

VIENNA AND PRAGUE: political systems and urban development in the postwar period

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Preliminary remarks

There are only a very few efforts concerning comparative research into cities that have model quality, and for apparent reasons: Large cities are singular phenomena of human society, and it clearly appears to be easier to note their differences instead of finding common features.

For various reasons Vienna and Prague offer themselves for a comparison. Both cities are representatives of Central European urban culture and were moulded decisively by their residence function and the urbanization of the nobility. In the Austro-Hungarian Monarchy they have had a historical development in common for several centuries, with a difference though in their hierarchical order ever since the 18th century: Vienna was the empire's capital, Prague only that of one of the constituent states. At the end of World War I this difference came to an end; both cities became capitals of small countries. In the inter-war Prague attained the position of the primate city of Czechoslovakia, whereas Vienna, having been the metropolis of a large empire, now was no more than a sort of hydrocephalus of a small country. The subdivision of Europe into segments of two political hemispheres in the postwar period led to further divergences in Prague's and Vienna's development. Czechoslovakia became the westernmost one of the Eastern bloc, Austria the easternmost outlier of the Western world.

For this reason, a political-economic approach was chosen for describing the urban development in Prague and Vienna. Municipal capitalism versus state capitalism is the issue to be discussed pertaining to the four decades of the postwar period up to the "velvet revolution" in Prague and the removal of the Iron Curtain east of Vienna.

1. Municipal capitalism versus state capitalism

1.1. Introduction

Below the term "municipal capitalism" is being used for the economic politics of the municipal government of Vienna as "Austria's largest (large bank, insurance companies etc.). For many decades Vienna went in for an active participation in the real estate market, thus it owns 40 per cent of the city's area. Ever since the 1970s contacts have been sought with private capital and private economy. Public-private-partnerships were formed for developing industrial areas and the allocation of enterprises as well as for tasks pertaining to urban renewal and urban development planning. Accordingly, municipal socialism with its program of social housing adhered to for more than two generations (and comprising 30 per cent of the rental sector) was pushed into the background for some time, but is, surprisingly enough, experiencing a revival at present.

Let us consider Prague now. State capitalism was assisted by a centrally planned economy, and politics in the fields of real estate, housing and economy was determined by nationalization. Nationalized real estate eliminates the obstacle private ownership constitutes for extensive planning programs, but on the other hand a powerful instrument for producing

capital, namely speculation and rising prices for real estate, is foregone. Due to a certain inertia that seems characteristic of public planning there even was a ruling principle of securing reserves: In the case of Prague this led to extensive incorporations that were by no means justified by the number of inhabitants, but made provision for possible future growth. A similar strategy was applied concerning production facilities. Extensive areas were earmarked for the allocation of industries, and the individual firms tried hard to secure as large lots as possible.

As opposed to this highly generous allocation of large tracts of the city area to certain functions that was also true for the construction of New Towns, the individual household was allowed only very little living-space. The size of newly built flats was kept to an absolute minimum - according to a principle of minimization applied to all areas constituting "private space".

1.2. Urban design and urban development

The dogma of a separation of urban functions according to the Charter of Athens and its employment in master plans provides an internationally accepted model for urban planning that is not limited to specific political systems and, therefore, tends to trigger convergence effects.

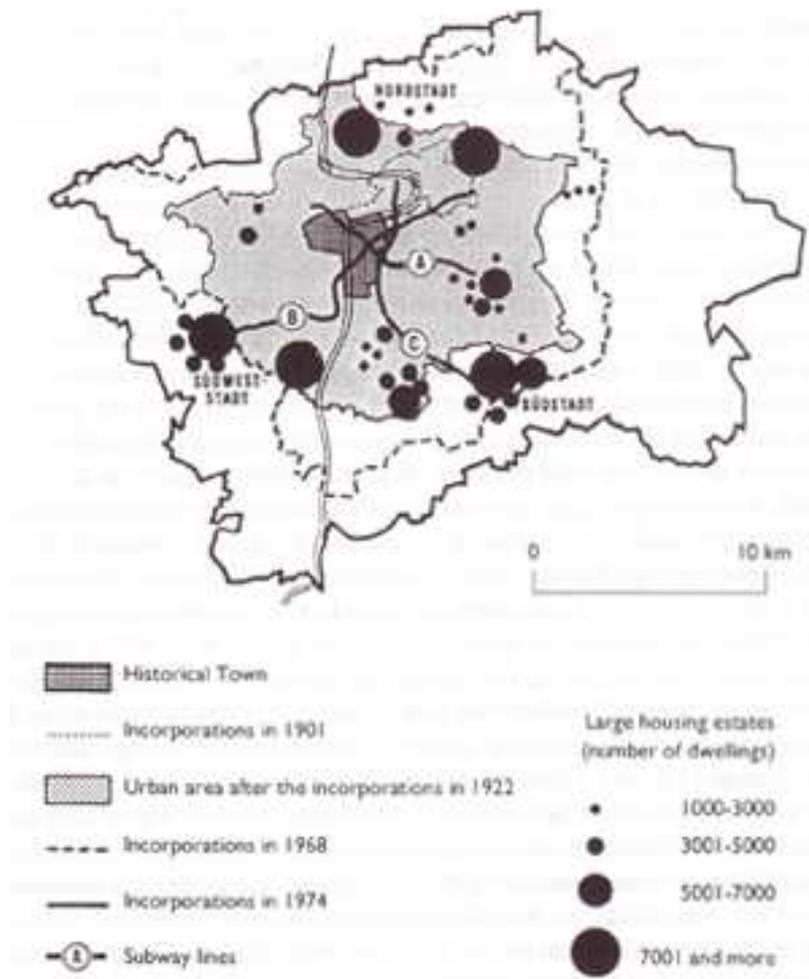
In both cities, in Vienna and in Prague, efforts of "social urban design" (Vienna) and "socialist urban design" (Prague) were concentrated in the outer city. Totalitarian planning was able to realize its urban development models in Prague, while in Vienna the concepts of the planning authorities could only be introduced in piecemeal-fashion and with no clear separation of landuse types as the existing private property rights had to be considered.

Urban expansion in the outer city

In Prague, a sectoral-zonal planning model in which the areas to be developed were delimited as zones and the sectors were based on the districts created in 1960¹ formed the spatial basis for measures of "urban political arithmetics". Incorporations, the construction of underground railway lines and of large residential estates formed the basic structures for the socialist outer city (cf. Map 1). In order to further massive industrialization large industrial areas were de-

¹ sectors: Centre (districts 1, 2, 7), North (8, 9), East (3, 10), South (4), Southwest (5), Northwest (6).

Map 1: Incorporations, New Towns and subway lines in Prague in 1991.



limited in a second industrial belt in spatial contact with railway lines, motorways and expressways and firms allocated there, further out, outside the city boundaries, collective leisure facilities were generated and second homes tolerated. After 1968 urban planning in Prague had to adapt to the Moscow model. Then not only the political elite was replaced by a new one, but the exponents of urban planning too.

Incorporations, carried out in three steps, were of decisive importance: in 1960 the one million inhabitants' mark was surpassed, in 1968 and 1974 the city's area was increased to 296.3 square kilometres at first and then to 496.4, thus exceeding that of Vienna.

