The layers of dependence and the changing role of the state – conceptualising urban change in the East of Europe (Draft)

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Abstract

The conceptualisation of the „urban” in Eastern Europe is inevitably related to being European – being involved in the flows of ideas, technologies and institutional practices shaping urban space –, as well as to experiencing and researching urban change in the East, that has always been the nearest “other” to the western “core” of Europe. Inspired by the non-essentialist interpretations of the transition of urban space in the East of Europe, by Lefebvre’s theory of the “production of space”, as well as by experiencing urban change and East-West relations in everyday practice, we argue for a dependence- and state-centred conceptualisation of urban change in the East of Europe. Our key argument is that while “eastern” cities are heavily dependent on the global circulation of capital and its space-producing logic, this dependence has many interrelated layers that should be discovered and conceptualised at various non-global scales, particularly, in the context of “project Europe” (EEA) and of the changing role of the (nation-)state.

Introduction

The conceptualisation of the „urban” in Eastern Europe is inevitably related to being European – being involved in the flows of ideas, technologies and institutional practices shaping urban space –, as well as to experiencing and researching urban change in the East, that has always been the nearest “other” to the western “core” of Europe. This “in between” situation provided a particular ontological and epistemological framework for locally embedded conceptualisations of urban change in the East – expressed by the diversity of definitions of the region in terms of geographical boundaries and nomenclature –, shifting the focus to East/West differences (dichotomy) often neglecting diversity. Nevertheless, due to the enhanced flows of ideas and people from the early 1990s on, academic debates revolving around the urbanization in the East of Europe were extended, grew diverse and concerned increasingly with the histories and various trajectories of post-socialist transformations of cities, as well as with dependencies in recent urbanization processes. The non-essentialist view of urban transformations in the East, and post-colonialist re-interpretations of East-West relations inspired broader team works in geographical scope and raised more reflexive and critical attitudes among eastern researchers – even though, such attitudes remained peripheral and dominated by western theories yet in the East.

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Inspired by the non-essentialist interpretations of the transition of urban space in the East of Europe, by Lefebvre’s theory of the “production of space”, as well as by experiencing urban change and East-West relations in everyday practice, we argue for a dependence- and state-centred conceptualisation of urban change in the East of Europe. Our key argument is that while “eastern” cities are heavily dependent on the global circulation of capital and its space-producing logic, this dependence has many interrelated layers that should be discovered and conceptualised at various non-global scales, particularly, in the context of “project Europe” (EEA) and of the changing role of the (nation-)state. In the transition process, the abstract spaces of socialist planning was replaced by the spaces of capital – and the latter was linked intimately to neoliberalization of the state in the East. This process was underpinned “materially” by the emerging rent gap (produced by the logic of socialist urban planning and by the transition), global/European property market processes (“western” investors seeking for higher return in the emerging markets), and ideologically, by the travelling of ideas and practices – mediated by neoliberalized European institutions and professional networks dominated by western experts – that is rooted in the cultural history of Europe. Moreover, the rise of autonomous communities was hindered by the re-fashioned state that controlled shrinking public resources, colonized local political life and supported the privatization of urban space – that are self-perpetuating processes rooted in the socialist and post-socialist “heritage”.

In our paper, we shall discuss, how the role of the state as an agent of urban restructuring was re-conceptualised in post-socialist context, how the interests of (global) capital are being articulated through institutional practices in EU-sponsored local (urban) regeneration projects, (supported by neoliberalised national and local policies), and how the regeneration projects reflect the changing relationships of the central government and urban communities, revealing the layers and connectedness of “western” dominance in policy making and professional discourses, of re-definition of the role of the state on post-socialist context and of “inherited” deficiencies of social control over the central and the local state.

The following arguments rest on the results of four research projects. (i-ii) Two of them were focused on revitalization processes in small and medium size towns of Central and South East Europe (12 towns in 8 countries, between 2006 and 2012) within the framework of European regional development policy (ERDF). The role of our research institute was supporting the flows of ideas and revealing the diverse conditions for transnational communication and of local interventions. Thus, through the analysis of the contexts of is national and local policy documents and planning systems, series of interviews with local experts and through
organising transnational workshops, we had an insight into urban restructuring processes, into changes in national and local policies and institutional practices, their embedding into European discourses over regional/urban policies, moreover, into the inner logic and power relations of transnational projects. (iii) The third project (INNOTARS/2009-2011, funded by the National Development Agency, Hungary) was focused on changing urban-rural relationships in border regions (Slk/Hu; At/Hu; Ro/Hu). Through series of interviews, we researched the interrelatedness of supranational, national and local institutional practices, responses of local agents (local state, entrepreneurs, NGOs) to state rescaling and the related institutional changes, and to the redefinition of the nation-state in post-socialist context. (iv) Moreover, a recent research project (2013; funded by the Ministry of Rural Development) – that is focused on the mechanisms, the perception and the responses to marginalization of rural spaces in the crisis-hit, shrinking systems of collective consumption and within capital flows – provided lessons on rural-urban relationships in regions hit by poverty and demographic decline and also on dependencies that limit the responses of local agents.

