI has been accused of immediately registering the attics and basements to the city as soon as it finds out that a homeowners' association is being established in the house (Novosti Peterburga, 14 November 2006). An interview with a KUGI official would perhaps have shed light on the authorities' view on the property captures. Repeated requests for such an interview were made by phone and e-mail, but without success. The study must therefore rely on media reports and the associations' side of the story.

The property captures are called 'raids', in English as well as in Russian (*reid, reiderstvo*). The term raid in English usually refers to a business raid, such as a hostile takeover of one company by another. In the Russian media the word has also been used in the context of eviction due to unpaid housing payments. This shows that the prevailing attitude towards eviction, even when there are solid grounds for it, is negative. Forced takeovers of private companies are probably the best known type of raid in Russia but private dwellings have been captured as well. Raids are based on claims that the premises are the property of the capturer, and often there are underlying economic reasons. Fraud used to acquire a private apartment, which can also be categorised as raids, was described in Chapter 3. Therefore, instead of apartments, the focus here will be on takeovers of common property of the house (basements, attics, empty apartments)

that have been conducted against the residents' will. Apart from the above-mentioned KUGI, private companies have also conducted property raids, according to the newspapers. Corrupt authorities may be involved in property captures, by falsifying documents for the raid, ignoring the faultiness of the documents, or not taking up the necessary investigations to clear the issue (Obshchestvennaia palata 2006, 56). In 2006, over 40 people and three officials (two from the tax administration) who had connections with organised crime groups were arrested for organising raids in St. Petersburg (Delovoi Peterburg 5 March 2007).

The data included examples of severe property disputes that had lasted for years. These disputes are examined here in detail because they are not exceptions but examples of the property rights battles that are constantly taking place in St. Petersburg. TSZh Centre 1, an old house with a very attractive location in the centre, has had several disagreements on property rights with the city authorities. The first interviews in the house were conducted in the autumn of 2005, when a private company had captured a former attic and turned it into an apartment, with the consent of KUGI. One day the company came to the house and broke the locks that the residents had set on the door. This is typical behaviour for the raiders; they simply break the locks and install new ones and throw out the resident's personal belongings or any things that have been stored there. The homeowners' resistance led to a physical confrontation between the chair of the association and the police supporting the company. A dispute over ownership of a garage had also taken place in the house.

... there was a fight for a garage, which was also a disputed property. It was not even disputable, the garage wasn't registered anywhere. It wasn't the property of KUGI, it simply wasn't anyone's garage. And people came to take over this garage based on the order of the head of the Central district; and residents, there wasn't a TSZh yet then... the more active ones, there was something like 10 people, they opposed the taking over of that garage. We said that we, as the residents, we have problems with parking spaces in the centre and cars should be parked in this garage by residents of our house and no one else. (Resp. 8, member of the board of TSZh Centre 1, old house)

This quote accurately describes the situation in many old houses, where the common property seems to belong to no one in particular. In the prop-

erty disputes, both parties wanted to make the disputable property private and exclude outsiders from using it. The proprietary rights of the garage were sorted out in court at the time of the first interviews in the autumn of 2005. The dispute over property rights of the attic had led to a dispute over a mansard roof as well. KUGI, claiming the attic was the city's property, had given two private companies permission to build a mansard roof on the house. Complementary construction in the form of mansard roofs is common in old houses in St. Petersburg to make use of the extra space in the attic. As mentioned in Chapter 3, there is a social movement in St. Petersburg called 'Zhivoi gorod' (Live City) that protects architecturally valuable houses from new construction. Building a mansard roof without the residents' consent is illegal, as it means tampering with the homeowners' property, but this has not stopped the construction. Building mansard roofs can also harm the people living in the house during the construction: it can create water leaks or other damage in the house.

Demonstrations have been organised to protest the construction of mansard roofs elsewhere in the central districts of the city (see, e.g., Ekho Moskvyy 30 March 2008). In TSZh Centre 1 the residents also organised a small demonstration, joined by residents from other houses, creating a total of around 50 people. The mansard roof case also pushed the residents to establish the association. In this case the common property was subject to a competition between the mansard constructors and the homeowners, who wanted to keep it for their own use. The common threat brought the neighbours together, as they had to form a united front to defend their interests, which produced social capital as a result. The social capital in this case is the bridging type, as the association is composed of a socio-economically diverse group, which is typical of old buildings. Picketing is an activity that is not typical for a management organisation but is more likely to be undertaken by a social organisation. Property disputes make homeowners' associations resemble social organisations more than pure management organisations.

Neighbours mobilised, literally, in the last few days, when this was heard, there was even a demonstration, on Saturday we went picketing against building mansard roofs, and when all the neighbours mobilised, it's like they're more cohesive. You know, to take some kind of action, for a Russian it takes an extreme situation, and now this extreme situation happened and the neigh-

bours achieved solidarity. But I wouldn't say, of course, that everyone has it. But many of them, let's put it like that. (Resp. 8, member of the board of TSZh Centre 1, old house)

In an interview approximately six months later, in spring of 2006, the association was trying to bring the house under the management of the residents but this was denied by the authorities. The chair was worried that a company would take over management of the house illegally, and he had a pessimistic view of how things would turn out.

A raider group wants to take over the house. They will establish their TSZh, another illegal one. They will legalise it in the registration body. And they will sell everything there is. That is, attics, basement, the land, everything will be sold. After that they will disappear, after selling everything. It's possible that residents of the house will be kicked out in the process. (Resp. 7, chair of TSZh Centre 1)

The escalation of the situation into a crisis had further united the residents, who needed to be well organised in order to effectively resist the external threat. The outside force had thus affected the internal dynamics of the association, bringing the residents together.

- How are residents taking this situation?
- Everybody's against it.
- But did it in some way bring you together?
- Yes. Yes, of course. We were united already before that but now we are even more. We live amicably together. We gather together constantly. We are making plans of action. We don't have much power, because we don't have much money. We are considering paying a bribe to the court. (Resp. 7, chair of TSZh Centre 1, interview in May 2006)

The chair thus believed the conflict could be solved with money, by paying a bribe, which shows that his trust in the justice system is low. Not trusting that a dispute could be fairly solved in court was common among the respondents, as noted in the previous chapter in the context of free-riding. Trust in the justice system in general is low in Russia. In a Levada-Tsentr study from 2006, only 25 percent of respondents answered "yes"

to the question "Do you feel you are protected by the law?" compared to 68 percent who answered "no" and seven percent who were undecided. In response to the question "Are there groups in Russia today that think they are above the law, and who are they?" 59 percent indicated the public authorities, 52 percent responded "people with a lot of money", 41 percent opted for politicians and 41 percent nominated power structures, such as the police and tax authorities. Sixteen percent felt that neither people in power nor ordinary people follow the law (Levada-Tsentri, *Problemy demokratii*). This low degree of trust in the justice system can prevent homeowners' associations from suing free-riders or taking property right disputes with authorities to court. Furthermore, scholars have noted that court proceedings tend to be slow and verdicts may be enforced and unjust (Volkov 2002, 46–47). And even though the court might rule in favour of the complainant, the decision may not necessarily be honoured and carried out in practice (Clément 2007b).

Although the external intervention had brought the residents of TSZh Centre 1 together and fostered bridging social capital between them, their unification was hindered by the complex spatial and social structure of the house. The house was relatively large, with several points of entry into the courtyards, from two streets. Some apartments were owned by private companies, some by the city and there were also non-privatised or partly privatised³⁵ communal apartments. Although some of the apartments belong to the city, the city is just one of the owners and being a co-owner does not justify taking over the common property. Further, some of the homeowners were very poor, while others were very wealthy and had differing interests, which decreased their motivation to join together.

The chair and the other interviewed homeowner were disappointed in the other homeowners, who they said were scared to take action against the authorities and to openly show their discontent. These other homeowners were reluctant to intervene when a company came to take ownership of the apartment, for example, and they did not want to place placards declaring their opinion in their windows, as the chair had suggested. The residents' solidarity did not last long: in a follow-up interview in 2008 it was revealed

35 Partly privatised means that some rooms of the apartment were privatised, while others were not. Privatisation of a communal apartment room was possible in the first years of privatisation.

that the mansard lawsuit was still continuing but there were not many residents backing up the chair because most had lost interest in the dispute. The chair of TSZh Centre 1 saw management of the house as a one-man job or a task for an inside group, not trusting all the residents to participate. In this association, the shared difficulties had originally brought the residents together and united them but most of the residents' interest had waned as the dispute continued for years. Thus, the peak moment of togetherness passed quite quickly. This is not surprising, as it requires a lot of effort to continue the battle for years. Instead, it can be seen as an accomplishment that residents were gathered together in the first place.

The seriousness of the dispute is illustrated by an incident that took place in autumn of 2006. The chair was attacked and stabbed in the back by two men, without being robbed. The chair himself was certain that the attack was due to the property dispute and although the connection cannot be proved, it seems very probable considering the circumstances. Several newspapers and websites reported the murder attempt, which he survived only due to good luck. In a follow-up interview in January 2008 he said he was constantly receiving death threats by phone, which he saw as an attempt to pressure him to give up the mansard roof case. In his attempt to preserve the property rights the chairperson had also become active in the Movement of Civil Initiatives (GDI), which is related to the Regional Party of Communists (RPK). According to one newspaper, another similar attack took place in December 2007 against another chairperson, also related to a property dispute (Konsereg 11 January 2008).

Possibly connected with the property disputes was the authorities' attempt to liquidate the entire association in the spring of 2006. A self-governing system should have recognition from the national or local government that should otherwise not interfere in the CPR regime's work, as also stated in one of the design principles (Ostrom 2000, 152), but this is not the case here, as the authorities have questioned the association's legitimacy. The city claimed that the association had been established on false grounds, alleging that not all of its members were homeowners. The authority that made these claims was not specified by the chair but the liquidation was brought forward by the prosecutor. The chair's view was that economic forces drive the authorities and their actions are based on commercial reasons.

There are no homeowners in our house. In our house there are no homeowners, as it turned out, not one. Because all our certificates of ownership are illegal.

-- On the grounds that not all members of the board are homeowners in this house.

In other words they are breaching the law. On the grounds that when TSZh was established 50 percent [agreement] was not reached. When the TSZh was established... and everything else they were claiming. All arguments of the prosecutor are false. But we will fight them in court. It will take 10 years. But the [current] TSZh will be liquidated already now. And another kind of TSZh will be established. (Resp. 7, chair of TSZh Centre 1)

The authorities had impugned the legitimacy of the association on three counts (despite the association having been legally registered before). It is difficult to estimate the validity of these claims having only heard the residents' side of the story and not the authorities'. According to the homeowners, the authorities' first claim was that the residents had false documents of ownership and were not legal apartment owners, only residents. Secondly, they claimed that "not all members of the board are homeowners". The third claim was that majority support to establish the association was not reached. This contradicts one resident's story about how the residents made an effort to acquire the support, and in his words, finally achieved it.

The most interesting question in this case is what the city's interest in the house is and why the authorities are trying to liquidate the association. According to the chair, the city's allegations were false and stemmed from their attempt to find grounds to liquidate the association and sell the house to a private company. In this sense the local authorities have a negative attitude towards the homeowners' associations because they did not expect them to gain that much power. In the chair's opinion the city is conducting the property captures due to a shortage of money. It is possible that, as the chair suggested, the liquidation demands are grounded on the commercial interest of the house, which is located in the historical centre of the city. On the other hand, according to the Housing Committee's vice-president, Vladimir Gaidei, there have been cases of associations that were established illegally, in ways mentioned above, which have later been liquidated

following complaints by residents. In this case, however, the liquidation attempt was not based on the demand of any resident.

Disputes with outsiders can also affect the relationships inside the association. The external and internal aspects overlapped in TSZh Centre 1, where the mansard roof case had caused a feud between the chair and one affluent family. The situation was quite tense; the family had sued the chair on the grounds of violating their property and the family were refusing to pay the maintenance charges as a form of protest. According to the chair, he was removing the family's property from a garage following a decision made at a common meeting because of the family's unpaid charges. The chair said that the lawsuit was generated to get rid of him because the family supported the mansard construction. In November 2008 the situation was that the St. Petersburg's Committee on city-planning and architecture (KGA) had stated, based on a court decision, that the *roof* on top of the attic in TSZh Centre 1 was the homeowners' common property and therefore the mansard could not be built without the homeowners' consent. However, it is possible that the dispute will continue if the losing party disagrees with the decision.

TSZh Centre 3, also located in an old house in the centre, had a similar disagreement with KUGI regarding the proprietary rights of a basement. According to KUGI, it was the city's property, while the association considered it as the stone base of the house, and therefore the property of the homeowners. The association had placed a heating system in the basement, which was then removed when the city took the premises for its use. This was especially upsetting to the residents, as it meant a considerable decrease in the heating efficiency of the house during winter. A lawsuit was ongoing at the time of the interview, in May 2006.

These property disputes and seizures have been presented above because they are not rare, isolated occurrences, but represent cases that are continually happening in St. Petersburg. Although the case in TSZh Centre 1 culminated in an extreme conflict, perhaps due to the location of the house and persistent opposition by its chair, property captures by the city authorities and private companies are not uncommon in the city. The boundaries of the association are not unambiguously clear, therefore, as the associations compete for the proprietary rights with the city authorities.

Another problematic issue concerns proprietary rights of the land plot underneath and around the house. The land plot on which the associa-

tion is located is given to the shared ownership of the homeowners free of charge, as stated in the 1996 Law on Homeowners' Associations (Article 11). In the new legislation, Article 16 of the Law on Implementation of the Housing Code (O vvedenie v deistvie Zhilishchnogo kodeksa RF) corresponds to the 1996 law, which states that the land plot can be registered to the homeowners' shared property. In St. Petersburg, requests for privatisation are submitted to the Committee for Land Resources, KZR, while borders for the land plot are defined by the Committee for the Administration of City Property (KUGI), which is also the organ that collects rent from non-privatised land plots. Registration of the land has proven to be a complicated process, often hindered by bureaucracy and, according to the associations and the media, the reluctance of authorities to give up the land. Historically, land has largely been publicly owned in Russia, starting from the Tsarist era. Nevertheless, legal prerequisites for owning private land exist nowadays.

From the point of view of self-government, the land plot is very important, a precondition for effective management of the association. In order to be an actual self-governing entity, the association needs full jurisdiction of its territory. The land is capital that can be rented and used according to the owner's decision, which makes ownership of the land financially important for the association. Privatising the land plot was also important for the homeowners in order to avoid any other party – the city, a neighbouring building or a company – profiting from the land through construction or rental.