Due to these extensive incorporations urban planners in Prague scheduled much larger areas for New Towns within the city's boundaries than those who planned similar residential

estates in Bratislava or Budapest. Moscow, with the "micro-districts" as the basic unit (with approximatively 1500 flats) provided the model for a complex hierarchical concept.²

In order to link the New Towns with the city centre three main underground lines were constructed from 1974 to 1990 with the support of Moscow experts. The frequency of trains as well as the number of passengers are three times those of the Vienna underground lines. Map 1 shows the spatial connection between the incorporations, the sites of large new residential estates and the underground lines.

As early as in the 1960s Vienna municipal socialism already aimed at advancing social urban design. It was, however, only possible to carry out urban expansion, that is to have large-scale residential estates, hospitals and schools etc. constructed and new industrial areas delimited, in the south and the east of the city where the City Council owned the land required. It also were these parts of the city that benefitted from the pipeline networks of district heating systems. When the UNO-City was constructed east of the Danube it became a symbol both for the transfer role of the state within the city and for a new urban area. The communal housing estates in Vienna's outer city appear to be fairly small when compared to those in Prague, there never existed plans for New Towns. While Vienna had been the pioneer in having innovative communal housing "fortresses" erected in the inter-war period, it lost this role in the postwar era. There is only one housing estate in the outer city that succeeded in capturing interest internationally: the residential park Alt-Erlaa, modelled on Le Corbusier's "Ville Radieuse", which translated the neighbourhood conception into blocks of 100 metres height.³ There also were no combined efforts of housing construction and public transport provision. Swedish model satellite towns were visited by the leading politicians, but not imitated. But for a very few exceptions, such as the "Großfeldsiedlung" in district XXII, large housing estates were only rarely put up removed from the built-up area, as was generally the case in the Prague outer city. There also are marked differences between Vienna's and Prague's development in a temporal view. Whereas in Prague integrated projects with incorporations, building of large housing estates (serving as "dormitories") and new underground lines were mostly realized only after the caesura of 1968 in the 1970s and 1980s, in Vienna housing projects in the outer city had been central concerns during the 1960s. In the 1970s housing was no longer provided free of charge, and construction was turned over to cooperatives and those managing the building of condominiums. One decade before a similar approach was taken in Prague, urban renewal was on the city's agenda. At the same time there developed a new awareness concerning environmental problems and safe waste disposal. This constitutes an important difference between Prague and Vienna.

² Northern City (1966-75, target: 100.000 inhabitants), Southern City (1976-1985, target: 100.000) and Southwestern City (1981-, target: 130.000)

³ in Vienna's southwest in Alt- Erlaa

Table 1:

Period	Vienna total	Outer City	Altstadt District I	Inner Districts (II-IX)	Outer Districts (X-XX)	Inner City total
1945-1960	97,997	50,719	1,575	19,692	26,011	47,278
1961-1970	120,397	75,730	715	14,775	29,177	44,667
1971-1980	85,733	54,448	4	9,425	21,230	31,230
1945-1980	304,127	180,897	2,294	43,892	77,044	123,230

Source: Lichtenberger E. (1993), Vienna, Table 4.5, page 151.

Only part of the building activities in Vienna took place in the newly developed areas of the outer city, namely predominantly those housing estates and enterprises fully financed or subsidized by the City Council. Almost one half of the building activities of the postwar period and more than two thirds of the construction of private enterprises concentrated on the small lots of the built-up area of the inner city of the Founders' Period. Table 1 shows that from 1945 to 1980 180,000 flats were constructed in the outer city, but another 123,000 in the inner city, thus contributing considerably to the task of urban renewal.

Urban renewal

Decay is a phenomenon to be found in the inner cities of the Founders' Period in Vienna and Prague. It is caused by a marked lack of reinvestments into the building stock. Nationalization of the formerly privately owned rental housing stock in Prague and the syndrome caused by low rents and the legal protection of tenants in Vienna had similar effects. A closer inspection shows some differences, though. First of all a comparison of numbers: There are fewer than 100,000 flats built during the Founders' Period in Prague's inner city, but more than three times as many in Vienna. As was mentioned above, Prague's number of inhabitants increased in the inter-war period, whereas that of Vienna decreased markedly, therefore there were some investments into repairs and improvements in Prague, but almost none in Vienna.

There are, moreover, differences in the spatial patterns of decay and renewal. When comparing Vienna with other cities all over Europe, one finds a unique mosaic of decaying and renewed buildings here next to each other⁴ that needs to be explained. Due to the specific situation of the housing market in Vienna in the postwar period, there was no concentration in the field of real estate, small private properties were the rule and remained so. A lack of transparency in the market furthered investments on a mostly random principle on three levels: that of flats, apartment houses and urban renewal areas. The "Wohnungsverbesserungsgesetz" (Housing Improvement Act) is to be considered an important achievement of communal politics. Over 170,000 flats in the housing stock of the Founders' Period were improved. By way of a smallest scale public-private-partnership" the local authorities

⁴ E. LICHTENBERGER, 1990. *Stadtverfall und Stadterneuerung*.

succeeded in engaging the tenants' own money, efforts and time in renovating their flats by granting them credits with low interest rates. The "Wohnhaussanierungsgesetz" (Renovation of Apartment Houses Act) of 1984 that aimed at highest subsidies for those blocks of flats that were in worst condition was less successful. Very soon social critics pointed out that a certain reserve of such flats was absolutely necessary. Both forms of a "gentle urban renewal" emancipated themselves from the officially decreed urban renewal areas of the 1970s. By way of individual applications for such loans and rare cases of a renewal of complete blocks the investments were, according to the principle of 'equal shares for all', distributed rather randomly over all of the built-up area of the Founders' Period. In addition opinion leaders decided upon a step-by-step policy with regard to social politics: all of the legal and financial measures resulted in ambivalent effects; rules tended to be interpreted rather flexibly and exceptions were granted frequently.

The building stock of the Founders' Period in Vienna's inner city amounts to 40,000 buildings. One can note with satisfaction that at present some sort of equilibrium seems to be reached with respect to urban decay and urban renewal, with about 25 per cent of the buildings affected by either process, and that the extent of renewal will surpass that of decay in the medium-term future if the present trend advocated by the city authorities is to continue.

There is no such wide spectrum of contributors to urban renewal, namely tenants, houseowners and urban authorities, in Prague. The nationalization of apartment houses eliminated private houseowners and, thus, prevented their participation in renewal activities, at least as far as the rental sector is concerned. Moreover there is no such incentive as renovation credits for tenants at low interest rates. Therefore the efforts to be observed are polarized: There were, of course, some efforts on a very small scale comparable to the tenants' contribution in Vienna, and historical monuments and whole blocks or the structures along certain streets dating from the Founders' Period were renovated under the auspices of the city's authorities.

As opposed to Vienna, there is a surprising correlation between the original socio-economic status of the residential areas and the present state of repair of the buildings. Two cities of the Founders' Period, Vinohrady and Zizkov, that differed very much in their socio-economic status may serve as examples of this. In Zizkov, the authorities tried to counteract the extreme deterioration of the blocks of tiny flats combined with social desorganization during the past decade. In Vinohrady, the "bourgeois" sector of the working class residential zone, on the other hand, building structures, the general appearance of streets and business premises appear to be intact. The blocks of flats erected for the middle classes show little decay. As opposed to Vienna, there are very marked differences in the state of repair both on the level of neighbourhoods and even districts. It will depend on the individual renewal strategies of the local states created by the administrative reform whether this spatial trend will increase in a medium-term future (cf. below). If the situation in Prague is compared to that in other big cities of the former Eastern bloc, especially Budapest, the problems posed by necessary renewal do, however, seem rather small.

