

URBAN DEVELOPMENT BEYOND THE EUROPEAN CAPITAL OF CULTURE PROGRAMME. THE LOCAL PROJECT CLASS AND LOCAL PARTNERSHIPS: ALLIES, RIVALS OR FOES?

KATALIN FÜZÉR

UNIVERSITY OF PÉCS, PÉCS

1. *Introduction*

European Capital of Culture (ECoC) programmes usually play an important role in reinforcing a common trend in European societies: that of project proliferation.¹ Whereas this new form of redistributing money and power within the European realm is arguably more readily perceivable in rural areas,² urban development too has been reshaped in the wake of the "projectification" of development regimes. ECoC cities experience this in an intensive manner due to the very large scale of projects that cities often run in the framework of their ECoC title.³ Pécs, an ECoC in 2010, is no exception to this trend and this paper studies the social impacts of running large-scale urban development projects for local society in Pécs: the rise of the local project class and the participation of local society in urban development processes.

2. *The role of social capital in the nexus of project class and partnerships*

As the theoretical framework of the study, our research employs one of the most successful social science concepts of recent times, that of social capital. Social capital is a sociological theory which concentrates on the interplay of networks in society, the trust which holds them together (or separates them) as well as the social norms which they animate. However, social capital has also become an increasingly powerful policy concept in the context of economic and social development. These two faces of social capital, one scientific and the other policy-oriented, make it a useful paradigm with which to study the social context and consequences of urban development.

Social capital has been a dazzling success in the academia of the social sciences: the late 1980s were marked by the contributions of Pierre Bourdieu and James Coleman, whilst the major inspirations in the

¹ Sjöblom et al. 2006, Sjöblom et al. 2012, Böröcz & Sarkar 2005, Kovách & Kristóf 2007.

² Csurgó, Kovách, Kucerova 2008, Kovách 2000.

³ Greg & Palmer 2010.

1990s came from Robert Putnam and Francis Fukuyama. By the turn of the millennium, more than 100 academic articles had been published on social capital, and this figure almost tripled in the following three years.⁴ In the world of development policy also, social capital became a success story: besides international development agencies such as the OECD (2001), or the World Bank,⁵ several countries' national development policies have relied on social capital. These included the UK, Canada, Australia, New Zealand and Ireland. In the US, the social science doyen of social capital, Robert Putnam, initiated a nation-wide social capital development strategy in the form of the Saguaro Seminar⁶ as well as stream of concrete projects.⁷

Triumph, however, was followed by a wave of criticism. The concept of social capital was criticised⁸ for its under-theorised background and for attempting too much in explaining a great variety of social phenomena such as health condition, educational attainment, success on the labour market, quality of life, government performance and, of course, economic development⁹. In the practical world of development policy, social capital received criticism¹⁰ for the way in which it was treated as a panacea for all social problems. Much of this criticism is well-founded, for the standard theory of social capital lays the thrust of its emphasis on distinguishing its approach from that of social network analysis, and, in doing so, relies on three established concepts of sociological theory: trust, networks and social norms. The problem is that it handles these concepts both theoretically and, especially, empirically – rather casually. In the policy world, on the other hand, we see that the programmes for the development of social capital are considered to be relatively inexpensive solutions for complex problems such as poverty or economic backwardness. This means that the optimism attached to social capital promises a less expensive alternative and a complement to other, very expensive, means of development.

In response to criticisms, one of the most promising developments in the theory of social capital has been the introduction of distinctions among three types of social capital: bonding, bridging and linking.¹¹ This move has allowed for reconnection to the sociological theories which stand in the background of social capital and which have made possible a more complex and robust re-theoretisation of how trust, networks and social

⁴ Halpern 2005:9.

⁵ The World Bank's task force on social capital is at <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALDEVELOPMENT/EXTTSOCIALCAPITAL>. (visited on 10/01/2013)

⁶ <http://www.hks.harvard.edu/saguaro>. (visited on 10/01/2013)

⁷ <http://www.bettertogether.org>. (visited on 10/01/2013)

⁸ E.g. by Portes 1998:1, 8.

⁹ For pro arguments cf. Fukuyama 1995, Putnam 2000.

¹⁰ E.g. by Woolcock 2000.

¹¹ Woolcock 2001:13-14, Field 2003:42-43, Halpern 2005:26-31.

norms intertwine in the three forms of social capital. This development gives new impetus to empirical research also and should certainly be integrated into instruments of urban policy, where such a distinction has been almost entirely missing, one notable exception being Gittel and Vidal (1998:13-23).