First of all it's more affordable, the land tax is much cheaper than the rent. Secondly, not to have any demands on the part of the city in the future. If it's their land, the city can put benches there or a public toilet, things like that. Or some neighbouring houses, this is a suburban area³⁶ after all. (Resp. 12, manager of TSZh Centre 2, new, elite house)

The associations that had initiated the privatisation had discovered that it was a long and bureaucratic process that had taken between one year and over three years to complete. Documents are handed out slowly and,

36 The association is located in a one of the central districts of the city, but in a quiet, even remote area, which is why the chair considered it to be in the suburbs.

according to Marina Akimova, the chair of the St. Petersburg's Association of Homeowners' Associations and Cooperatives, this is because the authorities do not want to lose a valuable land plot that could be exploited by the city by constructing, renting or selling it (*Ekspert Severo-Zapad* 43/05). At the time of the fieldwork, some associations were in the middle of the process, while some had decided not to go through with it at all, as it was so complicated and they considered the land tax too expensive (in reality the land tax should not be much higher than the rent). In 2004 the legislation was changed so that registration of the land to the shared ownership of the homeowners now requires the written consent of all homeowners. According to the chair of TShZ Kalininskii this can be hard to obtain because participation in common meetings tends to be low and some of the owners live in other locations and are not registered to the apartment. These people are difficult to contact as the chair might not know where they live. Changes in legislation can also hinder registration. Two associations had started the process when the old Law on Homeowners' Associations was still in effect but the process slowed down once the new Housing Code came into force.

Clear boundaries are one prerequisite for the effective management of common property. At first glance a housing association seems to be a clearer case of a common-pool regime than many natural resources to which examination CPR theory is often applied. The boundaries of a natural resource may be more difficult to define, whereas the boundaries of an association seem to land nicely at the courtyard or front door of the house. In practice, however, the question of where exactly the association's boundaries should be drawn, concerning the land plot as well as the premises of the house, is often disputed between the associations and the local authorities. One of the interviewed experts, Mikhail Amosov, the Yabloko party's deputy in the St. Petersburg Legislative Assembly and leader of the Assembly's Commission on city management, says that disputes concerning borders often arise when the associations want to privatise a larger unit of land, not just under the house but the surrounding area as well.

On the other hand, according to Oleg Vikhtiuk, the St. Petersburg Housing Committee official, specialists of the Committee for Land Resources (KZR) and the Committee on City Planning and Architecture (KGA) are trying to register a smaller land plot than the norm. According to Vikhtiuk, the norms for measures of land plots are set at the federal level

but for some reason these norms are not applied in St. Petersburg. This shows that the implementation of a federal regulation at the local level is not always simple, as local regulations or the actions of local authorities may contradict with the federal regulations. There are contradicting views between the local authorities and associations as to exactly what area is part of the association's property. The extent of the associations' borders seems to be the main area of dispute in the process of transferring the land's proprietary right.

Furthermore, if a neighbouring house registers the land plot before another neighbour, it might get a larger share and extend its property closer to the other house, perhaps by setting up a parking lot, for example (*Aif Petersburg*, 30 November 2005). This had not happened to any of the associations used in the data. Marina Akimova explained the difficulty of the land issue by saying that the authorities do not execute land subdivision for settling the boundaries because it is an expensive process. Thus, some of the city authorities seem to be intentionally preventing the land registration, compromising the association's position as a self-governing entity. Depriving residents of the means for self-government contradicts the housing reform's idea of empowering residents to handle housing management independently. This is also against the design principle concerning recognition of the association by authorities and allowing the associations to operate independently. Although the associations are officially recognised in the legislation and by the federal government, the local authorities do not always respect their self-government or provide the means necessary for it.

5.2. Technical Problems and Relations with Private Companies

I used to think that in new houses everyone lives happily because there are almost no problems, no damage or anything. Now it has turned out that there are so many problems! And so often they want to dismiss the constructor that manages the house, who won't let them do that, and there are so many problems because of how it all has been constructed, overall... because everything breaks down. (Marina Akimova)

Although newly built houses do not have the problems with communal apartments and mixed ownership structure that the older houses have, they do have difficulties with various technical problems and disputes with private management companies. Poorly built housing seems to have long been a feature of Russian housing, starting from the 'khrushchevki' of the 1950s. Of course, not all new construction can be generalised as being of low quality, and the so-called elite houses in particular can be of very high quality. But in the 'economy class' houses, which most of the data's TSZhS represent, construction flaws were common. Although the newly built houses are not on the verge of collapsing like some old buildings, in need of repairs that have been neglected for decades, building defects in terms of piping or insulation, for example, are very common. Often the association changes the pipes and roofs for better quality ones within only a couple of years of construction, which means that it can be difficult to keep the association's common property in good condition. Many respondents mentioned the poor quality of construction, which has "not yet reached a very high level", expecting that the situation may improve in the future. The chair of one association, whose house was built two or three years ago, described the situation as follows:

The first thing that has to be repaired is the roofs ... soft roofs, next risers, pipes and so on. I have already started to switch pipes. It seems that the suppliers fooled the constructor on the quality of the pipes and the zinc pipes have already started to show signs of wearing off, corrosion, they corrode... I have already changed two riser pipes (Resp. 10, manager of TSZh Kirovskii, suburbs, new house)

The building defects and technical problems can be divisive and cause disputes between the constructor and the association. The constructor is legally obliged to fix building defects free of charge during the guarantee period. However, it is not always easy to get the company to pay. Big construction companies seemed well prepared and protected from residents' complaints and are powerful actors compared with the non-professional associations.

- But during the guarantee period the constructor should ...
- So far we have not received anything from them.

- Have you tried?

- We've tried. We've written letters. There's a lot... the roof is done poorly, and for the roof we called architects here... Representatives of the company did not come, of course, but we put up an act ourselves. But it's worthless fighting with them, one has to have extra staff just to go to court against the constructors. There are many flaws, everywhere. (Resp. 38, engineer/manager of TSZh Vasileostrovskii 1, suburbs, new house)

In addition to technical defects, one of the biggest maintenance-related problems was rats, attracted by the rubbish chutes that are common in Russia. Common technical problems in the houses concerned water supply and heating: poor water pressure, unclean water, overly cold or hot water or air temperature. The water pressure is often insufficient to reach the highest levels in houses with five or more floors, or the heating may be uneven, meaning that people on the lower floors would be sweating and opening windows to cool off, while residents of upper floors would be freezing from cold, or vice-versa depending on whether the heating was distributed bottom-up or top-down. Due to the centralised energy supply system, residents cannot adjust the temperature of their homes by adjusting the radiator and they must adapt to the prevailing temperature (see Bychkova & Popova 2008, 18).³⁷ These are common problems in Russia's infrastructure. The problems were either due to building defects or caused by defects in the water or heating supply.

We have had many challenges because of erosion of the seams between panels ... In the beginning there was some erosion of roofs. That is, there were many cases of erosion of pipes, both in cold water supply and in hot water supply, the heating system was then repaired. There was all this. But now there is less and less of that, because insulation is being done ... The quality of the construction is not yet at a high level here. (Resp. 15, ex-chairman of TSZh Kalininskii 2, suburbs, new house)

³⁷ Bychkova & Popova described the common way of coping with the problem: residents suffering from cold would bribe the municipal housing technician to manipulate the heating system to work the other way around. This would lead the now under-heated residents to bribe the technician to reverse the system again, creating a vicious circle (Bychkova & Popova forthcoming, 20).

Associations in newly built houses often also had to fight with the constructor or manager about the management authority of the house. In newly built houses the construction company usually hires a manager for the house during the construction phase. Sometimes the constructor and manager were from the same company. The newly built houses are usually managed by 'genuine' private management companies rather than by Zhilkomservis, that is, previous municipal management agencies that have been turned into private companies. Usually after a few years of being administered by a management company the homeowners wanted to move to self-government as they felt that the company did not work in the residents' best interests. Here the homeowners strived for more independence and self-governing, instead of passively tolerating the situation. Instead of staying under the management company's rule, they wanted to undertake the management themselves.

Management by a professional company might be good for an association in the first phase, as a large multi-family house complex may be constructed in phases over a few years and the residents move in slowly. Because the apartments are sold gradually and the furnishing and interior finishing of the apartments takes time, it often takes a while for the new owners to settle into the building. In an ideal situation the management company would fix all the building defects when a new house is built, and also take care of the land privatisation and all other initial arrangements, thereby making it easy for residents to start the management. In practice, however, it is rarely that simple. If the management company is connected to the constructor, it is probably in its interest to hide the faults in construction until the end of the guarantee period, during which the constructor is legally obliged to fix the faults free of charge. One chairman claimed that this is the reason why the association should replace the constructor/manager as quickly as possible.

The first task when a constructor establishes a TSZh is to release it from the TSZh, more correctly from the constructor's administration, because we have totally different tasks. When a TSZh is formed by the constructor, his idea is to play for time so that those construction guarantee periods would expire. That is, that administration does not work in the interests of the residents, because it was formed by the constructors, basically, to cover themselves. And then the residents start to make a fuss, raise initiatives and choose their own board. And,

naturally, the representative of the constructor is not the chair any more, he is not included in the [new] board. (Resp. 30, chair of TSZh Vyborgskii 2, suburbs)

Conflicts often occurred between residents and companies when the company did not approve the dissolution of the management contract as this would cause them to lose revenue. This is a case of an external authority attempting to hinder self-government. In order to be independent as one of the design principles notes, the association needs minimal recognition from the authorities, which should otherwise not interfere with the management (Ostrom 2000, 152). In TSZh Kirovskii the residents had proposed replacing the original manager of the house with a man who was the chair in a neighbouring house and was known for his good work. The manager chosen by the residents then had to persuade the construction company to give up the management.

I understood what the problem was. I went to X – that's the constructor of these two buildings, naturally, I got a negative answer, and ... I said, 'Well, okay, then we have the right to turn to wherever. I have the protocol in my hands, decisions, this document, although you didn't take that and me myself as a person [seriously]'. Some time went by, and they gave up. I won't say that I took over, but I didn't just sit there, I took action. They gave up. (Resp. 10, manager of TSZh Kirovskii, suburbs)

The interviewed residents believed that the constructor/manager does not really work for the residents' good but primarily aims to secure its own position. Some constructors had tried to take illegal advantage of the association. In order to increase competition in the market, management companies no longer require a licence, which may tempt dishonest entrepreneurs to the market. In two associations the residents discovered malpractice, which led them to fire the company.

-- At first our TSZh was organised by the constructor and managed by the constructor, and it was managed very badly. And we the homeowners were not given account; we paid a lot, not knowing what we were paying for, it became obvious that the constructor was also constructing the building next to us with our money. That's why, when we discovered that, we decided to choose a new board. (Resp. 32, chair and activist in housing issues)

Well, mainly because the management company, in general, took money and used it, in practice, for other purposes, as it turned out later. On the other hand, it meant that it was very difficult to manage. Even the craftsmen that worked didn't get anything from them. For example, various materials were needed, or small renovations, they just didn't do it, for different reasons. (Resp. 15, ex-chair of TSZh Kalininskii 2, suburbs)

According to a lawyer specialising in housing issues, a chair is sometimes fired because he or she has insufficient authority, in the opinion of the residents. Similarly, when the association is run by a professional manager (in addition to a chair), the homeowners may wish to fire the manager because they feel he or she is not interested enough in the building's management because they are not a homeowner in the house. In one case the chairperson felt this way about a member of the board who owned an apartment in the house but did not live there:

Our board is so terrible because of one person. He's a stranger altogether, he doesn't live in our house, he doesn't give a damn about all this, all our problems. (Resp. 5, chair of TSZh Primorskii, new, suburbs)

Another thing is that, although a TSZh is meant to be managed by a private company or by the residents' administration, some are still managed by municipal housing companies. This is possible in old buildings that were managed by the municipality before the association was established. When a homeowners' association wants to transfer its administration from municipal management (GUZhA) into the hands of a private company, there are often problems obtaining the necessary documents, the most important of which is the building's technical document (*tekhnicheskii* passport). Because moving housing administration to a private company means a financial loss for GUZhA, it often tries to complicate the process by not providing the documents. Without the documents TSZh is unable to make contracts with the private maintenance providers that supply heating or water, for example (*Ekspert Severo-Zapad* 43, 2005). This allows the local authorities to prevent homeowners' associations from acting as self-governing entities, which challenges the whole idea of the housing reform. If the association is not allowed to make independent decisions

about its management and maintenance, it effectively becomes powerless as an association.

There is one peculiarity – they have registered in the new form but they have not started to manage the house accordingly because they have not been given the papers. A lot has been done, but they have not been given the papers: the technical registration document, the document regarding the lifts, the document regarding the inner infrastructure networks, that is, the heating centre... and as a result they cannot make contracts [with housing service companies]. Thus, they are registered as a TSZh but can they be considered as a TSZh or not? I don't know. (Akimova)

In the case described above, the change is only nominal and does not lead to empowerment, activation or self-government by the residents. The problem of artificial, 'marionette' associations, established and managed by the authorities in order to fulfil the obligation of the Housing Code, was discussed on a more general level in Chapter 3. According to Vladimir Gaidei from the Housing Committee, there have been cases in which a homeowners' association has started to manage the house anyway, before getting the documents, that is, before the management has been legally transferred to the association. In this case the association has charged homeowners without the legal right to do so, at the same time as the municipal company has charged the residents as well. As a consequence, some residents have paid to the old manager and some to the new one, resulting in a chaotic situation.

Conflicts have also arisen between the homeowners and commercial enterprises that either own or rent their business premises located in the same building complex. The large amount of garbage the company produced was a common cause of the disagreement. Another disputed matter was the non-payment of rent when the business premises were rented to a company. This indicates that free-riding is not practised only by private individuals but also by companies.

5.3. Maintenance Practices

Outside staff, companies or workers are often required for maintenance of the house, even though associations try to manage on their own as much as possible by using their own service staff. It was more common for the associations to have their own cleaners, electricians, plumbers and the like than to hire a maintenance company. Whether the association had its own maintenance staff or not, they usually had a hired accountant, especially in larger associations, to handle the bookkeeping. The workers lived nearby, sometimes even in the association's building, so they were available when needed. Many respondents emphasised the importance of being able to reach staff quickly in case of an emergency. Some associations also had their own 24-hour service number to dial in case of a sudden problem.

One chairperson felt that the association's own staff was more reliable and easier to manage than outside workers from a large company. The ability to recruit the residents of the house for the task indicates a certain density of social relations. This could not happen if the neighbours were not communicating with each other. The associations prefer to use their own resources as much as possible instead of turning to less familiar external sources.

- Why did you decide that you need your own maintenance service?
- Because it is easier to manage a collective of, let's say, 10 to 12 people, than for the municipal housing company to manage a collective of unknown people. Where these workers are from and who they are and where they are located in relation to the house, it's very difficult to manage a big collective. (Resp. 14, manager of TSZh Vyborgskii 1, suburbs)

We even organised our own emergency service ... Selected members of the personnel carry a mobile phone, so the person must live nearby. One mechanic lives right in our house, another lives five minutes by foot. Therefore, no municipal emergency service can compete with us in terms of mobility, in 15 to 20 minutes the emergency situation is already solved. (Resp. 10, manager of TSZh Kirovskii)

The chair emphasised the difference of municipal management, which "could not compete" with the internal workers. Municipal housing agen-

cies are generally known for being inefficient and unreliable so it was important to distinguish the association from them. Having their own staff is also important to keep the association 'private'. This means a community that does not hire just anyone but where the administration selects the staff, who may even be residents and know each other. Still, resorting to friends and acquaintances should not be automatically considered as something intrinsically Russian. It is naturally more convenient to have someone you know or who lives nearby to work for you. Likewise, it is easier to ask a friend for advice and friends are, as a rule, more reliable. Reliance on friends is practised all over the world and there is nothing exceptional about it.