Architectural inheritance and protection of historical monuments

The era of the political system of state socialism was too short, and the inheritance of the past in a city as important as Prague was too imposing, for a remodelling of the older building stock, as was done, e. g., in Sofia and some cities of the former GDR. It is characteristic of Prague's development that, in principle, a model for urban development planning with the focus on the city centre was adopted, but that "socialist urban design" could not be asserted in the inner city. Therefore Prague lacks the imposing wide streets and squares meant for political representation that are generally to be found in totalitarian urbanism. During the communist era the centre could not be invaded by massive structures for housing the state's administration or serving societal purposes. It was, however, due to this model that the Historical City remained the centre for public institutions and for "collective consumption". New department stores, international hotels and office buildings were erected, but the new buildings do not disturb the traditional skyline. The preservation of historical monuments active ever since the inter-war period was not only continued, but all of the Historical City was secured protection as an ensemble.

When comparing the historical inheritance and the tasks concerning the preservation of historical monuments in Vienna and Prague one finds considerable differences in quantity, functions and spatial patterns. The number of historical monuments in Vienna's Old Town to be preserved (but for the Hofburg complex) amounts to 295 structures, in Prague there are 1 423 so-called "first-order monuments", and the ensemble to be protected altogether comprises 3 673 buildings. This difference is due to the fact that there was an extensive remodelling of the historical city centre in Vienna during the Founders' Period with the formation of the CBD, so that the architectonically valuable buildings are located in a ring around it. There frequently are conflicts between those active in CBD business and those responsible for the preservation of monuments.

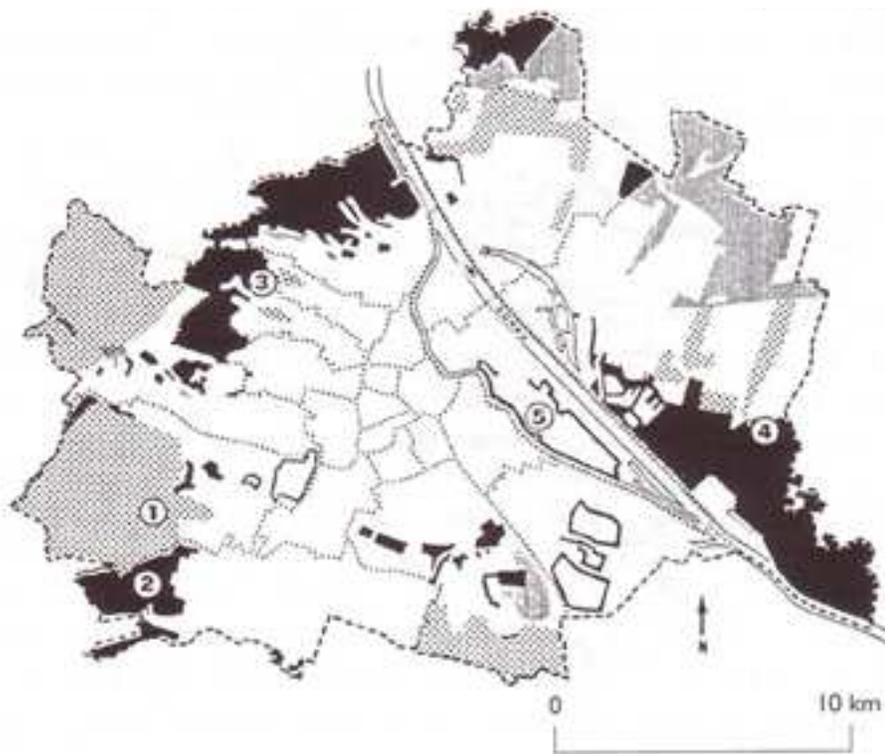
The problems with respect to the huge area with a historical building stock in Prague are of a different nature. Before the fall of the communist regime the renewal of historically important urban spaces was seen exclusively as a national and cultural task. There was no conception at all regarding their possible functional use in the medium- and long-term futures. An under-use of considerable parts of the old building-stock, irrespective of residential or business functions, is as obvious as the state of dilapidation with buildings in the Old Town, in the Mlada Strana and on the Hradshin. Though the exteriors of the buildings might appear to be in good repair, there are many vacant flats and business premises, often the staircases, corridors and inner courtyards are decaying.

From the figures given above it can easily be deduced what problems there are posed with regard to necessary repairs and the wealth of conflicts that will arise between advocates of preservation and those with an interest in CBD-formation.

1.3. Green spaces and planning for leisure

Vienna's municipal socialism may boast great achievements in the planning of green spaces and leisure facilities. As early as in 1905 Mayor Lueger decreed the preservation of a green belt. In the 1970s the city's government succeeded (intuitively) to create another highly original milestone in urban design for leisure purposes: the idea of "bringing Vienna to the Danube" led to the construction of a second bed for this river and the development of the Danube Island as a leisure area. Though this was not stated explicitly, an entirely new model for urban planning came into being that corresponds to the bipolar conception of a society with a division of labour and a leisure society: a "large green meadow" with sports grounds and other leisure facilities ought to be situated right in the centre of the city, not somewhere in its fringe area, and should be easily accessible for all citizens. An island of about 21 kilometres in length earmarked exclusively for leisure and creation cannot be offered by any other large city in Europe, and, moreover, it can be used free of charge. It appears that this project, indirectly, served as an instrument for counteracting a further suburbanization of the middle classes and the acquiring of second homes. Despite this new conception of a "green centre" for the city that of the green belt was not abandoned (cf. Map 2). It is being preserved by means of legal regulations in the Vienna Woods as well as in the zone of allotment gardens next to the densely built up area. There are no comparable green zones within Prague's city boundaries, though there exist green belts further out. The pattern of green spaces within Prague outside the inner city goes back to those coppices and pastures of the many incorporated villages that were retained as open spaces and turned into public parks (cf. Map 3). Larger wooded areas suitable for recreation and the second homes of the Prague citizens are situated in a crescent south of the city. Summer-houses, "chalupi" or "chati", are owned by 27 per cent of the households. Going by their appearance one could term this development a "suburbanization of allotments". Massively built new houses, as are the rule in the surroundings of Vienna, can rarely be found, both for legal reasons and because of a lack of spending power on the part of the citizens.

Map 2: Vienna's green belt.



- Protected green belt of forests and meadows ('SWW')
- ▨ Extensions of the green belt
- ▩ Planned extensions of the green belt
- Selections of the green belt not yet accorded full protection status
- Nature trails
- - - - - City boundary
- Boundaries of the districts

- Nature trails:
1. Lainzer Tiergarten (1,5 km)
 2. Maurer Wald (2,7 km)
 3. Schafberg (2,4 km)
 4. Lobau (2 km)
 5. Prater (0,8 km)

In addition, there are 268 km of marked out hiking trails and 280 hectares of picnic areas.

1.4 Public-private-partnership versus public industrial planning

In the postwar period, economic development took place under very different conditions in Prague and Vienna. In Vienna the tertiary sector has always been predominant, therefore the tendency towards deindustrialization started early, whereas Prague remained a centre of industrialization due to the ideology of production in the Eastern bloc.