Bonding social capital is inherent in networks which build on a high degree of personal trust as well as honesty, reciprocity and trustworthiness in such relationships as family, relatives and close friends. Those who do not belong to these networks are closed off from them. Bonding social capital plays a vital role in the lives of all social groups, since it is a guarantee of wellbeing, interpreted as realising various levels of satisfaction with life, as opposed to the material dimension of welfare.

The relations belonging to bridging social capital are predicated on generalised trust among people and require a considerable degree of honesty and reciprocity. These relations connect us to people belonging to social groups other than our own (e.g., classmates, acquaintances or colleagues). Bridging social capital is, on the one hand, vital to social integration and, on the other hand, constitutes a resource which is supportive of progress in terms of both the individual career and of household status.

The concept of linking social capital is applied to relations within the hierarchical structures of society which connect us to people in positions of influence ('good connections'). Expectations of honesty and reciprocity prevail in such cases, but in very different configurations compared to the two previous types. Linking social capital can, for example, thrive in a web of favours which can be interpreted as a system of corruption – a witness to the warning that social capital does not always and necessarily have only positive social implications.¹² It is evident that, in any society, linking social capital plays a central role in attaining and retaining advantageous social positions. This type of social capital is predicated on a mix of trust in the formal, institutional structures of society as well as on trust in informal connections which often override formal hierarchies.

The three types of social capital offer an adequate framework for understanding the workings of project proliferation and the rise of the project class.¹³ The social and political function of the project class is mediation:¹⁴ the project class provides access to funds and networks which would otherwise remain beyond the reach of potential

¹² Field 2003:71-90, Whitehead 2004, Füzér et al. 2005.

¹³ For a similar application of the social capital framework to study development processes, albeit in the rural context, cf. Megyesi 2011.

¹⁴ Kovách & Kristóf 2007, Sjöblom et al. 2006, Sjöblom et al. 2012.

beneficiaries. This connection therefore, embodies a prime example of linking social capital where the relationship is predicated on a high level of confidence in the institutional structures which serve as resource providers – for example, EU funds and national development agencies. Also required is a high level of trust between members of the project class and beneficiaries, since this enables long-term cooperation among the actors, whose position is very different in the social and political hierarchy. Members of the project class occupy positions of influence: they are positioned not only above potential beneficiaries but also next to traditional political elites – with whom they share power due to their vital mediator role.

Members of a well-functioning project class are held together chiefly by bridging social capital which relies on the trust emanating from a professional ethos. Long-term, effective cooperation is predicated on the expertise, management skills and reliability of project class members, skills which are often tested to extreme under normal conditions. This refers to managing projects which, by definition, require optimal performance in the short-term from non-permanent organisational forms. These are usually complicated but have to perform within tight budgets.

Partnerships are formed from networks of potential beneficiaries and stakeholders, whose very presence vis-à-vis the project class depends upon the stock of bridging social capital shared among these "lay actors". Should they be able to develop a mutual trust to cooperate with each other and to exercise reciprocity within their circles, partnerships can be able partners in project class endeavours. Otherwise "public" or "community" involvement remains a matter of complying with project indicators.

Development policy schemes of the EU envisage non-problematic, smooth cooperation among the three chief actors in the project-related field, the political elites, the project class and partnerships. Political elites share power with the project class to the extent of the latter's role of providing access to development funds, all to the benefit of communities more or less organised into supporting partnerships. This ideal is often challenged when looking at empirical cases in tension- and crisis-ridden contexts.

3. *Local project class and local partnerships in the wake of the Pécs 2010 ECoC programme*

Even though relatively large-scale projects had already appeared in Pécs during the 1990s (most notably "the" ISPA project funded by the EU via its Pre-Accession eponymous fund), it was the ECoC title

and the associated five large scale infrastructural investment projects¹⁵ which created the local project class. Professionals from all potential recruitment bases for the project class¹⁶ had a role to play in the EcoC 2010 programme in Pécs:

- the bid was proposed and assembled by local professionals (with backgrounds in the regional sciences, literature, architecture, political science and international relations)
- the project proposals for ERDF funding (European Regional Development Funds) were compiled by the Pécs2010 Consortium made up of international and Budapest-based consulting firms
- ERDF funds were administered by the South Transdanubian Regional Development Agency
- the investment projects were managed by Pécs2010 Management Agency (which in 2011 became the Pécs Urban Development Agency and Zsolnay Heritage Management Agency)
- the Pécs 2010 EcoC programmes were managed chiefly by Fesztiválszervező Kht., a Budapest-based public cultural management agency.