Nevertheless, associations tended to trust friends but also friends of friends and to use social networks in a way that seems typical to Russia. Finding a worker through networks is not necessarily easier than just picking up the Yellow Pages and calling a specialist, but it is still a customary way for homeowners' associations to act. Contacts acquired through acquaintances or internal staff (referred to as 'our people') are seen as more trustworthy. This is understandable, considering that there are frauds and unprofessional actors in the market. Relying on their own staff is an association's attempt to be as autonomous as possible. Strangers, on the other hand, are often regarded with suspicion. In this sense it seems that the presumption of the decreasing role of networks does not hold true. The idea of acquaintances as more reliable partners was expressed by one resident from TSZh Centre 1. He said that the premises of the house should be rented to a fellow homeowner who is known by the homeowners and shares the same interests of landscaping of the yard. This attitude is understandable given the property rights disputes that his building had experienced.

The abovementioned maintenance practices mainly concerned newly built houses, the maintenance of which is privately handled right from the start. In old houses that had originally been municipally managed, the associations had difficulty making contracts directly with private companies because the local authorities refuse to provide the association with the necessary documents, as mentioned above. This shows that although the legislative basis for the associations' independence does exist, it is not followed. If the association continues to be controlled by the municipal housing authorities' leash it will not have any real decision-making or self-governing power.

As a result of a long escalated conflict between TSZh Centre 1 and the city, the residents refused to pay the municipal housing maintenance fee. They felt they were not getting value for money from the city. As the city was not upholding its own part of the deal, that is, handling the maintenance, the residents responded by disregarding the rules on payments set by the city.

I don't pay. Why should I pay? They threaten me with a lawsuit. I threaten them with a lawsuit back. That's all. I don't see a reason to pay somewhere, if they won't do anything whether I pay or not.

-You mean you don't pay the housing payments at all or for...?

- At all.

- What about other residents?

- Now there are more and more of those who don't pay. Of course, they [the city] now have a big shortage in the budget, billions of roubles. And they have started to scare people – they are making 'show' evictions, the Housing Committee. (Resp. 10, chair of TSZh Centre 1)

Some associations have been established without proper knowledge about how to handle the management and maintenance. One chairperson, having fired the constructor-appointed manager, described the initial situation: "None of us knew [how to do] this job, I didn't have a clue ... not about those pipes, not about those advertisements, not about those janitors, it was all just gibberish" (chair of TSZh Primorskii). Having established the association and taken the maintenance into their own hands, the associations are easily left on their own. Managing the association without a professional manager or without chairperson who has a background in the housing field can be very difficult and tiring. Some houses are in very poor condition and at the time of establishing the association the residents have not been aware of all the flaws and the expenses of repairs, which suggests that authorities should be better at informing residents. This is not the best starting point for the association and the residents may not be able to afford the unexpected financial expenses. These difficulties may also end up causing disputes between neighbours. When the administration is handled by the residents without a professional manager or a company, residents' personal relationships become more important.

Now they are establishing homeowners' associations. Nobody has told them that there will be management expenses, banks... external electricity, that their lift is old and in the near future will stop working, that they will have to form a plan about how to change that and so on... That is, no one tells them anything about this. (Akimova)

Some respondents felt they had been left completely on their own once they had established the TSZh and were expected to take care of all the maintenance independently. In the following case the chair was surprised to learn that, because the association was privately maintained they were not entitled to any help from municipal housing authorities in the case of a sudden maintenance problem. Without arranging emergency maintenance service the association would be in trouble when an unexpected problem arose.

For example, in the autumn we had some problems with the heating, I called everywhere and they said ... 'oh, you have a TSZh, you'll find out yourselves'. What do they mean by 'find out yourselves'? 'Let your plumber solve the problem' [they say]. For example, if we did not have a contract with the emergency service, even in the case of a volcano eruption the emergency service wouldn't come to us. Those kind of difficulties. (Resp. 5, chair of TSZh Primorskii, suburbs)

5.4. Cooperation with Outside Actors and Relations with the Media

Despite all the conflicts and disagreements, associations' relations with the authorities are not purely hostile; good relations and cooperation also exist. Naturally, the authorities are not one uniform category, although some respondents regard all authorities as one unreliable group. The Housing Committee provides information and advice for citizens on housing matters and most respondents regarded the Housing Committee as a "friendly" authority that is on the same side as the associations. The Committee for the Administration of City Property (KUGI) on the other hand, is known for taking property into its possession and none of the respondents had positive feelings about it. Considering the experiences some associations have had with KUGI and its bad reputation in the media, it is not sur-

prising that it was despised and disrespected and seen as a money-gathering organ, operating only for its own interest.

The interests of the Housing Committee and residents are similar. The Housing Committee's task is to preserve the housing stock and to operate it properly. KUGI's task is only to gather money. -- KUGI's task should be just to provide state housing stock to the homeowners, the users. But it does it the other way around. It does business. It even captures basements. (Resp. 22, vice-chair of TSZh Centre 3, old house)

Although the Housing Committee and KUGI were often mentioned by the respondents, the district level authorities, that is, the municipalities and municipal councils, have more concrete importance for the associations than the city authorities. The Housing Committee has been very visible in promoting TSZhs and it defines St. Petersburg's housing policy, but the executive power is in the hands of the district and municipal councils' authorities, which are therefore closer to the associations on an everyday management level. Municipal housing authorities have organised meetings to inform the associations about management questions and the heating period,³⁸ for example. These situations were also important opportunities for the associations' representatives to network with each other.

Some respondents felt it was very important to maintain good relations with the local authorities. The main reason for this is the potential financial support that the authorities could give to the associations. If an association has good relations with the municipal council, it may be able to have the council finance repairs or landscaping of the courtyard. For example, in TSZh Centre 3 the lift was repaired after pensioners' constant pleas, while in TSZh Vasileostrovskii 2 the construction of a children's playground was paid for by the municipal authorities. According to one chairman, having a deputy or other important official living in the house could help the TSZh receive technical or other improvements related to landscaping or repairs of the house. When the same chair had requested financial support from a

³⁸ The heating period for centrally heated houses lasts from October to May, depending on the weather. Turning on the heating requires a lot of preparation as the technical details in each house have to be checked first (Bychkova & Popova forthcoming, 38).

local deputy, he had been refused on the grounds that not many residents of the house had voted for the deputy's party.

Good relations can be used as a form of PR strategy and to prevent problems that could occur between the association and the authorities, or between the association and a company, for example. In the latter case, having good relations make it easier for the association to request support from the authorities. It could also spare the association from conflicts concerning property rights or other matters. Relations with the authorities are also sometimes relevant for internal disagreements. In TSZh Vyborgskii 1 the chair actively maintained the existing relationships with local authorities and created new ones. He was so well known that he was even invited to the Northwestern Federal District's Public Chamber³⁹ as an advisor on housing reform. This shows that it is possible to have cooperation between authorities and associations, and that the associations are not isolated from the outside world. The chair of TSZh Vyborgskii 1 invited local politicians and officials to the residents' meetings to give speeches and to introduce them to the association. According to the chair, the reason was that some of the apartments in the house were non-privatised and state-owned, so they invited representatives of the city to see how things were going. More importantly, there was strong opposition in the house, which attempted to use technical defects as a reason for firing the chair. The opposition contacted the authorities to check the fire safety and other technical details of the house. According to the chair of Vyborgskii 1, the opposition's agenda was to find a valid reason to change the chair and the board but the lack of flaws meant that they were unsuccessful. In this case the chair used good relations with the authorities as a defence strategy.

Fire inspection officials are somewhat corrupt in Russia and as a result of fire safety defects in fire safety in the old buildings, the maintenance of which has been neglected, it is easy to use fire regulations as an excuse

39 The Public Chamber is a local consultative organ for the authorities of the Northwestern Federal District that comprises St. Petersburg, Kaliningrad, Vologda, Murmansk, Novgorod and other districts of the area.

for another agenda.⁴⁰ It has been said that if a company is visited by both the tax police and fire inspectors within a short time, it is a sure sign they are in trouble, for a non-official reason (Stolyarova 2008). The problem of corruption has been officially recognised and the new federal law entitled “Technical regulations for fire safety requirements” was approved in July 2008. The law aims to reduce corruption by decreasing the authorities’ power to interfere with fire safety and leaving the matter more in the hands of the owners of the premises (*IA Regnum* 14 November 2007).

Some associations had received publicity in television and newspapers and some used the media to create a positive public image or to bring attention to the mistreatment they were experiencing. Being a new, fast-spreading phenomenon, homeowners’ associations were quite visible in the media and some were presented as examples of the new type of management. Homeowners’ associations have received much more media attention than social organisations in Russia in general, being at the core of the new reform that concerns all citizens. Besides reports on the housing management novelty, the ‘hot topics’ of the moment, such as registering land or property rights disputes, were widely reported. The associations that received positive publicity were pleased to be mentioned in the media, while some chairpersons had a suspicious attitude towards journalists (TSZh Petrogradskii 1). The associations that were struggling with lawsuits and felt mistreated by the authorities were happy when the media took their side. Although media freedom has been restricted in Russia in recent years, there still seems to be room for criticism in the housing field, at least towards local level authorities.

For example, TSZh Centre 1’s small-scale demonstrations against KUGI’s property seizures were reported in some local newspapers and the radio. The chairperson of TSZh Centre 1 was mentioned frequently in newspaper reports as an activist defending the residents’ common property. TSZh Centre 1 received a lot of publicity because the extent to which

40 Fire safety defects were the official reason for the temporary closure of the European University at St. Petersburg in February–March 2008, while the real reason was generally believed to be either politically or economically motivated. The university had planned research to monitor presidential elections with funding from the European Union and secondly, the university is located in an historically valuable building in the centre of the city (*Kommersant*’ 11 February 2008).

the property raids had led to - the KUGI taking over the property - was quite exceptional, though not unique. The chair of TSZh Centre 1 did not value the media very highly; he saw the exposure simply as the only way to fight the injustice.

... I don't see how to have the strength to protest this. The only thing there is to do now is to make a noise in the newspapers ... But newspapers now are too, you know what... Television is scum, as a whole. (Resp. 7, chair, TSZh Centre 1, old house)

The residents also contacted the media themselves in order to make their mistreatment public. This tactic is usually favourable for the resident, as the media tends to be sympathetic and supportive of individuals and present them as victims, regardless of the matter. Residents, particularly chairpersons, are quite active in this matter, which counters the description of residents as being passive. The media was greeted positively, despite its representatives being outsiders, because it could be used to strengthen the community and its borders against another outside force, the authorities.

TSZh Vyborgskii 1 had been presented in three TV reports, which introduced it as an example of a homeowners' association, as a new form of management. The TSZh was quite well known in the neighbourhood and therefore residents from other buildings were asking for advice in establishing and managing TSZh, in terms of legal and practical questions. The TSZh even had plans to open a consultation office for other TSZhs and cooperatives.

Soon we'll establish a public consultation, where we're going to take in particular, first of all, not [ordinary] people, because the people, for them there is the administration that has its own power, a bunch of responsibilities that they fulfil, but for social organisations, for non-profit organisations, like TSZh, ZhSK. They need consultation, in general. (Resp. 14, manager of TSZh Vyborgskii 1, suburbs)

The manager felt that a good reputation was important for the association, so one reason for the consultation service could have been to achieve more publicity. Still, this shows that the chair did not see outsiders as a

threat but instead wanted to cooperate with them. The manager clearly stated that associations lack information and there is a need for the consultation service, although the authorities and voluntary organisations provide information as well. In general, it was common for chairs and managers to contact each other. More experienced leaders advised their younger colleagues about technical and other practical management issues, which is a good way to share experience and to warn others of fraud. Some associations (at least TSZh Centre 2) shared the maintenance staff with their neighbouring association. In TSZh Centre 2 there had originally been plans to form a single association for both houses but separate associations were eventually established. According to Clément (2008, 77), housing associations (TSZhs and similar associations) tend to build alliances and organise networks or coordinating councils through which to share information. Clément describes the networks as informal (*ibid.*, 79–80), which is consistent with the data in this study, where the networks between associations were not very structured or organised. One example of networking is the Association of TSZhs in the central districts of St. Petersburg. Founded in 2006, this association gathers the TSZhs (or their chairpersons) of the district together to defend their common interests.

The above shows that issues are handled the same way in housing management as they are with other aspects of life in Russia: by relying on friends and acquaintances rather than contacting professionals or the responsible authorities. Local authorities were sometimes contacted as well but more as an authority than for advice. For example, TSZh Vasileostrovskii 1's chair had resorted to the Housing Inspection, an organ of the Housing Committee, for help in a situation with a resident. The resident was using the heating system "not according to purpose" (*ne po naznacheniiu*). The chair did not specify what exactly had been done, but it is common for residents to install additional radiators into their apartment, which disturbs the heating balance of the house (see Bychkova & Popova forthcoming, 20). In any case, the resident's actions disturbed the neighbours and he only agreed to cooperate when the authorities threatened him with a fine. This was a case of resorting to an outside force to solve an internal conflict.

Besides having good relations with the authorities, it helps associations if they have influential people as residents. One association had managed to register its land plot with the help of a deputy of the St. Petersburg's

Legislative Assembly, who lived in the house. This is not surprising, as the deputy had actively promoted land registration in public. The exact way in which he had helped the association is unclear but it probably involved him using his connections to forward the matter and/or by advising the chair during the legal process. All in all, homeowners' associations do not operate in isolation but politics and personal connections do play an important role.

Housing authorities also gave recognition for associations for good landscaping or for repairing the house to a good condition. TSZh Vasileostrovskii 2 received a diploma from the municipality for landscaping, while TSZh Centre 3 was awarded a diploma from the Housing Committee for repairing its building and for establishing a museum in its premises in memory of the architect who had designed the house. The diplomas were awarded on the authorities' initiative, without the associations approaching them. In this way the authorities are trying to encourage good maintenance by making good examples known to other houses. The diploma system is a Soviet tradition, reminiscent of the time when accomplishments at work were highly praised as good examples for other workers.

TSZh Centre 3 wanted to maintain its positive public image through the museum, good relations between neighbouring houses, a veterans' council for older inhabitants, etc. Nevertheless, the interviewed members of the veterans' council had a rather indifferent attitude towards newer homeowners in the building, contrasting with the friendly and warm image of the association. Although the veterans' council brought the pensioners together to socialise, it was still a closed community and its members were not interested in befriending other homeowners of the house. A bonding type of social capital was produced in this association by uniting people from similar backgrounds together. Bonding social capital was more common for the associations as a whole, although there was also some bridging social capital, at least in TSZh Centre 1. The associations were generally inward-oriented but connections with the outside world were made and relations with the authorities and other homeowners' associations actively maintained.

