

## FEATURE



Housing construction in 1985



Block stone and brick housing typical of Soviet construction of the 30s, 40s and 50s in towns like Moscow, Kiev and Minsk

# How the Soviet industry works

The Soviet Union plans to increase capital investment in construction by 24 per cent by 1990 despite having a construction industry which is already overstretched. This is at a time when the prospects for trade between the USSR and Britain are better than for many years.

Since an Anglo-Soviet credit and financing agreement was signed last February, the value of project-based exports under way has risen to £400 million.

The Soviet construction industry is complex and differs greatly from the western approach. It is also in the process of change. Jonathan Charley explains how it works.

THE Soviet construction industry employs more than 10 per cent of the total labour force in the USSR, swallows up 11 per cent of total capital expenditure and consumes 15 per cent of all industrial products.

The last five year plan (1980-1985) saw, among other things, the construction of 200 industrial enterprises, 1,600 oil and coal bore holes, 20 oil processing plants and 552 million sq m of living space. For the years up to 1990 this figure is planned to rise to 570 million sq m, which works out at about 2.2 million new

apartments every year.

The industry is complex and confused. Its complexity hinders the smooth planning and fulfilment of capital investment, and the use of material and labour resources.

This is partly due to the presence in any one territory of too many construction organisations which do not coordinate their material and labour resources. This means they sometimes compete for resources and unnecessarily duplicate functions.

There are many reasons for the industry's complexity, including

cultural, climatic, and geographical variations across a country with the world's largest land mass. But perhaps the main reason is the first attempt in history to plan a national economy on successive five year cycles.

At the very top of Soviet planning is the Soviet (council) of ministers. This draughts the fundamental economic decisions on capital investment not only in the construction industry but in all sectors of the national economy. These decisions form the basis for the five-year plan.

Within this council is the hi-

ghest organ of the construction industry, *Gosstroi-USSR*. This is made up of three committees: *Gosgrashdanstroi* — responsible for housing, social, cultural and administrative buildings; *Glavpromstroiproekt* — dealing with all types of heavy and industrial construction; and, *Gosnab* — concerned with materials, plant and supplies.

Together they are responsible for scientific and technical policy, the development of new techni-

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