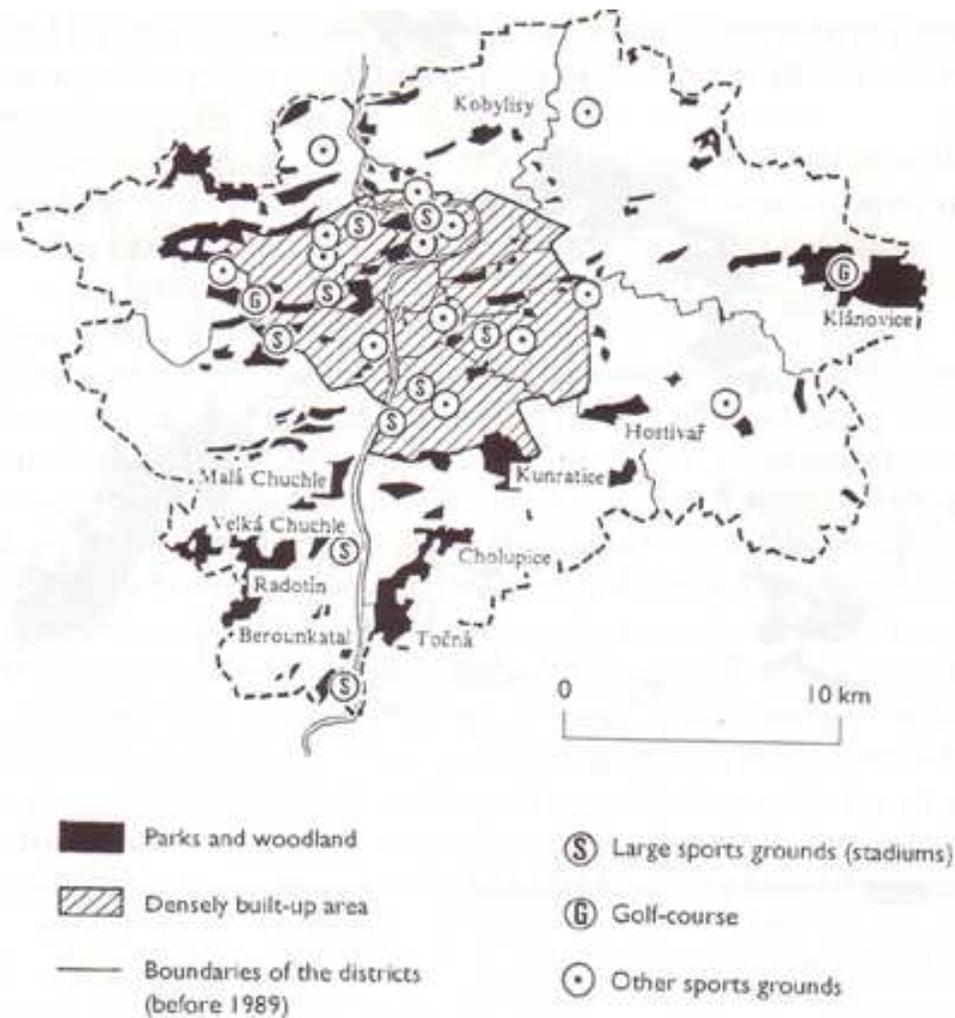
In Vienna the number of blue collar workers in industry decreased from 180,000 in 1956 to 100,000 in 1986, in Prague industrialization continued. Even from 1980 to 1990 the

number of workers still increased, from 149,000 to 155,000. The cooperation within the network of centrally planned economies in the former Eastern bloc furthered the development of extremely large industrial units. In 1990, before privatization set in, there were only 79 industrial organizational units, with 180 industrial plants and 230,000 employees (blue and white collar workers).⁵

There was little concentration in Vienna. As to organizational structures a dichotomy developed: there were branches of international concerns on the one hand and nationalized enterprises and family firms on the other hand. Deindustrialization and industrialization left their marks in the urban space. While Vienna developed a model for a deindustrialization and the recycling of abandoned sites by help of a public-private-partnership, Prague is an example of a growth model.

⁵ The largest unit in Prague was the combine CKD. It had 38 000 employees in seven main plants (Elektrotechnika, Kompresory, Lokomotivka, Naftove motory, Polovodice, Tatra, Trakce) - more than all of the Vienna large industrial units together.

Map 3: Parks and woodland in Prague.



Let us turn to Vienna first. As early as in 1969 the grave problem of recycling had led to the foundation of the Vienna Association for the Establishment of New Enterprises, in short WIBEBA, a subsidiary of the Vienna municipal authorities. Among its extensive spectrum of tasks were the redevelopment of abandoned industrial sites in the urban fringe - to make them suitable for the allocation of (normally) smaller enterprises -, the creation of innovative and interesting projects for combining housing and business premises, and the development of entirely new industrial areas that were meant to prevent a further suburbanization of enterprises and their relocating in Lower Austria. In 1982 the Vienna Fund for the Promotion of Economy was created in order to put this initiative on a wider platform. The city government, various interest groups and banks cooperated in developing sites.

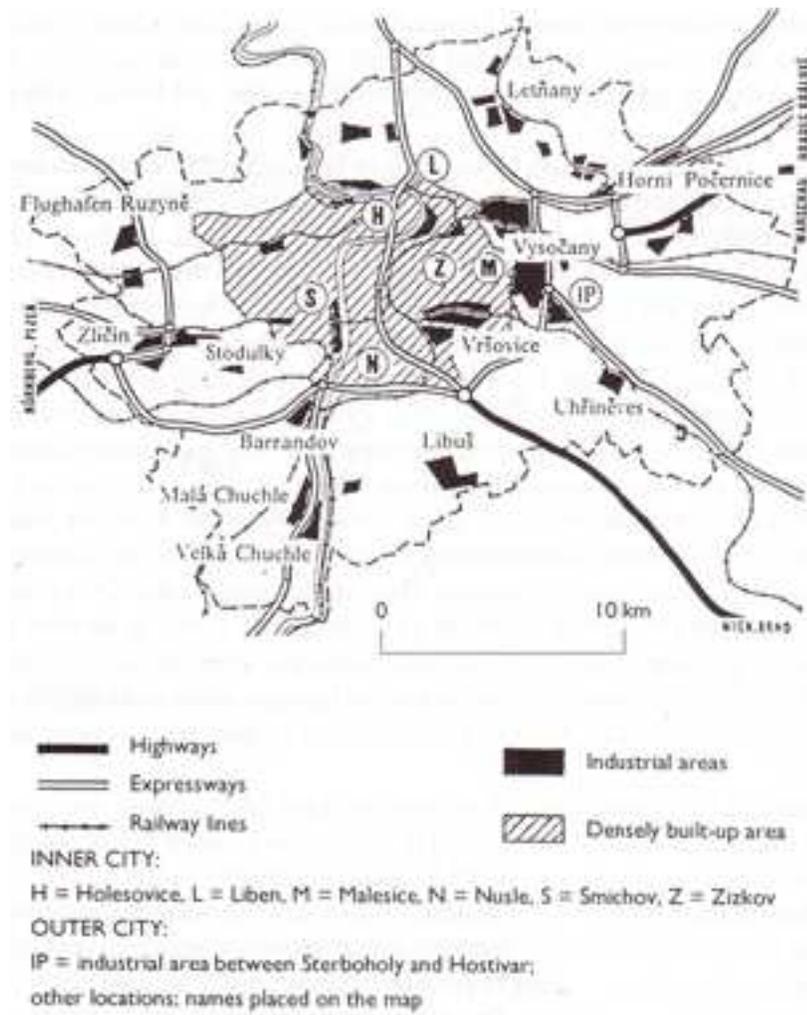
In a spatial context, deindustrialization is to be observed in Vienna in both areas of industrial development in the Founders' Period, that of the back-lot industries in the inner districts and that in the urban fringe. In the 1972-1985 period the net decrease accounted for 343 enterprises there, while in the 1969 - 1987 period 630 firms - that is about one half of all industrial enterprises (1985: 1145) - with a total of approximately 50,000 employees were relocated to newly developed areas in the outer city. Compared to those in Prague they are small and widely distributed, but they do, all together, cover about six square kilometres. The areas developed did, however, rather attract tertiary activities, especially warehousing and distribution than industrial enterprises. Of the 10 billion AS invested only 43 per cent were for manufacturing firms. Not only were Austrian enterprises established, but important multinational firms opened branches accounting for no less than 45 per cent of total investment. They predominate in the city's fringe, with 66 per cent of the employees and three quarters of the exports in monetary terms. The most important motive for their establishment here lies in the access for former COMECON countries. This industrial fringe is still expanding in terms of the number of enterprises, though the number of employees has been declining since 1982.⁶