5.5. Privatisation and the Common Property

Since privatisation of housing was started in the early 1990s there has been a visible change in the city landscape of St. Petersburg. Locks have started to emerge on staircase doors and courtyard gates and respondents stressed the importance of locking the courtyards. As noted in Chapter 4, the need to close the courtyard to outsiders was often a reason why residents called meetings and eventually established homeowners' associations in old houses. The most obvious reason for this has been to protect the property from criminals. Statistics from the Ministry of the Interior show that criminality increased in Russia in the early 1990s (Volkov 2002, 2) and a study in the 1990s in St. Petersburg indicated that people felt less secure than they had previously and were afraid of robberies and break-ins (Serebrennikova 1999, see also Lentz 2006, 216). Judging by the interviews, criminality continues to be a real problem in St. Petersburg and burglaries are common, which has led to calls for action to prevent the crimes.

There is stealing, like everywhere. For the period of time that we have been here [almost 2 years], 21 apartments in two houses have been broken into, including that of the chairman's daughter. (Resp. 15, ex-chairman, TSZh Kalininskii 2, suburbs)

Why did we decide to install the video surveillance? In this country and in our city, minor crimes are practically everywhere. But because – and this is my personal opinion – our people as a whole are not organised, in the sense of obeying the effective legislation, that's why things like apartment robberies and burglaries happen. -- Since the New Year, suddenly our house became exposed to [robberies]. I mean those robberies that I've heard of, people who turned to me and to the police, naturally. A robber came, broke into [the apartment]. So by the end of February there were 15 robbed apartments. In two months there were 15 robberies. (Resp. 14, chairman, TSZh Vyborgskii 1, suburbs)

The first thing done was to increase security, in order to prevent unwanted trespassers and wanderers (homeless people, alcoholics and drug addicts seeking shelter in the staircases, basements and attics) and potential burglars from accessing the area. In addition, courtyards were closed

to avoid people passing through the property.⁴¹ Another reason was to prevent non-residents from parking in the association's area, as there is a chronic shortage of parking spaces in the city. It was sometimes necessary to close the garbage container in the courtyard with locks because it was being used by residents of neighbouring buildings, filling it quicker and causing more expenses for the association's garbage disposal. These are all examples of setting clear boundaries to the association and preventing outsiders from using the resources: the common areas, the parking lot and the garbage container. Closing the association's area is necessary for private management of the resources, that is, for the association to function as an effective CPR regime. Technical equipment was acquired in order to strengthen security. Door codes, intercom systems, video surveillance, gates and fences were set up and guards and concierges were hired. Sometimes video surveillance or guards were established only in those staircases where the residents had agreed to pay for the service. One elite house (TSZh Petrogradskii 2) had a contract with a private security firm who would arrive at the property within a few minutes of being called. This kind of service is quite common in St. Petersburg.

Locks, fences, guards and video surveillance were not used solely for security, although that certainly was the primary reason. The closed courtyard has a symbolic meaning as well, located as it is between the private space (apartments) and the public (street). The idea behind closing the courtyard is to extend the private space to include the courtyard. Entering a monitored, private area that is open only for residents and invited guests makes residents feel secure. But the security guards and their guard booths in the yard, as well as the fences and locks on staircase doors, are not there just to make the residents feel secure; they are also sending a message to the outside world. Their function is also to demonstrate to outsiders that the area is protected and private and that trespassers are not welcome.

The privatisation tendency and the restriction of access to the association's area is a notable difference from the Soviet era. After the 1917 October Revolution the entire society was communalised: the old elite houses were nationalised and access to them was opened for all people. Gateways, fences and locks that had protected private property were removed or opened.

41 In St. Petersburg old houses are often linked to each other by courtyards and taking shortcuts through them is very common.

This was an ideologically significant gesture; the formerly private courtyards were now public space that belonged to the people and could be used by everyone. Passers-by could shortcut their way through the courtyards when fences separating the houses were removed (Staub 2005, 341–342). The open-doors policy was based on the idea of total trust among the Soviet people, developed further in the plans for shops without salespersons and trams without conductors (Lebina 2003, 190), which were, like many other utopian plans of the socialist era, left unrealised.

Now that private ownership is possible again and has become very common, a shift towards the pre-revolutionary era has been made in restricting the access of outsiders to private property. The Housing Committee is encouraging this development as well, hoping it will make homeowners realise that they are now legally responsible for the maintenance of their own property. Private management at the house-level can also be seen as a return to the first decades of the Soviet era, when management was practised at the level of one or a few houses by the house committees and each house had its own janitor. Since housing management was centralised in the 1950s and house committees were merged into larger ZhEKi (local housing agencies), the maintenance of individual houses deteriorated (Lebina 2003, 190–191). As a result, everybody's property became nobody's property, for which no one felt responsible. This is the problem with the public good: there is no incentive to help maintain it as everyone can enjoy it, regardless of their participation (see Putnam et al. 1993, 163). Unrestricted access has made the staircases seem public in the same way as the street, the condition of which is not a cause of concern. State property has been neglected by residents and passers-bys, who have carelessly littered in, and even vandalised, the areas in common use. In order to stop this development, St. Petersburg's Housing Committee is now promoting closing up the staircases and courtyards, to make the residents feel that the area is their own, private property that they would want to keep in good condition, as they would take care of and guard their apartments. From the point of view of a common-pool resource regime, it is important that the common areas actually *are* the associations' private property (as opposed to just feeling that way) and that homeowners' associations have full jurisdiction of the common areas.

In 2005 the number of staircases that were closed with security systems increased over three times. We have neighbourhoods, even a whole administrative district, where over 90 percent of houses are closed, that is almost all the houses are closed. Hence, we are crossing the psychological line that my home is my apartment. -- Doors to the apartments are good, made of steel in many cases, reliably protecting my apartment – my castle. But we want to change the situation so that my staircase is also my castle. That is, a reliable door, impossible for a person to break into without a magnetic or other key to the staircase or the ability to contact his apartment to be let in – well, a regular entry door. When I have to take a key from my pocket to access my floor ... a psychological barrier is defeated and I start to think of my floor as my home. At the same time of installing of these systems in 2005 a contest was announced by which we would renovate only those floors that were reliably secured. And as a result, the floors were closed off and renovated and the mentality is changing. When a person sees that change is in progress on his floor, that he's protected, the floor becomes clean and he doesn't want to behave how he used to behave. That is, he will start littering less and regard the property differently. (Oleg Vikhtiuk, Housing Committee)

From this point of view, privatisation and closing courtyards is a good, even necessary move, as it makes residents care for them, with the goal of a safe, clean and pleasant living environment. However, the applied security measures sometimes seemed excessive, such as when the association's management was planning to install more and more video cameras, guards and fences. The question of privacy rights of the individuals who are under surveillance did not concern the interviewed respondents, nor the chairpersons or the authorities. However, in January 2008 one Housing Committee official stated that there had been cases in which protecting the property was taken too far, when ambulance and police vehicles could not enter the courtyard because of the gates and strict security. Another respondent (Resp. 23) told of how neighbours had refused to open the staircase door (closed with a door phone system) to paramedics. Accordingly, some discussion about the limits of the privatisation seems to be needed and could be emerging. When one chairperson was asked whether he viewed the hidden camera surveillance as questionable, however, he said that it was acceptable as long as the cameras are in the common areas and not in anyone's apartment, and that he would even like to have more of them

in order to minimise disturbances. As the interviewed respondents were mostly chairpersons and managers, whose duty is to keep the area secured, it is not surprising that they did not feel the surveillance was exaggerated.

- You said you have a video surveillance? Was it there from the beginning?
- No, we installed that ourselves too. There was nothing! In the beginning homeless people bunked in the attics... and in the basement everything was stolen. That's why we [set up] the video surveillance. To tell you the truth, I feel that it's the most effective [measure]. And if in the future everything goes okay, I'm going to install more and more cameras. They have to be put up, everything will be monitored. Then there will be order in the staircases. (Resp. 37, chair of TSZh Frunzenskii, suburbs)

Some residents feel differently, however, such as one who rejected the development altogether, as well as plans to establish a TSZh in his building. He felt that such changes would eventually lead to segregation and social exclusion and would widen the gap between social classes. Delimiting access to places that he viewed as public, such as staircases and courtyards, was unacceptable.

And here I'm personally experiencing how the borders are being established, on the level like that steel door.

I think that this is going to be a policy of segregation, a policy of establishing TSZhs and indigent people will be pushed aside in one way or another.

-- Anyway I think that it's not that kind of private property, like in German 'Eintritt verboten', passage denied, entry denied. I think it has an element of symbolic borders --.

I think that a house is, after all, a public place. Therefore, there should be open access. (Resp. 23)

This respondent seems to have digested the Soviet idea of a courtyard as an extension of the public space. His attitude shows that although TSZh leaders and the authorities do not consider the closing of access to courtyards and residential buildings as a negative development, there may be a

psychological barrier among ordinary people constraining privatisation. However, this respondent's view was not shared by other interviewees, who also tended to compare today's situation with the past but mostly by expressing that things were now heading in a better direction.

5.6. Homeowners' Associations and Gated Communities

Closing private properties from outsiders is not merely a Russian development. 'Fortress urbanism', people secluding themselves behind gated communities, is a phenomenon that has become apparent in metropolises all over the world. Gated communities have been studied by urban geographers and sociologists, such as Blakely & Snyder (1997), Atkinson & Blandy (2006) and Glasze, Webster & Frantz (2006); the first of these studies examined the phenomenon in the United States, while the other two took a global perspective. Separation from the outside world can be driven by a fear for personal safety but the separation does not necessarily stop at security measures. Some residential communities have their own water and power supply and provide leisure services for their residents (such as gyms, swimming pools, saunas and tennis courts), which the apartment complex a self-sufficient, luxurious 'mini-world' (Makarova 2006, 9–10). On a wider scale this privatisation can contribute to a more segregated society, where the rich live in their gated areas and the poor in their rented dwellings. Gated communities with their own private infrastructure devices leads to further segmentation, especially in developing countries, as access to basic infrastructure is differentiated economically and locally (see Graham & Marvin 2001). Considering the poorly handled municipal maintenance and deteriorated infrastructure in Russia, there is an obvious motivation for private residential infrastructure and private provision of gas, water and electricity (Lentz 2006, 216).

Gated communities are not a novelty in Russia. During the prerevolutionary period and in the Soviet era the elite's homes and dachas (summer houses) were protected from outsiders with guards and fences. Now gated communities have started to emerge in Russia, particularly in the outskirts of Moscow, where exclusive single-family detached houses, or 'cottages' (*kottedzhi*), have been constructed (Blinnikov et al. 2006). Inner city guarded communities have been built, for foreigners primarily, such as

in Moscow's Pokrovsky Hills, Donskoy Posad and Vorobevy Gory (Lentz 2006, 209–211). These luxurious communities, some of which provide also services to their members (club goods, such as children's daycare), are far from the average, middle class homeowners' associations. Homeowners' associations are primarily a form of management, established on the basis of the housing legislation. Many associations have been formed in houses that were previously municipally owned and later privatised, which results in a very heterogeneous social structure. These associations cannot afford the self-sufficiency mentioned above, and these limitations prevent segregation. Most associations cannot afford to choose their members as they barely can afford essential repairs. Many average associations could have a greater degree of exclusion if their economic situation permitted it. Still, considering the context, this seems unlikely to happen to any great degree. Drawing the line between protection for security reasons and for the creation of an exclusive private domain is not necessarily simple. While posting a guard at the entrance of an apartment building is not 'fortressing', strictly limiting access, combined with installing private infrastructure devices and leisure services for residents, might well be.

Homeowners' associations are primarily management organs but segregation is still a potential threat that needs to be acknowledged and requires action from the city planning authorities. No public debate has surfaced regarding the limits of public and private or concern about where the privatisation process may lead, although the housing reform is discussed actively from other angles. On the other hand, according to Ekaterina Makarova, the current architectural discourse in Russia views the building of boundaries in new apartment buildings as a positive tendency. 'Social equalization', that is, the removal of 'inappropriate social elements' and homogeneity of the residential structure, is viewed as a solution to many social problems. The interaction between public and private is left unaddressed (Makarova 2006, 13–14). This mindset may be affected by the Soviet period. Because the limits of privacy were very tight in society during that era, people are now taking advantage of the opportunity to extend their private territory as much as possible. In addition, residential segregation in the Soviet era was quite modest (Bater 1980, 111), meaning that segregation is still a quite recent development in Russia, which may be why it is not necessarily identified as a negative tendency. A completely different system from the Soviet era, the communal apartment (shared by several families) represented the

socialist ideology, which officially condemned private property. Private space was very limited in communal apartments and residents were under constant surveillance from each other. Gated communities may reflect the values of today's society – privacy and the ability to exclude oneself from the outside world – which were not possible in the Soviet era.

Even if privatisation and enclosure of courtyards does not entail segregation, it can still have psychologically negative consequences, as the fear of crime is not conducive to an atmosphere of trust. This can prevent associations from networking with other parties and make it difficult to establish flourishing social relations with outsiders. Bridging social capital is not easily created under these circumstances. On the other hand, as Susan French notes in her study on common-interest communities (which are similar to homeowners' associations in that the use of the common property is jointly regulated and managed but often gated and well protected), although segregation is a possibility, the communities are important for making the environment safer and/or providing its residents with a sense of security, even if it is a false one (2000, 5). The sense of security arising from the closedness and the homogeneity of the residential structure can be an important factor for residents, protecting them from the insecurity and disorder of the outside world (Lentz 2006, 217). Robert Putnam (2000, 210–211) has noted that the privatisation trend transforms neighbourhoods from being extroverted to being introverted. Bridging social capital cannot be expected to emerge in closed, segregated communities, as they are socially very homogenous. Bonding social relationships can, potentially, be fostered instead.

Privatisation is therefore a complex phenomenon. It is necessary from the point of view of a CPR approach and self-governance in order to make the residents care for the common property and to keep it in good condition, to avoid vandalism and to ensure security. A common-pool resource regime requires clearly defined boundaries so that the limits of the regime are obvious. Having said that, a CPR regime does not need to be an isolated system. From the point of view of enhancing democracy and fostering social capital, excessive privatisation is a potentially negative phenomenon. If a homeowners' association builds up extensive security measures, excluding outsiders can lead to overreaction to external threats. It may create an exaggerated feeling of fear and suspicion towards outsiders, psychologically isolating the association from the outside world. Most associations,

however, do not strive for complete exclusion but they try to make their residents think of the common areas differently than they had before, as part of their private property. Judging by the urban landscape in St. Petersburg they seem to have succeeded in this regard; many courtyards and entrance ways have cleared up and are in visibly better condition than they were previously. According to the respondents, the change has indeed taken place since the establishment of an association. It can be concluded, therefore, that this improvement is not just a result of the privatisation of apartments, which only encouraged homeowners to care for the inside of their apartments, but also a consequence of the privatisation of housing management and the common areas.

