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# **Current approaches to state housing policy**

# Anatoly A. Likhtin\*, Almira N. Muftakhova

Russian Presidential Academy of National Economy and Public Administration (North-West Institute of Management of RANEPA), Saint Petersburg, Russian Federation; \*likhtin-aa@ranepa.ru

#### ABSTRACT

The housing sector is the most important area of society's development, in which housing needs are met. The article presents the results of a study of the state housing policy in the modern large city of St. Petersburg.

The paper presents the results of a study of the state housing policy in the modern large city of St. Petersburg. The article identifies the most significant trends in the transformation of the housing sector of the Russian Federation, shows the inconsistency of the processes of their implementation. The necessity of taking into account the positive experience of minimizing social inequality in the housing sector is substantiated. Attention is drawn to the existence of contradictions in the priorities of the State Program «Providing citizens of the Russian Federation with affordable and comfortable housing», which results in the restriction of the right of citizens to meet their housing needs.

It seems that the analysis of contradictory trends in the development of the housing sector, which is the purpose of the presented work, will be a definite contribution to the study of the modern housing sector in Russia, as well as the development of practical recommendations aimed at improving the state housing policy and its implementation.

Keywords: housing policy, housing issue, megapolis, city, house-building, managerial approach

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# Актуальные подходы к государственной жилищной политике

### Лихтин А. А. \*, Муфтахова А. Н.

Российская академия народного хозяйства и государственной службы при Президенте Российской Федерации (Северо-Западный институт управления РАНХиГС), Санкт-Петербург, Российская Федерация; \*likhtin-aa@ranepa.ru

#### РЕФЕРАТ

Жилищный сектор — важнейшая сфера развития общества, в которой удовлетворяются потребности в жилье. В статье представлены результаты исследования государственной жилищной политики в современном крупном городе — Санкт-Петербурге.

Обозначены наиболее значимые тенденции трансформации жилищного сектора Российской Федерации, показана несостоятельность процессов их реализации. Обоснована необходимость учета положительного опыта минимизации социального неравенства в жилищной сфере. Обращено внимание на наличие противоречий в приоритетах Государственной программы «Обеспечение граждан Российской Федерации доступным и комфортным жильем», следствием чего является ограничение права граждан на удовлетворение своих жилищных потребностей.

Представляется, что анализ противоречивых тенденций в развитии жилищного сектора, являющийся целью представленной работы, будет определенным вкладом в изучение современного жилищного сектора России, а также в выработку практических рекомендаций, направленных на совершенствование государственной жилищной политики и ее реализацию.

*Ключевые слова*: жилищная политика, жилищный вопрос, мегаполис, город, домостроение, управленческий подход

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Social inequality lying in base of stratification gets constantly new forms, changes its content. The study of transformation social inequality problems – is one the priority ways of sociological study.

We think it is necessary to research dynamics megalopolis housing stratification as relatively new type of social inequality coming into urban space. That problem was studied by T. Bogomolova in her dissertation «Social stratification of city population in material welfare» [1, p. 7]. Though the research was carried out in conditions of destruction of the old Soviet and formation of new Russian state system of house providing, it is presented as actual and applicable today.

Using housing typology developed by V.S. Tapilina, T.Y. Bogomolova had proved as result of analysis of social differentiation features that: 1) city population is highly differentiated in material welfare social commonality, 2) as well as she had detected stratums accentuated as specific types of specific types of material welfare which are full families predominantly characterized by commonality and life circumstances, social and demographic parameters.

Scientific development of methodology in categorization of families in property structure feature admitted this author compare marks of housing conditions with differentiation of population with material welfare components.

Study of housing inequality problems in foreign science is associated with sociologists J. Rex and B. Moore [6]. Studying non-indigenous Birmingham population scientists had noticed that the existence of segregative barriers in receiving social housing and had proved the presence of «housing class» as significant factor of city space.

The British scientist P. Saunders researched the problem of housing inequality, isolated consumer and production differences, attributing the right home ownership to means of consumption [7, p. 116]. Quoting this author, V.V. Radaev and O. Shkaratan write that housing plays a key role in determining life opportunities, in social identification and (through accumulation capital by homeowners) in modifying the conditions for the distribution of resources and economic inequality, it follows that the issue of home ownership should take its rightful central place and analysis of social differences and political conflicts [5, p. 121–122].

Opposing P. Saunders, the Spanish sociologist M. Castells through a series of his works could prove that the city is an economic concept, because it accumulates in itself the result of labor of workers.

In turn, the French philosopher A. Lefebvre comprehended the role of the contact of urban space as a social organization, and substantiated the importance of secondary capital as an application of capitalist investments in buildings.