As opposed to Vienna, official industry politics in Prague in the communist postwar era achieved the development of impressively large industrial parks (cf. Figure 4). Statistics give a size of 16.5 square kilometres in the outer city plus 5 square kilometres in the inner city. When considering those areas taken up by the transport network and other infrastructure one arrives at additional 26 square kilometres in the outer city and 11.6 square kilometres in the inner city.

In Prague, so far only a very few locations were abandoned or changed their function. Thus, its growth model is opposed to Vienna's deindustrialization and restructuring model. From the latter it can be deduced what changes there are to be expected in Prague when the industrial enterprises are being privatized, such as the necessity to recycle industrial parks. Technological, ecological and political-economic processes will occur, and institutional instruments relating to a restructuring of existing and the development of new industrial parks and the allocation of firms are needed in order to prevent phenomena of industrial blight that would inevitably accompany rigid private capitalism. Moreover there is the problem of permanent competition between local planning authorities in the initial allocation and possible relocation of those industrial or other enterprises that promise a high tax return. Before long the Prague authorities will have to cope with these problems.

⁶ Thus the production of electrical appliances in Austria is markedly concentrated in Vienna, and strongly influenced by foreign concerns, such as Siemens, Philips, Grundig, Brown Boveri, AEG-Telefunken or Alcatel (formerly ITT Corporation U.S.A.). Cf. K. ARNOLD, *Wiener Industriatlas* 1988.

Map 4: Built-up areas, traffic lines and industrial areas in Prague in 1991.



1.5. State versus segmented housing markets

Just like in other countries of the Eastern bloc, in Prague the allocation of housing accommodation was strictly regulated by means of the government's control of the housing market informed by actively intervening social politics, everybody was granted the right to obtain an apartment for a very low rent. Before 1990 there were, however, certain similarities between the Vienna and Prague housing markets. Legal protection of tenants and low rent politics indirectly made rented housing accommodation in Vienna part of the social overhead. Before the 1981 Rent Act rents amounted to a mere 5 per cent of the incomes. Mainly due to the mentality of pseudo-ownership on the part of the tenants an illegal, but nevertheless generally accepted very complicated system of compensatory payments developed.

In Prague, the allocation of dwellings was strictly regulated, both with respect to those in the nationalized older building stock and in the newly erected housing estates. As in other large cities of the COMECON, the local authorities did, however, not succeed in controlling the grey and black housing markets. Tenancy agreements for public housing were sold illegally. Incidentally the politics of low rents indirectly subsidized the widespread acquiring of second homes.

Table 2 presents the ownership structure of housing accommodation around 1990. Even in Vienna the proportion of dwellings in the protected sector (communal, cooperative and company flats) amounts to almost one half of the dwellings available, and in Prague the proportion of such dwellings was extremely high before the political revolution, namely 87 per cent. The centrally planned economy had much greater influence with respect to the housing sector in the CSSR than e.g. in Hungary. In 1988 290,000 dwellings were controlled by the districts' authorities, 110,000 by cooperatives, 33,000 by companies. There were 66,000 private single-family-houses or privately owned apartments.

Table 2: Property structures of housing accommodation in Vienna 1991 and Prague before 1989.

	Vienna 1991		Prague before 1989	
	thousands of units	per cent	thousands of units	per cent
Communal	203	27	290	58
State Cooperatives	94	13	110	22
Company dwellings etc.	66	9	33	7
Rented apartments	247	33		
Condominiums	86	12		
Private single-family houses	43	6	66	13
Main residence	739	100	499	100
Second homes	42			
Vacant	72			
Total	853			
Privatization 1990-1992 – restitution to former owners: 25%				

Source: Lichtenberger E., (1993B), *Wien-Budapest-Prag*, p. 24.

Regarding the spatial distribution of the various types of housing with respect to the ownership structure there are big differences between Prague and Vienna. In the inner city of Prague all of the older housing stock and that of the Founders' Period had been nationalized, whereas it remained private property in Vienna's inner city. New construction was mainly carried out by cooperatives or for clients intending to buy condominiums. The surrounding areas, built up during the inter-war period, are characterized by communal housing in Vienna, but by cooperative estates on the model of the British garden cities in Prague. In both of the outer cities public housing estates were erected, on very different scales though.

2. The "new" internationalization and liberalization of the markets

Since 1988 events have come thick and fast. Political-economic conditions changed, more so for Prague, but partly for Vienna as well. Paradoxically the construction of social housing was continued in Vienna and even gained in importance, and at the same time privatization was active in Prague. A "new" internationalization and liberalization of the real estate and labour markets is evident in both cities. New models for urban design are called for.

2.1. Local states versus urban centralism

In all of the countries of the former Eastern bloc political and administrative reforms were carried out that resulted in a political and administrative fragmentation of the metropolises into local states (districts). Therefore there will be, in future, a clear distinction with regard to budgets and direct influence on urban development between Vienna's "municipal centralism" and Prague's "fragmentation into local states". It is not to be expected that Vienna's districts will gain a similar measure of independence for the following reasons: in Vienna, the present structure of the districts goes back to the 19th century, when on the one hand the inner districts were formed by combining older historical-topographical units (faubourgs) of similar socio-economic status, and on the other hand independent towns (e. g. XVI - Ottakring) were incorporated and became the outer districts; there is no pendant of the Vienna inner districts in Prague, but there are similarities with respect to the faubourgs of the Founders' Period in Prague that had been independent towns already and the Western faubourgs of Vienna that had attained a similar status before the incorporation. As early as in the Founders' Period the Vienna district were given administrative functions on a medium level and provided with suitable offices ("little townhalls"), but - just as the political districts in the Länder - were not awarded planning authority and individual budgets. Besides the Vienna citizens consider the districts - but for the districts XXII (east of the Danube) and XXIII (in the Southwest) that were only created in 1954 - as their specific lebensraum. Basic information on the districts is part of the elementary schools' curriculum.