5.7. Conclusions

While a homeowners' association is, in principle, a common-pool resource regime, established to take care of common resources collectively, it does not always work as an effective CPR regime. The housing legislation states that a homeowners' association is supposed to be a self-governing structure, defining the association's rules that enable autonomous decision-making. Yet, in practice, the local authorities often restrict self-governing. Some local authorities do not recognise the association's self-government and do not allow them to work independently. Who has the right to use the resources in a homeowners' association is often the subject of disputes regarding property rights. Unclear property rights and delimitation of common property make the association's physical boundaries vague and complicate the management of common property. This is also inconsistent with the design principle that states a CPR regime should have clear boundaries. Municipal authorities are hindering the associations' autonomy by not providing the documents necessary for private management or maintenance, while city committees such as KUGI and KGA are seizing association property and impeding the privatisation of land plots. The reform may therefore be stumbling partly on the opposition of individual officials. Moving to private maintenance or management and registration of the land plot requires residents to make an effort. Conflicts and property rights disputes have compelled associations to confront the authorities and demand self-government and autonomy through the courts and in dem-

onstrations. It is somewhat incongruous that organisations that the federal authorities encouraged the establishment of have to fight to be able to act as expected to by the legislation.

Associations are resorting to the courts to solve property disputes, which is a customary way of proceeding in any constitutional state. According to the CPR design principles, property disputes between an association and outside actors are best resolved in local arenas (Ostrom 2000, 152). However, the justice system seems somewhat inefficient, given that lawsuits can take years to conclude, weakening residents' faith towards it. As the raid cases prove, residents are in a weak position when the raids occur and there are corrupt authorities working in the housing field. When it comes to homeowners' associations in respect to the local authorities, it seems fair to say that the establishment of a "law-governed state" (*pravovoe gosudarstvo*), which has been the aim of the post-Soviet reform (see Remington 2002, 231), has not succeeded here. Several studies show that public opinion supports this view. In Richard Rose's study, for example, "71 percent of Russians say that the national government is a long way from the idea of a law-governed state" (Rose 2001, 69). Similar discoveries have also been made in more recent studies, such as the Levada-Center survey on democracy in December 2006 (Levada-Tsentr, *Problemy demokratii*) and Karine Clément's finding that Russians tend not to trust those in power and avoid official contact with formal institutions (Clément 2008, 72). Although the prerequisites for a law-governed state are written in the legislation, they are not always fulfilled in practice, as noted earlier, when the local level authorities responsible for executing the laws do not work accordingly.

Homeowners' associations deal with the public authorities but also with private construction, management and maintenance companies. Newly built houses have had disputes with constructors regarding responsibility for building defects. Associations often had to persuade management companies to hand the management over to the homeowners. Here is another case of outsiders preventing the associations' self-government, interfering in the associations' management. As mentioned, the outside actors cannot be considered as one uniform group (and neither can the associations), so the associations' attitude towards them is not consistent either. While the associations strived for autonomy and privacy and tried to be as self-sufficient as possible, some associations felt it was important to have good

relations with the housing authorities, either because this could help them financially or because the authorities may defend the association in disputes with private companies or in internal disputes. The outside world and the association's internal relationships are in constant interaction. Disputes with outside actors have had implications for internal relations as well, leading to disagreements between neighbours. Correspondingly, authorities have been contacted in case of inside conflicts.

Media publicity and journalistic interest was not viewed as outside intervention, rather as more of a positive phenomenon – or the only way to have an influence, as the chair of TSZh Centre 1 saw it. Associations used the media to get their voice heard in property disputes and other cases in which they believed they had been mistreated. The media supported the associations and was therefore viewed in a positive light by the residents. The media seems to be quite free to comment and criticise the authorities in their disputes with the associations. It could be, however, that hard criticism is possible only at the local level. This could indicate that democracy works at the local level, even though it might not work particularly well at the federal level. Furthermore, the residents themselves mainly criticise the local authorities rather than the government. This is understandable given that the residents are mostly in touch with local actors whose decisions affect the associations directly. Whether the respondents actually make a difference between the local and federal authorities or if they identify them both simply as 'authorities' is not exactly clear. It is possible that no great distinction is made, given that power was centralised in the Soviet Union and that people only have limited experience with local government rule. Secondly, associations' positive image in the media is probably also because they have been part of an above-conducted reform. Homeowners' associations are probably viewed in a positive light in public because they are not politically critical and do not threaten existing power structures, unlike many social organisations in Russia. Instead, they are beneficial for the state, handling responsibilities that used to belong to the state. Some social organisations deal with social services in conjunction with the local authorities (see Kulmala 2008) but not as part of a systematic, nationwide reform, unlike homeowners' associations.

Homeowners have been accused of being passive, that their participation in decision-making has been insufficient. However, the disputes regarding property rights and management described above show that,

when a conflict arises, residents do take action. The data proves that homeowners' associations are more than just management organisations: when problems are experienced, residents unite and solidarity increases. As one respondent put it, "for a Russian it takes an extreme situation [to lead them to take action]" (member of the board of TSZh Centre 1). But although the residents inside the associations may become closer and achieve bridging social capital between people from different social backgrounds, this does not make the residents regard outsiders more positively; in fact, the opposite tends to apply. The associations tend to rely on personal networks when hiring maintenance staff and they avoid using outside strangers. One's 'own people' are considered to be more reliable, easier and quicker to reach in case of an emergency or unexpected task. This seems logical, considering that personal relations have always been important in Russia. Personal social networks have been found to be characteristic of grassroots social organisations in Russia (Henry 2006b, Salmenniemi 2008). Individuals are trusted more than impersonal companies, although people can be deceitful to each other as well. According to Højdestrand's research into homelessness in St. Petersburg in the 1990s and 2000s, a personal acquaintance was often relied on in real estate business, but that 'friend' later turned out to be a fraud (Højdestrand 2005, 55). A private company may or may not be reliable but people often do not trust them because of a general belief in their unreliability. Marina Akimova provided examples of these beliefs that lacked any factual foundation.

On the one hand there is a need for associations to maintain good relations with authorities and other associations because of the support, information and education they can provide. On the other hand, there was a certain degree of suspicion and rejection towards outsiders. The latter stems at least partly from bad experiences with outsiders, such as property disputes with authorities. Protecting the association's area by closing the courtyards is necessary in order for a CPR regime to exclude outsiders from using the common resources. However, a CPR regime does not have to be a gated community, which could be destructive for the development of social capital and democracy. Most homeowners' associations are not elite 'fortresses' but middle class dwellings that do not seem to be heading towards isolation and exclusion. Instead, privatisation of associations' areas and housing management has clearly led to a better condition of the common areas. This change is very visible in the urban landscape. Not

long ago the staircases in most apartment buildings were shabby, dirty and neglected, whereas the trend is now moving in the opposite direction. Even though serious problems continue to hinder self-government, homeowners' associations seem to be succeeding where the privatisation reform of the 1990s failed: improving the condition of common areas by making homeowners responsible for them.

6. Conclusions

In this book I have studied St. Petersburg's homeowners' associations within the framework of the current housing reform in Russia. This subject is of particular interest for this study because of the fact that homeowners' associations are self-governing structures, although their establishment has been ordered by a higher authority. The housing reform that came into force in 2005 obligates all homeowners to organise the management of their house privately. One alternative to this, the establishment of a homeowners' association, has since become increasingly common. The other two alternatives are direct management by the homeowners, without an association, and management by a private company. In this study I have concentrated on homeowners' associations as, unlike the other two alternatives, they are interesting from the point of view of residents' participation and democratic governance. My intention has been to study how this kind of above-conducted reform succeeds in practice. What happens when the residents take charge and adjust the rules and regulations stated in the legislation to their own use? The change of regime from state socialism to market economy has been tremendous. In the Soviet Union's economy of shortages people used creative ways to obtain goods, but the official politics relegated them to passive receivers of state allocated goods, including housing. Now people are expected to be active, independent consumers and financially capable of managing their own property. Proper maintenance and repairs of the housing stock have been neglected for decades and management of the deteriorated housing stock is therefore a great challenge for homeowners.

This study discusses not only the associations but also the consequences of the housing reform as a whole, through some of the homeowners' associations that have been part of it. Privatisation of the housing sector and housing management is a process that has taken place or is currently going on in all post-socialist countries. A study on housing reform and homeowners' associations in Russia is valuable, therefore, as the change concerns not only Russia but is a part of larger international development. In addition, the absence of previous studies of homeowners' associations in Russia makes this a valuable overall presentation of the subject.

I have used two perspectives to examine the homeowners' association as a self-governing entity in civil society. Firstly, the common-pool resource regime approach has been used to observe how homeowners' associations take collective care of their common property. A homeowners' association is a kind of common-pool resource (CPR) regime, established to manage and maintain the common property of the homeowners, which consists of both public and common goods. Public goods, such as staircases, courtyard, basement, lifts and attics, are non-excludable, meaning that their use cannot be restricted to certain residents. Common goods, on the other hand, are not only difficult to restrict but also limited; that is, when someone uses the resource, there is less left for others to use. An example of such a subtractable common good is hot water supply, which will run out if too many people are using it at the same time. Another example is the parking lot, which has a limited amount of parking spaces available. Managing these public and common goods is the association's job. The effectiveness of homeowners' associations is examined with the help of the so-called design principles, defined by Elinor Ostrom (2000), which describe a successful CPR regime.

These design principles consist of clear boundaries for the association, including physical boundaries as well as membership of the regime, the participation of members in rule-making, monitoring of users by other users and graduated sanctions for those who break the rules. According to the design principles, conflicts among users or between users and officials should be resolved locally and the regime should have minimal recognition from a national or local government (Ostrom 2000, 149–152). With the help of the design principles, the ways in which the association manages common property – the dynamics, cooperation and practices inside the association – have been examined. Taking joint care of the courtyard, staircases, basements, lifts, attics, etc. requires participation from the homeowners, both financial and in the form of decision-making. This can lead to disputes and dilemmas, such as the free-rider problem, when someone benefits from the efforts of others without participating themselves. I have studied the associations from 'inside' as well as from the 'outside', that is, how relations between the association's members affect its management, as well as the roles of outside actors in promoting or preventing the associations' self-government.

In addition to the CPR approach, I have also examined how social capital contributes to the associations' effectiveness and democratic governance.

According to Robert Putnam, social capital consists of generalised reciprocity, trust and networks that reinforce one another and help to create a civic community (1993, 167, 177). For Putnam, associations are the ground upon which elements of social capital can flourish. Trust is important in homeowners' associations; members need to trust each other that they are all contributing to the common good, for example in making payments for maintenance of the common property. Generalised reciprocity means that people can expect favours or benevolent behaviour to be returned by other members of the same community. Reciprocity is generalised, as the good or favour is not returned immediately but at some time in the future, possibly in a different form or by some other member of the community. The community benefits when its members know they can rely on each other when they need help. Reciprocity leads to closer social networks and vice-versa: when dense social networks prevail, people are more likely to engage in reciprocal relationships (Putnam 1993, 172–175).

According to Putnam, social capital can be bridging or bonding. The former is an inclusive type that draws different people to act together, while the latter occurs inside an exclusive, homogenous group of individuals. Both bridging and bonding social capital can exist within the same community, in different situations (Putnam 2000, 22–23). While bridging social capital has more obvious potential to create a civic community, both types can be productive for a community. A homeowners' association may connect people who are very different socio-economically, people who might not otherwise cooperate, thereby creating bridging social capital.

Thus, homeowners' associations are a potential breeding ground for social capital, which can contribute to strengthening of civil society. Both the CPR and social capital perspectives consider the free-rider problem, which is central for homeowners' associations, but in a different way. In a common-pool resource regime free-riding is destructive for the community, as it reduces the effectiveness of cooperating for the common good. Secondly, the so-called neo-Tocquevillian theorists, including Putnam, regard social capital as a force that prevents free-riding and facilitates cooperation between individuals. Communities in which social capital flourishes and in which cooperation is fluent create a society that is more effective than one in which social networks, generalised reciprocity and trust are weaker. In the same way, social capital in a homeowners' association can reduce free-riding and make the association work more efficiently as a self-governing

association. Ideally, by fostering the 'civic virtues' of which social capital consists and by succeeding in democratic decision-making, a homeowners' association may help build a more democratic society.

These questions are examined through the interview data, collected in St. Petersburg in autumn of 2005, spring of 2006 and winter of 2008. The interviews were conducted with association leaders and residents, as well as housing authorities and experts, some of whom were interviewed repeatedly during the fieldwork period in order to observe the development of the situation. The 17 associations that were chosen randomly for the data represent the variety of St. Petersburg's associations, with a range of old and new, small and large houses, located in the suburbs as well as in the centre of the city.

The main difference between the associations, which turned out to be a decisive factor for the associations' management, is between old and new houses. In the old houses the socio-economic structure was very heterogeneous, consisting of homeowners who had privatised their previously rented apartments for free, as well as wealthier homeowners who had recently bought their apartments in architecturally prestigious but deteriorating old houses. These homeowners had varying financial resources and, therefore, differing degrees of interest in maintaining the common property, which led to disputes and problems for the association's decision-making. The opportunity to privatise state-owned apartments for free has resulted in large numbers of poor homeowners in Russia. Homeownership in Russia, therefore, does not represent a certain level of financial well being, as it does in the West where buying an apartment usually requires considerable financial resources. The poor homeowners do not have adequate financial resources to maintain their property, which causes problems for housing management. In addition, old houses may also contain non-privatised communal apartments with poor tenants. In the 'new' houses, built in the 2000s, the homeowners had all purchased their apartments, instead of taking advantage of free privatisation, meaning they had approximately the same level of financial resources. The more uniform social structure can make decision-making easier in new houses. Having said that, the new houses are often very large complexes of hundreds of apartments, in which social capital is more difficult to cultivate.

Secondly, the initiative to establish associations in both old and new houses came from different directions. In the old houses the initiative

came from the residents, who felt that private management would improve maintenance and increase security in their house. In newly built houses, built by private constructors, associations had already been established by the constructors in the construction phase. The new apartment owners agreed to become members of the association when they moved in and there was no debate as to whether the association should be established. This was a much easier starting point than in the old houses, where poorer homeowners strongly opposed the establishment of associations.

Besides the differences in residential social structure, the old houses in the data represent totally different housing stock, materially speaking. The old houses were built in the late 19th and early 20th centuries, while the new houses were constructed between 1996 and 2004. This means that maintenance and repairs are much more necessary and large-scale in the old houses than in the new ones. Large-scale repairs constitute a serious financial burden for an association's budget, even though the city of St. Petersburg has promised to help finance the major repairs of the house.