Our studies of the dynamics of housing stratification of a metropolis (by example St. Petersburg) revealed its cyclical nature.

It is necessary to note that in the development and implementation of housing policy this cyclic process bears objective nature and is not disregarded completely and it all leads to erroneous decisions having serious social (and, it is possible, political) consequences.

It is possible to attribute to potential aconsequences: deepening social inequality, deprivation, etc.

Significant problems in the implementation of housing policy were identified at the largest real estate business event held in late September 2020 — St. Petersburg All-Russian Housing Congress where in the framework of the conference «Mass Housing Construction: Law and market» the state programs to provide housing for citizens of the Russian Federation was constructively discussed.

Among the main expected results of the implementation of the program, the executive authorities see the achievement of the level of resettlement in residential premises, at which the average number of rooms in actually occupied residential premises will correspond to the average number of people living in such premises, as well as the

formation of a rental market housing fund and the development of non-profit rental housing for citizens, having a low income level.

As one of the directions for the implementation of modern housing policy, measures are envisaged to create an economy-class rental-housing fund based on private investment.

The main essence of this plan is to provide for citizens in need of housing on a rental basis, for a fee fixed in the contract by the right of redemption after a certain period, owned by the authorities state and municipal level or private investor.

It should be noted that the proposed method for tenant to obtain redemption real estate was repeatedly criticized due to unsatisfactory practical results. There is the famous scientific dispute between the supporter of these ideas by P.Zh. Proudhon and his opponent F. Engels, cited in the paper «Towards Housing issue» [3]. Comparing Anglo-Saxon ownership with Franco-German, F. Engels proves the fallacy of this idea. The consistent Marxist M. Castells in his work "The Information Age: Economics, Society and Culture» [2] cites the example of Edge City, he indicates the difference between American and European cities in the process of spatial adjustment, and warns of the segregation trap, contrasting its integration. In our opinion, in housing, segregation manifests itself as a division of people into strata based on differences in social statuses, requiring certain restrictions on living space and complicating communication processes. We consider, compact living in a single living space unsecured citizens create the basis for segregation within a metropolis. So, the first project in St. Petersburg to provide residential premises in hired houses is being implemented in the Nevsky district of the city<sup>1</sup> in the area being an industrial outskirts with abandoned warehouse and production areas. At the same time, existing apartment buildings<sup>2</sup> are city owned and often have a location near the historical center, with favorable infrastructure, but are used as hotel complexes and hostels.

Among the unresolved problems of implementing the state program "Providing affordable and comfortable housing and utilities to citizens of the Russian Federation" in the conditions of decreasing solvent demand for housing acquisition at the conference «Mass Housing: New Market Challenges» indicated the following:

- 1) compliance with the volume of public places and social infrastructure, the conditions required by the state for housing and civil construction, becomes an unbearable burden for developers;
- 2) it is not entirely clear to experts and developers who is the provider of private investment (bank or state), and who is the customer of the project for the provision of residential premises in hired houses;
- 3) price (square meter for sale) and the cost of construction are not completely satisfied with the developers;
- 4) the scheme is proposed by the state does not indicate the role of the regulator, controller, who would be responsible for the quality of construction;
- 5) the delay in the implementation of the state program is due to unattractive conditions for developers to participate in it.

The participants of the event came to the conclusion that during further work on the program it is necessary to ensure compliance with all necessary conditions reflected in

<sup>&</sup>lt;sup>1</sup> Provision of residential premises in hired houses. Apartments according to the program // St. Petersburg State Budgetary Institution Gorzhilmen [Electronic source]. URL: https://obmencity.ru/gosudarstvennyie-uslugi/naemnyie-doma.-kommercheskij-naem/kvartiryi-po-programme (accessed: 24.09.2021).

<sup>&</sup>lt;sup>2</sup> Apartment buildings — information, photo // St. Petersburg State Budget Institution «Directorate for Management of State Housing Facilities St. Petersburg» [Electronic source]. URL: http://gosfondspb.ru/revenue/houses/ (accessed: 24.09.2021).

the provisions of the legislation on public-private partnership<sup>1</sup>. Another problem with the implementation of housing policy is the lack of a serious analysis of rental housing needs. The discussion at the above conference was held from the point of view of "built-buy", which does not seem effective. Thorough studies of housing needs of various social groups, forecasts of their dynamics are required.

The study of public is essential opinions on housing issues and the implementation of housing policy. Unfortunately, public hearings provided for by the Urban Development Code of the Russian Federation<sup>2</sup> do not resolve this problem.

So at the Conference «Analysis and forecast of the development of the real estate market and construction», which took place as part of the same forum, quite rightly it was noted that in the field of housing policy and civil engineering conditions that in the near future will cause imbalances in the supply of housing for the population and real housing needs.