Things are different in Prague. During the communist era administrative reforms aimed at an elimination of historical-topographical units in order to create a "socialist urban society" as homogenous as possible. Consequently the number of districts created in 1960 was only 10, and they were not given names but identified by numbers only, and those areas incorporated in 1968 and 1974, originally 21 respectively 30 neighbouring communities, were made parts of these districts.⁷

⁷ The breaking-up of the district Vinohrady with a predominantly middle class population presents an excellent example for this "socio-economic homogenization". Its central parts were combined with sections of the historical town (south of the Charles' Square) to form district 2. Thus, this unit comprises the historical urban fringe of the Old Town with many hospitals and cultural institutions and those sections of Vinohrady that correspond to the area of an expansion of the CBD in an early stage of development next to the Venceslav Square. District 3 covers the blue collar workers' district of Zizkov and the outer parts of Vinohrady. The southern section of Vinohrady became part of district 10. Incidentally district 6, next to the fortress (Baba, Bubeneč, Dejvice), remained intact though it was a predominantly middle class area.

Immediately after the political changes a new administrative structure was decided upon for Prague in October 1990. 56 districts with highly different numbers of inhabitants were created, and in the urban fringe the settlement structure that had existed before the incorporations was largely restored. In the inner parts of the city the sectoral structure of the 1960 reform was retained, the changes in the area of the Historical Town and the faubourgs of the Founders' Period described above remained unchanged. Thus Prague's administrative struc-

ture mirrors a mixture of the effects of communist egalitarian principles of regional planning on the one hand and of potential separatism come down from the preindustrial era in the city's fringe areas. It is very difficult to say whether the obvious disequilibrium in the socio-economic and settlement structure of the new districts will only be a - cleverly camouflaged - instrument for perpetuating the centralistic tendency in urban development politics.

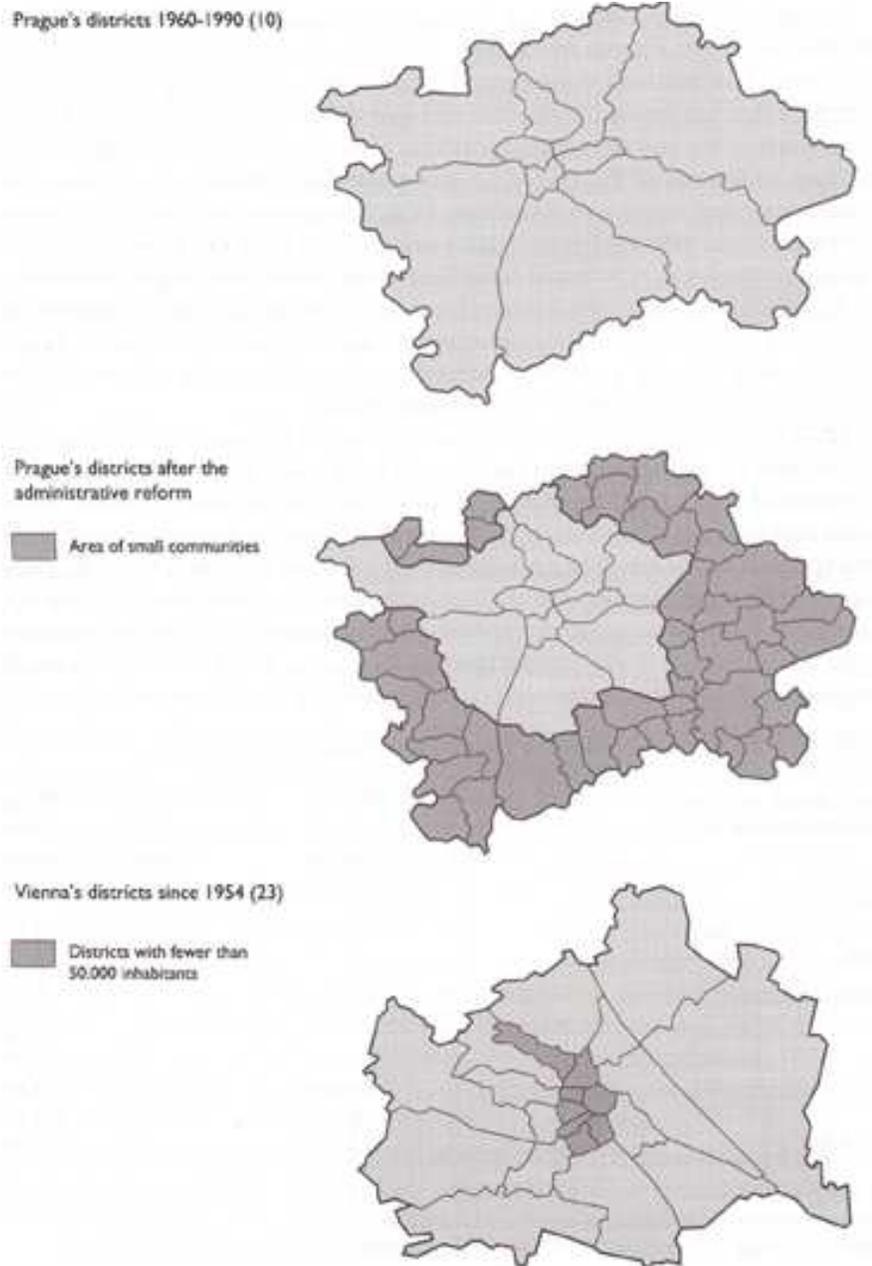
Table 3 presents information on the very large differences in the numbers of inhabitants of the individual districts in Prague and Vienna and the relative positions of smaller and larger districts: in Vienna the inner districts have smaller areas and numbers of inhabitants, in Prague things are the other way round. It is to be expected that there will be a relocation of inhabitants to those districts that have an extremely small number of inhabitants in the medium-term future (cf. Map 5). From the reform in Prague we learn that - due to the much more recent incorporations in comparison to those in Vienna - older settlements tended to retain their status despite the efforts towards homogenization of the communist political system. In Vienna, centralism has long since abolished any territorial independence of older settlements. Incorporation politics had become active one hundred years earlier than in Prague, and very skillfully a specific cultural identity was created by help of separate newspaper editions, cultural events etc.

Table 3: Number of inhabitants of Prague's and Vienna's districts 1991.

Size groups according to resident population	Vienna		Prague	
	number	resident population	number	resident population
501 - 500	-	-	6	1.819
- 1000	-	-	5	3.316
2000	-	-	12	18.778
5000	-	-	9	26.720
10.000	-	-	8	49.962
20.000	1	17.973	3	36.672
50.000	6	202.018	3	125.297
100.000	13	938.866	6	428.504
100.000 -	3	374.319	4	520.946
Total	23	1,533.176	56	1,212.000

Source: Lichtenberger E., (1993A), Wien-Prag, Table 21, p. 155.

Map 5: Prague's administrative structure before and after the 1990 reform and Vienna's districts.