Some findings of this study are particularly characteristic of St. Petersburg. For example, property disputes are relatively common in the city, due to the large old housing stock where property rights are often disputed between the city authorities and homeowners' associations. However, the practices and problems in St. Petersburg's homeowners' associations are similar to those throughout Russia, so the study is fairly representative of the situation in the country as a whole. Because the housing reform is taken into practice at the local level, it is worth studying the local outcomes of the reform as well. Given that, as of spring 2005, 25 percent of the city's housing stock was managed by homeowners' associations, a significant proportion of the inhabitants are involved in them. In other words, the activity of homeowners and the success of homeowners' associations reveals how the housing reform has succeeded so far, in general. The first section of this chapter pondered the results of the study in terms of the associations' degree of democracy and self-government, while the second section examined the results from the point of view of social capital. The final part of the chapter considers homeowners' associations from the perspective of the housing reform and as part of civil society in Russia.

6.1. Managing Common Property

How do homeowners' associations succeed as self-governing, democratic organisations, taking care of common property in practice? One of the main findings of this study is that the associations' management is seriously obstructed by insufficient resident participation in common decision-making. The associations' decisions are made in the common meetings, in which all members can participate. As Ostrom also notes, it is important for a self-governing CPR regime that members affected by the rules of the regime can participate in making and modifying the rules (Ostrom 2000, 150). However, in homeowners' associations the *ability* to participate is not enough for the management to succeed; over 50 percent of the owners have to participate in order for the meetings and decisions to be legally valid and participation rarely reaches this level. One solution to this problem has been to use remote voting systems, such as voting forms, so that most issues are decided before the meetings. This method seems to work quite well but this is not necessarily the best solution for democratic governance as matters are decided without the prior discussion that would take place in a meeting. The voting system therefore runs the risk of members voting without sufficient knowledge on the matter. Not everyone needs to take part in meetings in order for the association to qualify as democratic. However, according to the resident interviews and especially according to the experts, it seems that people are not used to democratic governance and easily consent to undemocratic, autocratic leadership. Residents may sometimes even want someone to decide on their behalf because they feel it is easier and are used to someone else being in charge of such issues, as was the case in the Soviet era.

Besides the problem of low attendance, democratic governance is sometimes hindered by an overly authoritative leader who misuses their position and/or commits financial fraud. According to the Housing Code, an audit committee should control accounting and other tasks of the association's board. This system of internal monitoring, that is, members of the association monitoring other members, is also characteristic of a CPR regime (Ostrom 2000, 151). Not all associations follow this rule, however. On the other hand, judging by the data, severe cases of malpractice do tend to become revealed in time and, in the data, association members did manage to displace their leaders when necessary. However, there have been cases

outside the data where enforcement by lawyers or even by the police has been necessary if the chairperson refused to give up his or her position.

In practice, there are three options for leading a homeowners' association. From the point of view of residents' self-government, the best alternative is that the association is led by one of the homeowners, a chairperson. The second option is that a professional manager is hired to work in cooperation with the chair. The third alternative is that a manager handles the management, in which case the homeowners' role is secondary. The first two options were the most common in the data. In many newly built houses the association had initially been led by a professional manager but residents had later taken charge and replaced the manager. Dissolving a contract with a management company has proven to be complicated and has required negotiations and persuasion by the residents. Here the management company intervenes in the association's management and hinders its self-governance, depriving it of the minimal recognition of the right to organise that a CPR regime should have. Old houses with fewer financial resources were more often led by the residents, without a hired manager. The most affluent associations (located in the so-called elite housing) were managed according to the third alternative, with decision-making power resting mostly in the hands of the manager and residents making only a nominal contribution. The degree of democratic governance and residents' participation therefore varies considerably between the associations. In general, however, more homeowners take part in smaller associations than in larger ones.

Besides the problems with democratic decision-making and lack of participation, this study has shown that free-riding is one of the most serious problems that the associations face. Not paying for housing maintenance and service charges is quite common and it can be a serious threat to the association's financial situation. Some of the non-payers do not pay because they cannot afford to but there is another group, the actual free-riders, who neglect the payments deliberately. The free-rider problem arises in part from the use of the common goods in the house, such as the common areas, which cannot be restricted only to the paying members. The common property is a non-excludable good, meaning that regardless of whether certain residents pay for the maintenance of these areas, they cannot be excluded from using them. Common goods are also subtractable, that is, there is a limited amount of them, so that when one person uses the good, there is less left for others.

Free-riding is difficult to prevent as there are no specific sanctions against non-payment defined in the Housing Code, other than taking the offender to court (Article 137). Expelling or evicting a homeowner due to non-payment is not possible. However, a member of a cooperative⁴² can be expelled based on the decision of other members and can be evicted if the participatory share of their apartment is not paid (Zhilishchnyi kodeks, Articles 130, 133). The lack of sanctions is a definite problem that needs to be corrected in order for the associations to function effectively. A CPR regime needs graduated sanctions in order to strengthen the rules and ensure they are followed, according to one of the design principles (Ostrom 2000, 151) but the legislative system in Russia is slow, inefficient and not trusted by most people (see e.g. Rose 2001, 69). The data shows that lawsuits are filed only in cases of very large debts and that non-payers will rarely have to answer for their debts in court. In the absence of real sanctions to impose, the chair or manager must resort to other methods. These include talking to and pressuring free-riders to pay, or trying to shame them by placing the names of heavily indebted residents on bulletin boards. In practice, the inefficient and untrusted justice system fails to fulfil the design principle of an arena in which conflicts between members of the association (or conflicts between members and authorities) can be solved efficiently (Ostrom 2000, 152). Accordingly, the circumstances for free-riding are favourable and it is therefore very common. Free-riding seems to be a problem that associations cannot solve on their own. The legislation should be modified with effective sanctions that can be easily executed by the associations.

A CPR regime needs clear rules defining its physical boundaries. Associations' boundaries have been tested in property disputes with authorities. According to respondents, St. Petersburg's Committee for the Administration of City Property (KUGI) has illegally taken over premises by claiming that they are city property. Property 'raids' of attics, basements and empty apartments have been conducted, especially in old houses with valuable central locations. Disagreements over property rights have been sorted out in court but the proceedings have been slow, often taking years

42 Housing cooperative: a system by which the apartment is obtained on hire purchase. A cooperative's decision-making structure is very similar to that of a homeowners' association.

to conclude. Clear boundaries are very important for the associations because if the boundaries within which an association operates are unclear, it cannot work properly. If all the premises of the house are not in the association's ownership, the association's jurisdiction and self-government are limited. Secondly, there have been problems registering the ownership of land plots under and around buildings from the city to the association. Owning the land plot would allow the association to profit from renting or otherwise exploiting it, thereby strengthening the association's self-management. According to the legislation the association has the right to privatise the land plot but the practical process is often complicated. There is disagreement regarding the extent of the association's borders and some experts claim that the Committee on Land Resources, KZR, intentionally hinders the registration process because they do not want to give up profitable land plots (*Ekspert Severo-Zapad* 43/2005). By preventing the associations from acquiring ownership of common property and land plots, the authorities are obstructing self-government.

This study shows that local authorities also obstruct associations' self-management in other ways, besides impugning its physical boundaries. Problems have been experienced when associations have tried to move their maintenance from the municipality to a private company. Municipal housing authorities have not given the associations the necessary technical documents because doing so would mean losing a customer for the municipal maintenance service. Some authorities are therefore resisting the reform if it weakens their own position but, in doing so, they are actually sabotaging the self-management that is supposed to be the aim of the reform. Contradiction therefore exists between the federal level at which the reform is formulated and the local level at which it is implemented. Although legal preconditions for self-government do exist, city authorities such as KUGI and KZR and also some municipal authorities fail to fully recognise the associations and their independence. The corruption and inefficiency that plagued authorities during the Soviet era has not disappeared, although it may have decreased. In sum, the design principle under which a national or local government should give minimal recognition of the right to organise for the CPR regime (Ostrom 2000, 152), is fulfilled only partially.

The serious conflicts with the authorities are somewhat unexpected, because the housing reform is strongly promoted by the federal authorities

as one of the major current national reforms. Homeowners' associations play an important role in the reform and, because of this, the authorities could be expected to cooperate with the associations. The authorities are not a single, uniform group, however, and there is cooperation between some authorities and the associations, but the negative experiences and disagreements with outside actors tended to dominate the interviews. Of the authorities that support the homeowners' associations, the most visible is the St. Petersburg Housing Committee, which supervises implementation of the city's housing policy. The Housing Committee, unlike KUGI and KZR, does not own property or land and therefore has no direct financial interest in the homeowners' associations' property. Despite the troubles that some associations have experienced, municipal councils, that is, neighbourhood-level housing authorities, typically cooperate with homeowners' associations in management and maintenance, for example in the technical preparation of centrally heated houses for the heating period. The associations contact authorities for help as well, to receive guidance in management matters or for help solving a dispute inside the association.

Homeowners' associations have made a great difference to the condition of the common areas in apartment buildings. During the Soviet era there was open access to courtyards and staircases that were owned by the state and thus in the 'common ownership' of the people. As a result, everyone's property was treated as no one's property and the courtyards and common areas deteriorated. Now that the common areas are homeowners' associations' property and have been started to be closed to outsiders through locks, fences and guarding, the attitude has changed. Residents have started to treat their surroundings with greater care. In Russia it seems that privatisation of the common areas has been necessary in order for self-governing management of the common property to succeed. Turning the common areas into private property of the homeowners association, rather than being public property that anyone can access freely, makes management of the property meaningful. Better maintenance of buildings, as well as safer living surroundings, were also the main reasons behind the establishment of associations in old houses. In this sense the housing reform has succeeded in making residents care for their surroundings and improving the condition of the common areas.

Homeowners have also started to pay greater attention to the protection of their property. Over the last few years there has been a tendency in

Russia to increase security measures in apartment buildings; in particular, homeowners' associations are closing up their areas. Courtyards and staircases that used to be opened or closed with a simple mechanical code lock have started to be secured with intercom systems, more advanced code locks, fences and gates. Security guards have been hired and video cameras installed in order to prevent intrusions. While there is evidence that criminality has increased in recent years, increased security measures are a sign of privatisation to outsiders. New owners want to show outsiders that theirs is private property, while residents want to feel secure and 'at home'. Some associations were eager to increase security measures and to restrict outsiders' access to the area. However, the average homeowners' association in Russia does not appear to be aiming at excessive fortressing. Some associations' managers and chairpersons also explained that they did not wish to isolate the association from the outside world. Most homeowners' associations could not afford this type of fortressing even if they wanted to, as they can barely afford the basic maintenance and repairs of the house. However, segregation is not a clear public concern in Russia. Moreover, architects and urban planners regard fortressing and strict separation of private and public, such as apartment-buildings and the street, as a desired development (Makarova 2006, 13–14).

6.2. Social Capital and Relations with Other Actors

Do relations between homeowners assist or hinder homeowners' associations from working effectively? Do neighbours become closer in homeowners' associations, that is, does the association produce social capital and can it help to overcome the free-rider problem? These questions have been examined by using the concept of social capital, as defined by Putnam, consisting of norms of reciprocity, social networks and trust. According to Putnam, social capital is the key for solving collective-action problems and it explains why people choose to cooperate, even though the rational choice for an individual would be to defect (Putnam 1993, 167, 169, 177).

The elements of social capital are interconnected and reinforce each other, so that norms of reciprocity are based on trust and reciprocal relationships strengthen trust between members of the community (Putnam 1993, 172). Trust is needed in homeowners' associations in order to facili-

tate cooperation. Although homeowners may be ordered from above to organise into associations, trust cannot be imposed from above. Mutual trust that the rules of the association are being followed is especially important in the absence of effective sanctions for free-riding. According to Marc Morjé Howard (2003), general distrust towards associations prevails in post-Soviet Russia, because people regard the present-day associations as a continuation of the Soviet organisations in which participation was virtually obligatory. If Howard is right, creating trust between members of the association can be a challenge. Furthermore, the low level of trust in the justice system that prevails in Russia does not create a trusting atmosphere either and may prevent trusting relationships between neighbours.

This study has found that free-riding and low participation in meetings stemmed from and had consequences not only for the association's management but for residents' social relations as well. Social relations and management of the association cannot be totally separated, as management is based on residents' social relations. Reaction to these problems varied between large associations in newly built houses and in old houses with varying residential composition. It was particularly difficult to get residents in large buildings with hundreds of apartments to participate. Dense social networks are also more difficult to develop in huge building complexes than in small houses. It is easier for residents to network with neighbours from the same floor or staircase than with the entire building. Large associations attempted to activate people to participate by organising decision-making not only at the association level but also on the floor level. Each floor had their own meeting and chose their own chairpersons, which were subordinate to the meetings and the chairs of the overall association. Networking therefore took place in smaller units, either instead of or in addition to the whole association. Generalised trust and reciprocity are based on people belonging to the same group; they do not need to know each other personally. Networking, however, requires that members know each other and in this sense a smaller association is a more fruitful ground for social capital.

Secondly, residents' socio-economic heterogeneity in old houses is another obstacle to good social relations and, as a result, smooth decision-making. As noted before, residents in old houses have very different resources and interests for maintaining common property. In some associations, such as TSZh Petrogradskii 1, the differing interests between the

poorer and the more affluent owners had caused tension between the two groups. Common decision-making did not create bridging social capital between the groups and they remained closed, homogenous circles. The chair openly despised the free-riding poor homeowners, seeing himself as a more civilised person, who understood what was best for the community, while the “parasites” were obstructing the efforts of others. The wealthier homeowners in this particular association ended up paying the share of the free-riders, seeing no other solution to improve their housing conditions.

In another old house, TSZh Centre 3, there was a similar gap between the ‘rich’ and ‘poor’, although the problem of the poor members being unwilling or unable to make the maintenance payments was solved differently. Based on a joint decision by the members, the poor residents had been exempted from the maintenance payments in exchange for the poorer residents’ support in establishing the association. The members thus modified the articles of the association to better suit their use, which is characteristic of a CPR regime. The vice-chair considered this to be the wealthier residents’ moral responsibility towards the poorer ones and, in return, he felt that the poor residents contributed in their own way, by respecting the common property and not littering, a change from the previous situation when the common areas were treated as a public space. This is a reciprocal relationship but it is not generalised reciprocity based on equal relationships, as the poorer residents are financially dependent on their wealthier neighbours. On the other hand, the poor residents have leverage as well, because without their consent the association could not have been formed. The above examples represent different ways that associations have dealt with the challenges of decision-making and the free-rider problem. This study has shown that associations have had to find their own solutions, as the legislation lacks efficient regulations and sanctions to control the problems.