The EcoC title of Pécs, therefore, stimulated not only the local project class but much wider interests also and benefited both regional and national project class actors also.

The local project class not only increased its size in the wake of the EcoC title award, but its influence also. Due to the novelty of a large scale project which had to be managed in an integrated manner as one complex urban development project,¹⁷ the local political elite pushed most of the decision-making into the hands of experts, i.e. managers in the Pécs2010 Management Agency. This was to cause tensions between the local elite and the local project class as time went on (2007-2010) and the details of the five investment projects became more and more blurred for the local political elite, which, from time to time, wished to oversee and influence the projects at strategic points. Daily project management, however, gained the upper hand. The local political elite during this time was unable to organise itself as the strategic manager of urban development processes. This manifested itself also in urban

¹⁵ The five projects were: Zsolnay Cultural Quarter, Kodály Concert and Conference Hall, Knowledge Centre (integrated library), renovation of exhibition halls, revitalization of a public squares.

¹⁶ Kovách & Kristóf 2007.

¹⁷ Füzér 2011.

strategy planning, since even the updating of Pécs's Integrated Urban Strategy in 2011 (the first version of which in 2007 was put together by the Pécs2010 Consortium's Budapest-based consulting firm partners as a project proposal annex for the ECoC) was managed by ex-ECoC investment project managers, now working for Pécs Urban Development Agency.

A subtle change, however, occurred, in the relationship between the local political elite and the local project class of Pécs during 2012. In order to take the most important decisions regarding urban strategy planning into its own hands, a so-called Coordinating Committee was set up at the City Hall. This was made up of leading politicians and heads of municipal administrative departments (such as the Chief Architect with an international background in urban development), as well as representatives of county and regional public authorities, and the organisation of local professionals. The planning of Pécs's new long-term urban development strategy (Pécs2030) is carried out under the strategic management of this new body, and not by the managers of the Pécs Urban Development Agency. The professed ideal of current planning is one of the wide participation of the local community -- including local professionals, whose organisation is represented in the body responsible for strategic management of urban development processes.

4. The local project class and local partnerships: allies, rivals or foes?

In contrast to the EU ideal of cooperation in development regimes, where local partnerships are ALLIES of the project class in accessing and using development funds, the ECoC project in Pécs gave rise to a situation where the local project class had a tense relationship not only with the local political elite analysed above) but also with the local community. They turned FOES into a two-way process: the ECoC project was perceived to have been "taken away" from local professionals, and hence from local society writ large, which made potentially influential members of the local partnership bitter from the very start. The building up of supportive local partnership constructs was attempted in various forms (such as a bid for civil initiatives in 2007 to be included into the Pécs 2010 ECoC programme – inclusion never happened with any of the winners), the majority of which brought more frustration than cooperation. As the local management of the Pécs 2010 ECoC investment projects had a legendarily bad press, the local project class became defensive and viewed both the local political elite as well as the local partnership as potential hindrances to their management tasks that they had to perform under truly extreme schedules. The syndrome of an embattled fortress and the brotherhood of the trenches emerged

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among managers of the local project class (even today, they have no website for the Pécs Urban Development Agency as a precautionary measure to ward off potential attacks).

Under the new circumstances of the political elite taking the upper hand over strategically managing urban development processes in the post-ECoC era, the relationship of the local project class and the local political elite is becoming normalised, with the division of tasks and of power becoming more and more fixed. In the course of planning the Pécs2030 strategy, the local political elites professed to open up the process to the local community. This move is viewed with much scepticism by the local project class, an attitude that was also put into writing by the chief director of the Pécs Urban Management Agency in a letter he submitted to the strategic management body. The local project class clearly perceives local partnerships as their RIVALS in the local division of influence over urban development: as the letter makes it all too clear, they try to convince the political elite to accept their scepticism on the merits of broad participation.

This conflict is to be read as the mobilisation of the local assets of linking social capital against those of bridging social capital: the stage is set for the local political elite to closely cooperate (under fixed arrangements) with the local project class in an effort to access much needed development funds -- an undertaking chiefly mobilising linking social capital. However, the ideal of broad local partnerships appeals not only to the main beneficiary of such constructs, the local community and its professionals, but also to the local political elite: the linking social capital between the local political elite and the local community that such a scheme is predicated on needs to be backed by strong assets of bridging social capital among the local community, as well as between its members and the members of the of the local political elite. A crucial precondition of community based urban development in a projectified EU.

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