2.2. The paradox with regard to social housing

The fundamental political changes triggered a decentralization of the formerly national administration to the authorities of local states and a resegmentation of the housing markets in the metropolises of Eastern Central Europe. When the state no longer monopolized new housing construction, building in the rental sector came to a standstill. When comparing Vienna and Prague in this respect one comes across a paradox: There was massive privatization of formerly state-owned flats in Prague, and Vienna's Social Democratic government started a new social housing program. In 1992 6,000 flats were provided, in 1993 8,000, and 10,000 are planned for 1994 - that means that already in 1993 one communal flat was provided per 100 households. Social Democratic housing politics, thus, kept laying stress on welfare functions while a restitution of flats and houses to the former owners and privatization in the rental sector was started in Prague. So far 25 per cent of all flats were privatized (G. Th. KINGSLEY et al., 1993)

In Vienna, social housing still is an instrument in anti-segregation politics, whereas it is mainly the better quality apartments that are objects of liberalization and privatization in Prague, therefore the better-off upper and middle strata of the citizens profit from this development. A new society of housing classes is developing, and at the same time there is a sort of revival of traditional socio-economic structures.⁸

2.3. The effects of the international real estate market

The internationalization of the real estate market is one of the most recent overspill effects of market economy that has transgressed all of the national real estate markets in Europe and reached the primate cities in Eastern Central Europe within almost no time. We are witnessing the very first phase in this development. It is characterized by excessive price increases due to an attempt at maximizing profits and accepting the risk of setbacks. International concerns are not deterred from renting offices at these extremely high prices if they feel compelled to get a foothold in such primate cities like Prague or Budapest quickly and are not prepared to postpone their allocation until prices have gone back to normal in the long run. Generally speaking rents for offices or retail premises are as high in Prague as in Vienna or even higher, and - due to the smaller supply - higher than in Budapest. Based on studying the long-term development of the market for office space of international concerns in Vienna one might venture to prognosticate medium-term developments in Prague. Up to the early 1980s the Vienna real estate market was somehow paralyzed due to the massive devaluation of buildings in the rental sector because of the legal protection of tenants and the buying up of vacant lots and apartment houses on the part of the municipal authorities. Only as from 1987 two new developments started simultaneously:

⁸ Research in Budapest showed that privatization of so far publicly owned flats forms part of the large sphere in which profits can be made in this era of transition as the open-market value is considerably higher than the use value, and this difference will keep increasing. Moreover the general idea behind privatization and its realization results in a filtering process based on the state of repair of houses and flats so that the flats in absolutely worst condition are left over and remain the property of the Budapest districts.

- 1) an increase in the supply of office space in the old building stock, limited though by restrictions concerning the changover from apartments to offices, and
- 2) an increase in the ratio of speculative building activities from 10 to about 80 per cent that mirrors the internationalization of the real estate market and provided about 550 000 square metres of new office space. It must be pointed out that, after 1989, international concerns, among them almost all of the large ones in the computer industry, such as IBM, Hewlett Packard, ABB or Epson, but also firms like General Motors established their marketing and distribution centres for Eastern Europe in Vienna in order to work the new markets from there. From 1992 to 1995 it is expected that another 1.65 million square metres of office space will be provided, so Vienna will reach or even surpass the mean area of new offices provided per year in the 1980s in Frankfurt, namely about 345,000 square metres. (cf. Figure 6)

Examples in the U.S.A. we know that it takes, on an average, three to five years before all the space is let in large new office buildings. The office space available in Vienna was estimated at about 6.5 million square metres in 1991, so there will be a surplus of about 850,000 square metres or even more, especially located in the urban fringe, i. e. in the Wiener and Laaer Berg areas.⁹ When comparing the figures available on the planning and construction of office space, Vienna clearly occupies rank one and is followed by Budapest.

With regard to the location of offices in the urban fringe here are differences between Prague and Vienna. In Vienna the construction of office space did not intensify CBD functions in the city centre, but new office buildings are to be found surprisingly equally distributed over the densely built-up area of the Founders' Period, with some concentration along its rim though. The overall number of employees in the office sector decreased in Vienna's CBD.

Things will most probably be different in Prague where an extensive change-over of apartments to offices is to be expected and, therefore, the number of workplaces will increase. Due to regulations regarding the protection of historical monuments there probably will be an overspill with regard to the construction of office buildings to favourably situated locations with easy access from the centre, a development similar to that in the upper class residential areas with a predominance of villas west of the BURGBERG in Budapest. Even in Vienna there was no suburbanization of the office sector yet, therefore such a development is highly improbable in Prague in a medium-term perspective. (cf. Table 4)

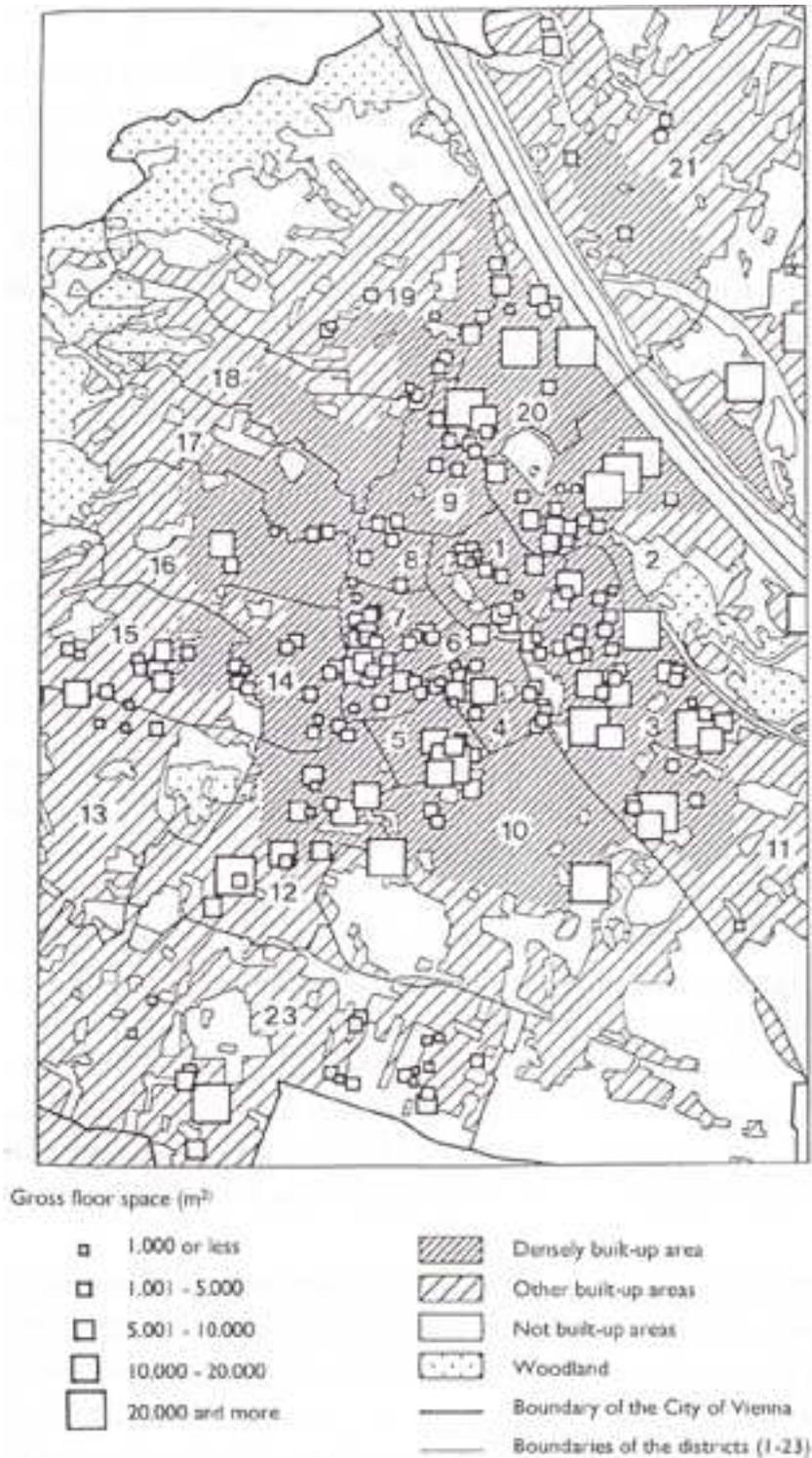
Table 4: Construction and planning of office space in Vienna, Budapest and Prague (in square meters).