This study shows that a homeowners’ association has increased informal interaction between neighbours. Hence, although the associations had difficulty getting their members to participate in decision-making, social capital was still produced. In old houses the initiation of the association required a lot of negotiation and going from door-to-door, convincing residents to support the association. Voluntary get-togethers were popular in all associations and many had some kind of joint celebration of big national

holidays, especially New Year. It was common for neighbours to take part in cleaning and beautifying the courtyard. Some associations organised voluntary cleaning-up days (*subbotniki*) once or twice a year. Subbotnik, a tradition that originated in the Soviet era, have not been systematically organised in the post-Soviet era, prior to homeowners' associations, as there was no organisation to carry it out. Besides the beautification of the courtyard, some associations had clubs for their members, such as the veterans' council – another Soviet tradition – for the elderly residents in TSZh Centre 3. Thus, although the homeowners' association is a new phenomenon in Russia, certain Soviet traditions prevail there. Neighbours form social networks in recreational activities, through socialising in an informal environment. This study shows that social capital is therefore created in another context within the association, although participation in official decision-making is low. 'Unofficial' networking shows that homeowners' associations have another important function besides management of the house, that of bringing people together. The informal activities make the association a community rather than just a management organisation.

While individual responsibility is heavily stressed in the housing reform, cooperation is necessary in order for the reform to succeed. Neighbours' networks may not be as close as they were in the Soviet era but homeowners' associations have certainly invigorated cooperation. In the old houses, such as TSZh Centre 3, the residents got to know each other only after the association was established, even though they had lived under the same roof for decades. Neighbours' relations had not been close in this house, contrary to the notion of previous research, which found that neighbours actively network with each other (Salmi 2006). Homeowners' associations have thus furthered residents' networking and built trust and social capital between neighbours. Considering the informal activities and their popularity, in these cases residents do not seem to associate homeowners' associations with the semi-mandatory organisations of the Soviet era. This shows that Howard's interpretation of people identifying modern organisations as descendants of Soviet organisations does not apply here.

Some associations' leaders hoped that residents would be in close contact with each other, believing that a tighter-knit community would make decision-making easier. Symbols were also used to strengthen residents' togetherness. TSZh Kirovskii had its own flag, flying in a flagpole in the courtyard, which showed outsiders that the area is private and that there

is a homeowners' association. TSZh Centre 3 honoured the famous architect who had designed the house by establishing a 'museum' in his memory. This was, according to the vice-chair, done because the association's lead wanted the homeowners to have something they could identify with, something to make them feel that they are part of the same community. A homeowners' association does not need to be a community of friends but good social relations do make decision-making simpler, as mutual understanding is easier to achieve.

Despite disagreements with authorities, some associations actively maintained good relations with the municipal council or city authorities. More often, however, the associations' leaders cooperated with each other, sharing knowledge and experience regarding technical and practical matters. The leader is in a key position in the association and the association's management depends largely on the competence of the leader. Exchanging information on management matters is extremely important, therefore, because homeowners' associations are still a new phenomenon and the leaders may find practical matters somewhat unclear. As private management is a new development in Russia that has not yet become firmly rooted in the country, the association's leader's personal qualifications carry more weight than they probably would under more stabilised circumstances. Although financial resources are needed to run the association, a lot depends on the chairperson's or manager's technical and legal knowledge. Perhaps even more importantly, he or she needs to be trusted by the residents and able to activate them to participate. The tendency of the association to revolve around the chairperson is also characteristic of Russian NGOs, which, according to previous studies, often depend on one person and his or her social networks (Salmenniemi 2008, 41).

The data reveals that although homeowners' associations have managed to cultivate some reciprocity, trust and networks between members, they are quite inward-oriented systems. This can be perceived in the pattern of relying on acquaintances when hiring maintenance or administrative staff. Associations tended to employ their own residents, relatives or acquaintances for such jobs rather than use a private company. Using personal social networks to get by and obtain goods that are otherwise difficult to access was done in the Soviet era. This reliance on networks of friends is not unique to Russia, of course. What differentiates St. Petersburg's homeowners' associations is that efforts were made to use the networks to hire

people even when hiring an outsider would have been simpler, and outsiders were treated with a certain degree of distrust. Respondents would also sooner rent their association's premises (a garage for example) to a resident of the house than to a stranger, regarding the latter as less reliable. On the other hand, distrust towards outsiders is not mere paranoia but based on experience, as break-ins and thefts are quite common in St. Petersburg, while property disputes and raids have made residents reluctant to rent their premises to outsiders. As Putnam has noted in his study in the United States, the 'have-nots' are less trusting than the 'haves': the socially excluded, victims of crime and people that have had bad experiences in their lives are less trusting, based on their experiences, than more fortunate people (2000, 138).

The social capital produced in homeowners' associations is mostly the bonding, exclusive type that strengthens the group's homogeneity. The same kind of pattern of exclusivity has been noted in other empirical studies on civil society in Russia. Suvi Salmenniemi (2008, 228) found inwardness in a trade union and women's centre in Tver', concluding that even though there was a strong level of trust and commitment to the organisation, this did not extend outside the group.

On the other hand, disputes with authorities brought residents from very different backgrounds together to oppose the outside threat, thereby creating bridging social capital. In the case of a management company defrauding residents or the manager refusing to give up his or her position, or in the case of a dispute with the authorities over property rights, neighbours gathered together to defend their cause. An outside impulse therefore activated the residents and generated networking between them. In TSZh Centre 1, old building with a varied socio-economic structure, bridging social capital was created between the residents when they fought together against the city authorities on the property rights of the house. Although this bridging social capital may be temporary, it still shows that the associations are capable of bringing different people together. On the other hand, a dispute with the authorities could also lead to a conflict inside the association. This happened in TSZh Centre 1, where one of the residents supporting the authorities ended up in a conflict with the chair.

Social networks are especially important in old houses, where the residents' networking had led to the establishment of the association and played an important role in finding maintenance staff for the association,

for example. Other previous research shows that social organisations in Russia tend to be established based on social networks. Social organisations have been viewed as a continuation of the Soviet pattern of networking (see Salmenniemi 2008, 41–42, Henry 2006, 224). Some scholars, including Howard, have claimed the opposite: that networks inhibit the development of social organisations because strong networks make associations useless. However, this study's data supports the first theory, and the idea that homeowners' associations as both social and management organisations can hardly be replaced with social networks. Despite the strong inward-orientation and bonding social capital, this does not mean that the bridging type of social capital could not be created in homeowners' associations. The association obligates homeowners with very different social statuses to cooperate in joint decision-making. Although membership of the association is voluntary, members cannot choose with whom they cooperate. As the data shows, in some associations this has brought together people from very different backgrounds who would otherwise be unlikely to interact with each other.

6.3. Outcomes of the Reform

As homeowners' associations are at the centre of the current housing reform in Russia, a study of the associations presents the overall situation in the housing field. The reform's central goal is to transfer housing management from the public sector to the private sector, the consequences of which are reflected in homeowners' associations. The Housing Code states that homeowners' associations are self-governing organisations for management of common property. Housing reform is put into practice on the local level and, as has become evident, there is a contradiction between the national policy and local practices. Some local authorities in St. Petersburg pursue their own interests at the expense of homeowners' associations' self-government. The authorities are not a uniform category and approach the associations differently. Some of them, such as the Housing Committee, support the establishment of homeowners' associations, while other authorities have inhibited the associations' land privatisation and St. Petersburg's Committee for the Administration of City Property (KUGI) has taken over some associations' premises. Because implementation of

the reform and the development of democracy take place at the local level, support from local authorities is crucial for homeowners' associations. Considering that homeowners' associations are established to enable private citizens to take care of their property, they are facing a surprising number of difficulties. Overall, homeowners' associations do not get the recognition they need as independent actors in order for the self-government to work. In general, homeowners' associations are not regarded positively or with a cooperative attitude by the authorities, unlike some other social organisations that provide social services in Russia (Kulmala 2008).

There is some evidence that not that much has actually changed in housing management, in spite of the reform. Gigantic homeowners' associations, consisting of dozens, even hundreds of buildings, have been established by the authorities in Russia. This is a result of pressure to fulfil the housing reform's regulation of organising housing management anew. These 'homeowners' associations' have been established to make it look like the regulation has been fulfilled. This is possible in buildings in which the city owns over 50 percent of the apartment area and thus has the power to establish the association without other homeowners' consent. In the giant homeowners' associations the public authority continues to be the actual manager of the houses and the residents have very little, if any, decision-making power. In practice this means that the old system is just working under a new name. This is an example of the reform being implemented differently than what was originally intended. The result, centralised housing management, is quite the opposite of the aim of residential self-management and not that different from the old municipal housing management.

The reform has been implemented very quickly and this is one example of its consequences. The establishment of false homeowners' associations shows that there is a risk of pushing the reform forward too forcefully, resulting only in a formal change without an actual change in practices. These enormous artificial associations have been established in certain cities in Russia (Kvartirnyi riad 17 January 2008) but not, as far as can be ascertained, in St. Petersburg. However, respondents spoke of neighbouring houses in St. Petersburg in which a homeowners' association had been registered but the house continued to be under municipal management without any change to the previous order. This is clearly not a social organisation but a "marionette" organisation, as Cook and Vinogradova

have called social organisations that are created and led by state or government officials (2006, 34–35).

According to the St. Petersburg's Housing Committee, since 2007 management companies have started to become more common than before. This indicates that homeowners' associations will not increase any more, at least in St. Petersburg, but will remain at the same level of approximately 25 percent of the city's housing stock. An established stock of homeowners' associations still exists, however, and the role of homeowners' associations is significant in the city's housing sector. Despite the problems homeowners' associations are experiencing, they are valuable for encouraging civic engagement at the immediate surroundings of one's living place. A management company does not have the same ability to activate residents and foster civil society as a homeowners' association.

Although housing movements and organisations that defend residents' rights are quite common in Russia nowadays, homeowners' associations are regarded somewhat differently among the activists. According to one housing activist in Nizhnii Novgorod, NGOs tend not to be directed at housing management reform because it is not seen as a social question like HIV, children or youth issues, upon which grassroots NGOs in Russia usually focus. Instead, housing management is seen as a professional field, in which non-professionals should not get involved. On the other hand, the respondents in this study, associations' leaders as well as residents, often emphasised that homeowners' associations are about self-government (*samoupravlenie*), comparing them with municipal management. In this sense the homeowners seem to have correctly perceived the idea of a homeowners' association, contradicting the often presented claim that people do not understand the essence of homeowners' association and their role in it.

This study has shown that housing management in homeowners' associations typically rests on the shoulders of a few active residents. Most people are still quite passive about taking part in their association's decision-making but their passivity is compensated for by the activity and persistence of other individuals. These residents are determined to make improvements in the maintenance and management of their building and continue to push forward their initiatives, despite all the bureaucratic obstacles and disagreements with local authorities. The active members are making considerable efforts to enable their association to work properly. Although insufficient participation in decision-making has been a prob-

lem in both new and old houses, old houses at least had a small group of enthusiasts, the original initiators of the association. On the other hand, the old houses were troubled by sharp socio-economic differences, which have created conflicts between residents. The everyday management problems that the associations are dealing with show that running a homeowners' association in Russia demands more activity from its members than do typical homeowners' associations and similar organisations in the West. Some associations are in practice run by a core group of active residents or a chairperson/manager, and without these few activists some homeowners' associations would not even exist. This is what differentiates Russian homeowners' associations from Western homeowners' associations and similar systems, such as housing companies in Finland. In Russia homeowners' associations are indeed about civic action, as they require activity and participation from their members. As the data shows, members often need to settle misunderstandings and disagreements with the authorities concerning private management through the courts. In Western homeowners' associations, such as those in Finland, these misunderstandings are not as common, which enables members to concentrate on routine administration duties, thereby making associations mere management organisations.

Despite the problem of low participation, the respondents, associations' leaders and experts were optimistic, seeing that the residents' attitudes were changing and the general tendency was towards taking more responsibility and activating. Evaluation of the success of homeowners' associations depends largely on the point of comparison. Although members are not particularly active in associations' decision-making, even small-scale participation is a change from the previous system of centralised housing management. In the past homeowners did not have the opportunity (or responsibility) to have their say on the management of their house. In this sense, the change is remarkable. However, as this study has shown, the main problem is not the passivity and "Soviet mentality" of the people. It is rather the institutional impediments and deficiencies in the legislation, such as the lack of sanctions towards free-riding that discourage participation and hinder the associations from working properly.

One thing that has clearly changed is the condition of the common areas. The general attitude towards common areas, which had previously been neglected, is now changing. The privatisation of common property and

restriction of the association's area from outsiders through the use of locks and fences has led to residents caring more for its condition. Homeowners' associations have brought neighbours together to socialise in informal activities, thereby strengthening social capital. Although formal decision-making may not be working ideally, the association has fostered a feeling of community and encouraged residents to respect the common areas, which are now regarded by residents as their own, private property.

Privatisation of housing and housing management has been or is currently being conducted in all post-socialist countries. The socialist system has left all of these countries with a similar institutional foundation for reforming the housing sector. Although reform of the housing sector has been realised differently in different countries, there are some similarities in the outcomes of the reforms. As an example, the problems that homeowners' associations are facing in Russia now are largely the same as those experienced at the beginning of the reform in the condominiums of Estonia. These include a lack of interest towards common property, the absence of a sense of community and variety in residents' socio-economic backgrounds, which inhibits cooperation (Kährik et al. 2003, 232). However, this study shows that homeowners' associations have either managed to overcome these problems or at least found ways to deal with them. The problems have not been defeated once and for all but they are not unconquerable obstacles either.

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Appendix 1. List of Interviewed Respondents

Preliminary interviews, February and April 2005

A homeowner living in a TSZh in St. Petersburg

Staff of housing newspaper 'Concierge': Olesia Galkina, publishing director and Aleksei Koltsov, general editor, St. Petersburg

Tatiana Lykova, Institute for Urban Economics, Moscow

Professor Natalia Lebina, University of Economics and Finance, St. Petersburg

Katerina Gerasimova, CISR, Centre for Independent Social Research, St. Petersburg

Elena Gribova, Petrostat, St. Petersburg's Statistics Committee

Recorded interviews

In chronological order, expert interviews noted separately.