**Urbanization and state restructuring in post-socialist context**

The Neoliberal restructuring of the nation-state was a major issue in academic discourses over the socio-spatial processes in the last three decades. The debate grew transdisciplinary and increasingly fine-tuned in terms of interpreting the changing role of the state and the socio-spatial diversity of this process. Nevertheless, it was widely accepted by scholars with bias to critical theory that neoliberalization was a response to the accumulation crisis of the 1970s, through introducing new forms of regulations to promote competitiveness and innovation, and thus, making “market forces” dominant in social relations (Jessop, 2002; Loughlin, 2004; Raco, 2005). The rescaling of competences and responsibilities to respond to the tensions between the “hypermobility” of capital and the spatial fixity of the conditions of its growth was a key issue of state restructuring (Brenner, 1999; Jessop, 2010). State rescaling emerged as a shift in national policies to promote urban and regional competitiveness, in the rise of the state as an agent of supranational organisations, and in the re-definition of power relations within national boundaries – favouring dynamic metropolitan regions as nodes of global flows/growth potentials/wealth, weakening social organisations linked to national scale (Amin, 2000; Peck-Tickell, 2012). Nevertheless, the nation-state was (is) still considered an important arena for articulating various social interests (Laughlin, 2004), and has a major role
in managing the crises of capitalism – even though, the institutional practices of Neoliberal capitalism are constantly undermining it (Jessop, 2010). Recently, as studies grew more diverse in terms of theory and case study-contexts, Neoliberalism has been considered increasingly “unstable, hybrid and contextually specific” set of policies, institutions and practices (Brenner et al, 2009; Jessop, 2010; Avgadic, 2005; Laughlin, 2004) shaped by various institutional landscapes as well as by flows of ideas and practices mediated by supranational organisations.

In critical political economic approach, the regional and urban policies of the European Union are the products of a “multi-level strategic game” of powerful economic and political forces (Jessop, 2010), supporting the reinforcement of major urban regions’ economic basis and exploiting endogenous resources – and meanwhile, failing to consider the highly uneven socio-spatial structure of the EEA the urban space as a framework of everyday life – as a “lived space” (Brenner, 1999; Hadjimichalis, 2011).

State restructuring was put in the focus also of studies focused on post-socialist transition, stressing the rapid and thorough changes resulting from the withdrawal of the state from controlling socio-economic processes, through liberalization and privatization – a Neoliberal agenda for transforming post-socialist societies, and by that, giving stimuli to the sluggish European economy/enhancing the scope of capital, and legitimizing the institutional practices of the re-scaled state in the West (Stenning-Hörschelmann, 2008; Smith-Timar 2010; Pickles, 2010). The practices of supranational organisations, in particular, European policies and institutions mediated models of state restructuring to transition countries – and defined also the conditions for funding such changes – in the 1990s, and by that, supported the replacement of the omnipotent state by market rules, as it was discussed critical theorists mostly in the “West” (see e.g. Harvey, 2005) and much less in the East (Timar, 2004). Nevertheless, critical interpretations that stressed the dependence of post-socialist societies on global capital flows and European institutions did shape the discourses over post-socialist urbanization, as the deep and thorough impact of the Neoliberal agenda for dismantling the socialist state – that changed the frameworks of everyday life including work, home, consumption, and communities – unfolded, and such changes were discussed by scholars grew increasingly concerned with daily practices and their embedding into memories (Smith, 2004; Stenning et al, 2010).