	Vienna	Budapest	Prague
1987-'91	550.000	1992 Old structure 100.000	
		1990-'93 New construction	1993 200.000
1992-'95	1,650.000	EXPO Planning 750.000	

Source: Lichtenberg E., (1993B), *Wien-Budapest-Prag*, p. 14.

⁹ At present about 740,000 square metres are vacant in Frankfurt. *Wiener Kurier*, 16-4-94.

Map 6: New office buildings in Vienna 1993.



2.4. Future prospects

Urban planning in Prague and Vienna reacted in very different ways to the opening up of the frontiers. Euphoria predominated in Vienna, the authorities' longstanding conception of "bringing the city to the Danube" received a boost, and when the project of a World Fair to be organized in cooperation with Budapest was rejected in a plebiscite in 1991, the area next to the UNO-City earmarked for this exhibition was redesignated for the construction of a second CBD. At least from the point of view of ambitious planning projects one is quite justified to talk about a "new Founders' Period" in Vienna. (cf. Figure 7) Besides the plans for the "Danube-City" mentioned above, there is the project of a "City of the Future" in the area formerly taken up by the Northern Railway Station, partly financed with Japanese funds, that of a Museum Quarter next to the Messepalast (originally the imperial stables, later on used as an exhibition centre) and that of a multifunctional centre "Wien-Mitte" comprising several high-rise structures in the Ringstraße area. They are to house both the offices and staff of several international organizations. Moreover it is intended to provide a considerable number of apartments in the outer city and to have the about 220 000 older council dwellings renovated. The overspill of building activities into Lower Austria will be accentuated to the south of Vienna, with further developments next to the Shopping City Süd (such as the Motor City Süd, the first Austrian Market for vehicles). Under the pressure of increasing rents and property prices, the suburbanization of enterprises will continue on a large scale once the industrial areas within the city boundaries will have filled up.

Let us turn to Prague now. At present almost all of the CBD is situated within the boundaries of the Historical City. Already during the First Republic demands for a protection of individual historical monuments and of ensembles had triggered a discussion as to whether CBD functions should not be relocated elsewhere. The plans for a World Trade Centre are similar to those of the superstructure erected over Vienna's Franz-Josefs Railway Station or those of the Danube-City referred to above.

Decision processes are delayed, and moreover no euphoria comparable to that in Vienna, could develop because of political insecurity, the small purchasing and spending powers of the citizens, the incalculable effects of the restitution of nationalized property to the former owners, among them the Church or Jewish entrepreneurs. In addition there is, as opposed to Vienna, no immigration of any considerable extent to be expected that might exercise some kind of pressure towards a change of the master plan.

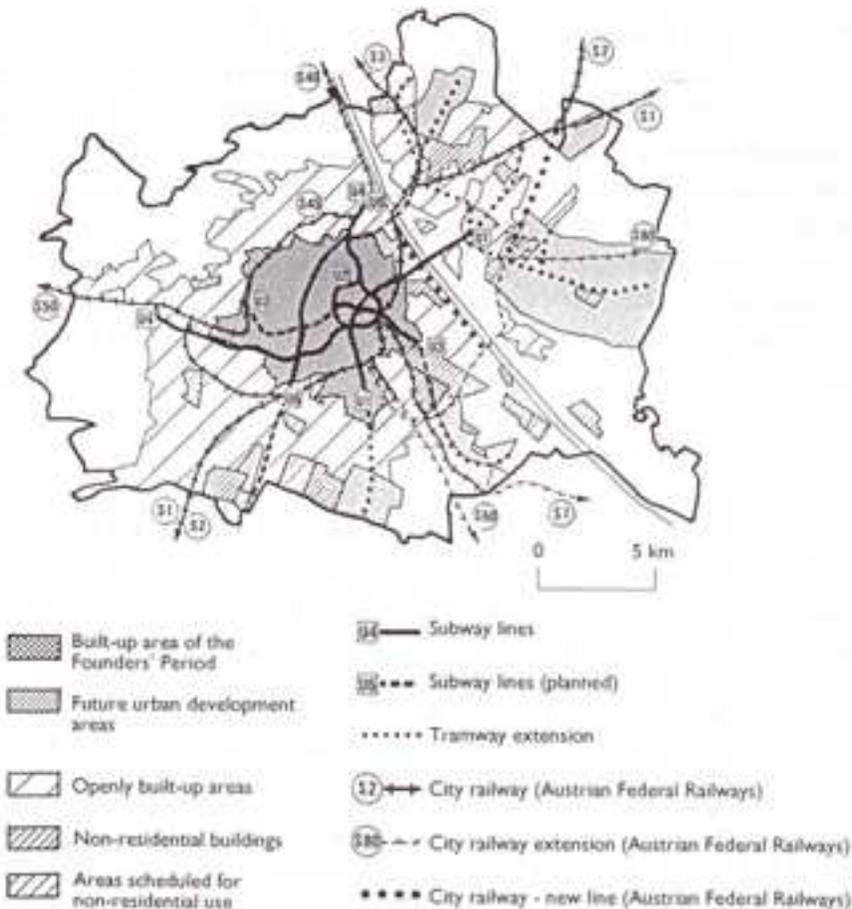
As was stated above, Prague can boast large reserves of real estate. The sites allotted to individual industrial enterprises are by far too large in many cases and, therefore, under-used. New tax regulations and privatization will result in a supply of large areas for other functions. There are such reserves within and next to the large housing estates in the outer city too, where shopping centres, public buildings and enterprises of all kinds could be allocated. Therefore it is not to be expected that there will be a suburbanization of enterprises in the near future as was the case in Vienna.

At present legal regulations still prevent, to a large extent, foreigners from buying real estate, but speculation has started nevertheless, real estate prices in the CBD soar and surpass those in the Vienna CBD. The danger of an uncontrolled building of skyscrapers financed by speculators from the West must not be underrated: urban planning appears to be paralysed and

lacks legal powers. Thus it is not just a chimera that Australian financiers planned to turn the KLEINSEITE into a "HistoryLand".

There remains the problem in which way the large number of architectonically valuable historical monuments in Prague can be preserved in future, what uses they are going to be put to, and who will be willing and able to pay for it. As most of Prague's citizens do not earn sufficiently large incomes the problem of a preservation and renewal of the Historical City cannot be solved in a similar way as in Vienna, namely by means of a gentrification process initiated by the people living there themselves. Thus any plans for a renovation must rely on funds provided from elsewhere, and the financial backers might insist on setting the goals. Within a European community that considers the preservation of the cultural inheritance of the continent one of its tasks the answer should be easy: Prague's Historical City could be conserved as an all-European cultural monument on a supranational level.

Map 7: Areas designated for urban expansion and public transport (rapid transit and subway lines) in Vienna 1991.



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