Autumn 2005

Resp. 1: Chair, TSZh Petrogradskii 1, male, 55 years, higher medical education

Resp. 2: Member of the board, TSZh Petrogradskii 1, female, 50 years, higher education

Resp. 3: Homeowner, TSZh Petrogradskii 1, female, 48 years, mid-level education

Resp. 4: Homeowner and cashier of the TSZh Petrogradskii 1, female, 43 years, higher education

Resp. 5: Chair, TSZh Primorskii, female, 60 years, higher education

Resp. 6: Homeowner, TSZh Primorskii, male, 53 years, does not live in the TSZh (the apartment is occupied by his daughter), lower level of education, technician

Resp. 7: Chair, TSZh Centre 1, male, 37 years, higher technical education

Resp. 8: Member of the board, TSZh Centre 1, male, 40 years, mid-level education

- Resp. 9: Chair, TSZh Kalininskii 1, female, 48 years, higher education, has worked as a teacher and in real-estate
- Resp. 10: Manager, TSZh Kirovskii, male, 47 years, higher marine corps education
- Resp. 11: Member of the board, residents' representative on his floor, TSZh Kirovskii, male, 42 years, works as a craftsman in the TSZh, mid-level education
- Resp. 12: Manager, TSZh Centre 2, male, 64 years, higher technical education
- Resp. 13: Manager, TSZh Petrogradskii 2, female, 55 years, higher education, previously worked as a hotel manager
- Resp. 14: Manager, TSZh Vyborgskii 1, male, 38 years, higher education, military-engineer
- Resp. 15: Ex-chair, TSZh Kalininskii 2, male, 68 years, higher education, has worked in the construction field
- Resp. 16 (exp): Lawyer, male, 22 years, works in a law firm specialised in housing, also resident of TSZh Petrogradskii 1
- Resp. 17 (exp): Ekaterina Sidorchenko, approx. 50 years, deputy and chair of committee of economic matters of Munitsipal'nyi sovet munitsipalnogo obrazovaniia "Grazhdanka"
- Resp. 18 (exp): Mikhail Amosov, 46 years, member of the Yabloko party and a deputy in St. Petersburg's Legislative Assembly, lives and has an office in TSZh Kalininskii 1
- Resp. 19 & 20 (exps): Male, Amosov's aide, and female, director of the project to establish TSZh in Kalininskii and Vyborgskii districts
- Resp. 21 (exp): Elizaveta Dobkina, 24 years, journalist at Ekspert Severo-Zapad magazine, specialised in housing, higher philological education

Spring 2006

- Resp. 22: Vice-chair, TSZh Centre 3, male, 62 years, higher party and military background, worked in the district administration before and also as a sailor and mechanic
- Group interview: Interview with participants of the Sovet veteranov in TSZh Centre 3, all pensioners and homeowners living in the house.
- Resp. 23: Female, 59 years
- Resp. 24: Female, 75 years
- Resp. 25: Female, 80 years

Resp. 26: Female, 72 years

Resp. 27: Resident of a house in which the establishment of a TSZh is planned, male, 39 years, higher education

Resp. 28: Manager, TSZh Petrogradskii 3, female, 36 years, mid-level education, has worked in GUZhA before and taken a TSZh management course

Resp. 29: Chair, TSZh Petrogradskii 3, male, 64 years, higher education

Resp. 30: Chairman and bookkeeper, TSZh Vyborgskii 2, male, 46 years, higher education

Resp. 31 (exp.): Marina Akimova, 65 years, chair of the St. Petersburg's Association for ZhSK and TSZh, higher education

Resp. 32 (exp.): Chairwoman of a TSZh and member of the "Russian party of life" that organises training courses for TSZh leaders, female, 52 years, higher education

Resp. 33 (exp.): Oleg Vikhtiuk, 37 years, St. Petersburg's Housing Committee, head of the department working with homeowners' associations and housing management companies higher education, technical and army

Resp. 34 (exp.): Gennadii Turetskii, about 60 years, member of Russian Communist Workers' Party, engineer

Winter 2008

Resp. 35: (exp.): Vladimir Tarasovich Gaidei, vice-president of St. Petersburg's Housing Committee, 42 years, financial career

Resp. 36: Manager, TSZh Centre 4, male, 47 years, higher education

Resp. 37: Chair, TSZh Frunzenskii, male, 61 years, higher education, also a director of a company

Resp. 38: Engineer/manager, TSZh Vasileostrovskii 1, female, 48 years, mid-level technical education, engineer of exploitation.

Resp. 39: Manager, TSZh Vasileostrovskii 2, male, 60 years, higher education

Resp. 40: Manager, TSZh Petrogradskii 4, male, 70 years, higher technical education

Additional data: Four interviews with local authorities and housing activists in Nizhnii Novgorod (2 interviews), Perm and Tver', from the New Eurasia Foundation's Homeowners' support project.

Appendix 2. Descriptions of the Homeowners' Associations of the Data

1. TSZh Petrogradskii 1, centre, old

This association was located in an old house in the Petrograd side of the city, which is now a very highly valued district due to its Stalinist architecture but also known for its dilapidated housing. The district has 123,100 inhabitants⁴³ and, as of the beginning of 2006, there were homeowners' associations in just over 10 percent of the buildings in the district.⁴⁴ This means that homeowners' associations are less common in Petrogradskii than elsewhere in the city, probably due to the large share of old housing stock. This house was constructed in the early 20th century and the homeowners' association was registered in 2002. A house committee, which preceded the association, was established in 1994. The situation in the house had been nearly intolerable before the residents took action. Common areas were dirty and homeless people were sleeping in the staircases, making the residents feel unsafe. The association had been maintained by the city until autumn of 2005, when the association moved responsibility for its maintenance to a private company. The house had approximately 100 residents, 20–25 apartments, a few of which were communal. The chair and three homeowners of this association were interviewed. Residents of the communal apartments did not agree to requests for interviews.

2. TSZh Primorskii, suburbs

This association is located in the northwest of the city, far from the centre, but within a short distance of the metro station. The district houses 412,200 people and, as of spring 2006, there were homeowners' associations in over 45 percent of the buildings. This is a huge difference from the Petrogradskii district, and could be explained by the large quantity of

43 All population figures from Petrostat (2008, 18).

44 Shares of the homeowners' associations stated here are from the St. Petersburg's Housing Committee's statistics from the first quarter of 2006.

newly built houses. The house was built in 2001 on the so-called shared participation construction (*dolevoe stroitel'stvo*) and the association was established the same year by the constructor. There was a delay in completing the construction but, according to the chair, the contract was worded in such a way that it did not give the apartment buyers any option to complain. The building is large, with over 500 apartments, and the residential structure can be characterised as middle class, or lower middle class. Maintenance is handled by a private company.

3. TSZh Centre 1, old

Located in the centre of the city and built in the 18th century, this is the oldest house used in the data. The *Admira'teiskii* district has 169,000 inhabitants and the *Central'nyi* district has 216,900 inhabitants, a total of 385,900 in the area. In the spring of 2006 fewer than 20 percent of the houses in the districts had a homeowners' association, slightly below the city's average (25 percent). Although most of the housing stock in the area is very old, it also holds architectural and locational value, so homeowners' associations may have established associations in order to better protect their dwellings. A homeowners' association was established in this particular building by the residents in 2005. There are less than a hundred apartments but the building is large, consisting of numerous inner courtyards and units of different shapes and size. There are communal apartments, business premises and city-owned premises. This association had serious disputes with the authorities about the property rights of certain premises of the house. Maintenance of the house was handled by the city and the association had encountered difficulties when it tried to move it to private maintenance.

4. TSZh Kalininskii 1, suburbs

This association is located in the suburbs, in the *Kalininskii* district. Located in the northeast of the city, the *Kalininskii* district has a population of 458,800, making it the largest of St. Petersburg's districts. Homeowners' association had been established in 28 percent of the buildings in this dis-

trict by 2006. This particular building, with over 200 apartments, was built in the early 2000s and the TSZh was organised by the constructor at the same time. The land plot under the house was registered to the association and divided into shares between homeowners according to the size of the apartment. In registering the land plot the association had benefited from the expertise of a local politician who was active in housing matters and who happened to live in the house. The association does not use a maintenance company but it has its own service staff.

5. TSZh Kirovskii, suburbs

This newly built house is located in the south/southwest part of the city, in the Kirovskii district, which has 323,300 inhabitants. Some 20 percent of the houses in the district had a homeowners' association as of spring 2006. The house was built in the early 2000s and the homeowners association was established by the constructor around the same time. For the first few years the association was led by a manager who was hired by the constructor, after which the residents asked a man who had been leading a nearby TSZh and was known as a good manager to take the lead. The building is large, with over 500 apartments, and the association was well organised, with its own website and service staff. The land plot was also privatised and in shared ownership of the residents, as was the case in TSZh Kalininskii 1.

6. TSZh Centre 2, 'elite'

TSZh Centre 2 is located in a central district, however, it is still quite difficult to reach and not so close to the actual city centre. This elite house was completely rebuilt in the 2000s, following the style of the Tsarist era, when the house was originally constructed. The association was led by a manager and the land plot was privatised, a process that took a year and a half. There were approximately 20 apartments in the house, each of which was quite large (200m² on average). The property is well protected with guards, fences and video surveillance.

7. TSZh Petrogradskii 2, 'elite'

TSZh Petrogradskii 2, constructed in the 2000s, is another elite house in which the homeowners' association was established by the constructor. The land plot was privatised in 2004 or 2005 by the manager and the process took a year. There are fewer than ten apartments in the house and the association is managed by a hired manager.

8. TSZh Vyborgskii 1, suburbs

This association is located in the north of the city, in a district of 411,600 inhabitants. Nearly 30 percent of the buildings in the district had a homeowners' association as of spring 2006. The building was built in the 2000s, at which time the homeowners' association was established, and has over 400 apartments and has its own service staff. The process of privatising the land plot was unfinished, because the legislation had been changed in the middle of the process, rendering the previous decision of the common meeting invalid.

9. TSZh Kalininskii 2, suburbs

TSZh Kalininskii 2, built in the 2000s, has over 200 apartments and is located in the northeast of the city. The process of privatising the land plot was unfinished as at the time of the interview, in autumn 2005. Maintenance was handled by municipal maintenance firms rather than staff hired by the association, except for cleaning; the association has a janitor, cleaner and four telephone operators/secretaries, whose duties include reminding residents about their housing debts, for example. The association also has an accountant.

10. TSZh Centre 3, old

This old building, located in the centre of the city, was built in the early part of the 20th century. The homeowners' association was established by the homeowners in 2002 and transferred from municipal to in-house

maintenance the same year. The building has fewer than 50 apartments, with a couple of privatised communal apartments. The association organises regular activities, such as voluntary cleaning-up days (*subbotniki*) and informal get-togethers for its residents in the courtyard several times a year, and has a veterans' council, which meets weekly. The land on which the house is built has already been privatised, and the process of privatising the land around the house was underway at the time of the interviews in the spring of 2006.

11. TSZh Petrogradskii 3, centre, old

This house, in the Petrogradskii district, consists of two houses, one built in the 1950s and the other in the 1880s, which constitute one building block. A TSZh was established at the beginning of 2005. There are fewer than 100 apartments in the house, of which three are non-privatized, and one *kommunalka*. Some premises are under KUGI's ownership but there was an ongoing lawsuit regarding the case. The land is registered to the association. The association has its own maintenance man, but other maintenance staff (electricity and plumbing services, for example) are requested from a maintenance company when necessary.

12. TSZh Vyborgskii 2, suburbs

This house of nearly 700 apartments was built between 1999 and 2001 and is located in the north of the city. The TSZh was established 1999 by the constructor. The land plot is owned by the city and the association has no plans to register it. The association has had its own technical and maintenance staff since the beginning and it has hired a security company to guard its area.

13. TSZh Centre 4, 'elite'

This newly built house can be categorised as elite because its residents are clearly upper class, although the house itself is not as luxurious as the oth-

er two elite houses in the data. The house was built in the beginning of the 2000s in the place of an old house, which was demolished, and the association was established at the same time by the constructor. The land is owned by the city and the manager said that there are no plans to privatise it because of the land tax. The association has its own technical staff and an emergency service agreement with a company that was city-owned but has now been privatised. This association is an exceptional case in the data, as it is the only one that has no management problems. According to the manager, some problems were encountered at the beginning but have now been solved.

14. TSZh Frunzenskii, suburbs

This house is located in the Frunzenskii district, which is south of the centre and has 391,600 inhabitants. Forty-eight percent of buildings had homeowners' associations in 2006, the largest proportion in St. Petersburg. The house of over 200 apartments was built in the 1990s. A condominium was established in 1996 and a TSZh was registered in 2000. The land plot has been in the process of registration since 2000 but the chair believed at the time of the interview (in January 2008) that it would soon be registered. The association also has its own technical staff. The association's residential structure is affected by the fact that poor people from the centre of the city (from communal apartments and houses in emergency condition) have been settled there.

15. TSZh Vasileostrovskii, suburbs

This house, built in the 2000s, is located in Vasilievsky Island, which has 194,000 residents and is one of St. Petersburg's oldest districts. Thirty-five percent of the buildings in the district had homeowners' associations as of 2006. The association in this building of over 400 apartments was established by the constructor but since 2005 has been managed by the residents. The association has its own maintenance staff and the land has been in the process of registration since 2005, despite problems with the process.

16. TSZh Vasileostrovskii 2, suburbs

This house is also located on Vasilievsky Island. It was constructed in 1996, when the TSZh was established, for employees of a state scientific institute. The building has over 200 apartments, the association has its own staff and, as of the time of the interview (January 2008), the land plot was in the process of registration.

17. TSZh Petrogradskii 3, centre, new

This new, centrally located building was built in the 2000s, and the homeowners' association was established at the same time. The house is quite small, with fewer than 50 apartments. The association has its own service staff. There are several courtyards in the building complex and therefore the land is partly owned by the TSZh and partly by the city. The association has a chairperson as well as a manager, both of whom were interviewed.

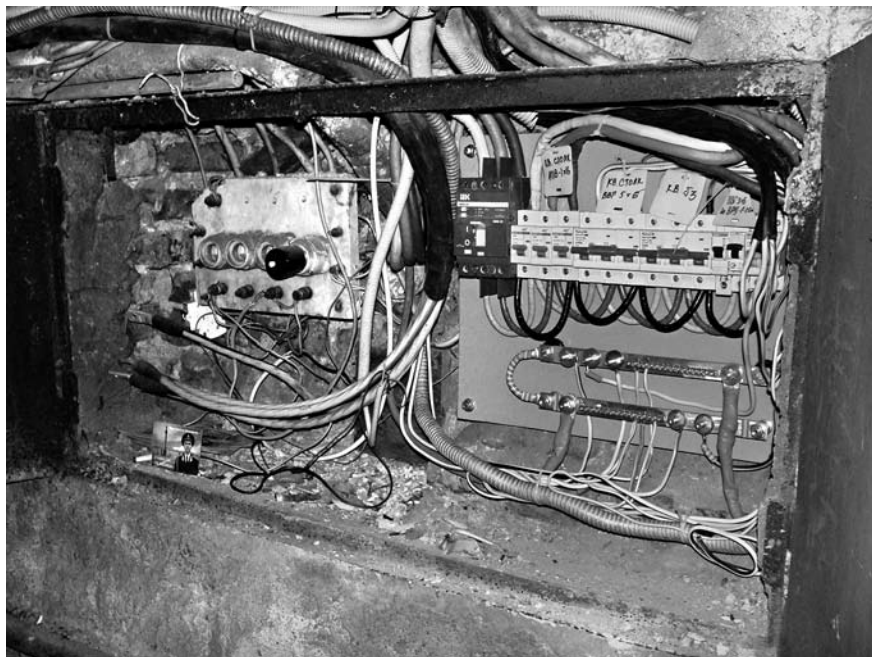
Appendix 3. Photos



1: A typical entrance way in the centre of St. Petersburg.



2: Courtyard of an old house.



3: *Electrical system in an old house.*



4: An “elite” house.



5: Suburban landscape in St. Petersburg.



6, 7:
*“New” building
complexes in the
suburbs.*





8, 9: "New" building complexes in the suburbs.

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