These trends are amplified in a crisis situation<sup>3</sup>, and it is impossible to solve them without taking into account the opinion of the end user — the future tenant. And here it is necessary to conduct a well-planned scientific sociological study.

Thus, in conclusion, I would like to summarize the preliminary results.

- 1. We consider housing stratification in a megalopolis cyclical and find confirmation of this thesis in the history of the development of housing and civil housing from era of the Russian Empire, Soviet Russia to the Russian Federation. In modern apart-hotels you can recognize pre-revolutionary apartment buildings, in the elite class nomenclature and general «Stalin-houses», in registered residential complexes housing estates of communal houses, in town houses German cottages, etc.
- 2. One of the tasks in solving the housing problem should be called an unresolved dilemma to consider real estate as "property means consumption" or as "property means of production". At the same time, foreign science does not stand still and successfully develops the theory of secondary capital.
- 3. The process of distribution of housing as a high-value and hard-to-reach property should take into account the opinion of the population its end user, since the existing working market mechanisms are not enough in the face of growing social inequality and, as a result, a decrease in solvent demand in the real estate market.
- 4. The administration of St. Petersburg, unfortunately, does not take into account the territorial features of the city and the adjacent Leningrad Region either in its development strategies or in state programs to provide housing for residents. At the same time, the Leningrad region in the plans for territorial development considers the St. Petersburg agglomeration priority for residential development, which makes imbalances in the real estate market.

Eliminating the annoying omission would prevent the city from falling into the segregation trap, and also integrate the adjacent territories of the agglomeration into the urban space and provide housing for needy citizens at more humane prices

5. The universal requirement for the provision of social infrastructure and public spaces becomes a burden for the developer and, as a result, forms additional surplus

<sup>&</sup>lt;sup>1</sup> Coordinating Council for the Development of the Construction Industry of the NWFD // Official website of the Plenipotentiary Envoy of the President of the Russian Federation to the NWFD [Electronic source]. URL: http://szfo.gov.ru/press/events/644/ (accessed: 24.09.2021).

 $<sup>^2</sup>$  Town-planning code of the Russian Federation dated December 29, 2004 N 190-Φ3 (as amended on July 2, 2021) // Collection of legislation of the Russian Federation. 07/04/2016. N 27 (p. II). Art. 4305.

<sup>&</sup>lt;sup>3</sup> Antonov A. V. Risks of chasing a square meter: finding new housing ideas Politics // Materials of the St. Petersburg All-Russian Housing Congress, September 28–30, 2016 / edited by prof. G. M. Sternika // Russian Real Estate Market (Information resource on the real estate market) [Electronic source]. URL: http://realtymarket.ru/konfa.html (accessed: 24.09.2021).

value of housing. Therefore, a recommendation could be appeal to the historical experience of «Kirov-houses». Separation could occur not according to professional, but for example, according to the age criterion. There is not sense to build playgrounds where elderly people live, or it is impractical to provide apartments with large kitchens or bathrooms, if the house is intended for student youth.

6. By introducing a negative practice of creating a rental-housing fund on Russian soil, the state may have pursued humane goals, but having already mechanisms to provide housing for their citizens, such as mortgages, installments, subsidies, and those in power refused to reform them, preferring to compete on unstable real estate market. It seems that the settlement of interest rates on mortgage (by linking it to the inflation rate), the extension of the principle of validity of housing certificates by analogy with military housing certificates to other professions demanded by the state (doctors, teachers), or social groups (newlyweds, large families, poor) would improve the situation and ensure housing needs.

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#### About the authors:

**Anatoly A. Likhtin**, Dean of the Faculty of State and Municipal Management of North-West Institute of Management of RANEPA (St. Petersburg, Russian Federation), Candidate of Economics sciences, Professor; likhtin-aa@ranepa.ru

**Almira N. Muftakhova**, Senior lecturer of the Chair of State and Municipal Management of North-West Institute of Management of RANEPA (St. Petersburg, Russian Federation), muftakhova-an@ranepa.ru, msmalmira@yandex.ru

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#### Об авторах:

**Лихтин Анатолий Алексеевич**, декан факультета государственного и муниципального управления, профессор кафедры государственного и муниципального управления Северо-За-

падного института управления РАНХиГС (Санкт-Петербург, Российская Федерация), кандидат экономических наук, действительный государственный советник Санкт-Петербурга 1 класса; likhtin-aa@ranepa.ru

Муфтахова Альмира Нургалиевна, старший преподаватель кафедры государственного и муниципального управления Северо-Западного института управления РАНХиГС (Санкт-Петербург, Российская Федерация); muftakhova-an@ranepa.ru, msmalmira@yandex.ru