Inspired by the above approach, we argue for that the neoliberalization of the post-socialist state resulted in profound changes that are characteristic of post-socialist urban restructuring:
• The transformation of systems of collective consumption marginalized social groups as well as spaces that hit urban, as well as rural spaces – including widely discussed socio-spatial processes of suburbanisation of poor and rural ghettoization (see e.g. Ladanyi, 2002; Timar-Varadi, 2001; Leetmaa-Tammare, 2007) – contrasting to the “overurbanization” processes in the global South. While urban spaces were re-shaped by the logic of the property market from the mid-1990s (including even urban centres outside metropolitan areas, from the early 2000s on) exploiting the value/rent gaps produced by the socio-spatial practices of the socialist state, by rapid “marketization” and by the introduction of Neoliberal urban policies locally (Timar-Nagy, 2012), extensive rural spaces remained the reservoirs of social problems accumulated under socialism and by post-socialist transition. Thus, the conceptualisation of post-socialist urbanization should embrace the “deserting” of all aspects of everyday life in rural spaces stemming largely form their dependence on shrinking systems of collective consumption, on national and supranational institutions of development funds, and on the redistribution of national resources through municipal financing.

• Although, municipal autonomy was a key element of state rescaling in post-socialist countries – as a cornerstone of building new democracies – that enhanced the responsibilities and the resources of local governments, it raised a set of new problems. The low appreciation of state as an agent of local socio-spatial processes, the deficiencies of local institutional capacities and the slow accumulation of knowledge on managing urban spatial processes under market conditions have made capital the dominant agent of transforming urban spaces that produced (enhanced) socio-spatial inequalities – as it have widely been discussed (see e.g. Sykora-Bouzarovski, 2012). Nevertheless, “at the other end of the scale”, the marginalization of rural spaces in capital flows along with the neoliberalization of the state made the majority of small towns and rural communities powerless – as they lacked bargaining power, expertise and institutional capacities to respond to macro-level changes and to adjust to the practices of supranational institutions. Nevertheless, our interviews suggested that local agents of small towns and rural communities still rely on state intervention – partly, as the reminiscence of socialism, and also as a result of centralisation of resources under Neoliberal capitalism.

• The problems of empowering communities was embedded into the process of post-socialist political and economic transformation, in which, relational capital had a central role, supporting the survival of political elites and “old” socialist practices –
such as mobilizing personal relations and bargaining for getting development resources for particular regions or municipalities – paving the way for clientism and even for corruption (Putnam, 1993; Harloe, 1996; Kolosi, 2000). In this way, institutional practices of controlling the socio-spatial processes through privatization, regulation and management of public assets were effected also by “inherited” norms and practices of socialism. The highly complex web of personal ties and power relations seem to define the framework of urban development – controlling the distribution even of EU funds through national institutions (as it is suggested also by series of recent corruption scandals in ECE countries). Slowly emerging and often weak civil organisations – that might be colonized and exploited by powerful political agents locally as well as at national level – can scarcely control the distribution process. This recipe for controlling socio-spatial processes by combining institutional/regulative frameworks with personal ties/influence and also with exploiting powerlessness and dependence of the majority of the “civil” society should be considered as “products” of (post)socialist transition that did and does shape urban processes.

- Mainstream discourses over the transition process and over state restructuring driven by supranational institutions marginalised social (economic) practices that provide a basis for household and individual survival strategies in urban a well as in rural spaces. Such practices (from cultivating small gardens for self-supply to extortion) are rooted in the daily practices of the socialist past and/or in post-socialist transition and can be revealed at local and household scale (Smith, 2004; Stenning, 2005). As these practices are often “invisible” – thus, “non-existent” – to regulative institutions, they can not be controlled and/or supported. Nevertheless, we should understand the socialist/post-socialist conditions of the rise of such “informal” activities – the “others” of dominant definitions of the economy – as spatial processes, and interpret them in relation to global capitalism and also to the “disappearance” of the state as the organiser of everyday life in post-socialist spaces.

- The revival of the nation-state as an “imagined community” and the re-definition of the nation in ethno-cultural terms were tools used by the national political elites to legitimize the transition process. Nevertheless, the nation-state as the source of stability and identity was challenged by the ongoing globalization and “Europeanization” of new market economies/democracies (Paasi, 2001; Young-Light, 2001), and also by inherent conflicts rooted in the history of the culturally/ethnically
diverse region – that escalated into wars in post-Yugoslav context. Urban transformations were shaped by such discourses and conflicts in terms of i) destroying the socio-spatial fabric of urban life – relationships within and stretching beyond boundaries of towns – in the Balkan and its border regions; ii) in a much broader way, re-defining the meanings attached to urban spaces, in particular, to symbolic spaces of national and local history – exploited by local growth coalitions for economic (e.g. for tourism) development (Briedis, 2008; Light et al, 2009); iii) building local strategies upon networks that are supported and stimulated by ethno-cultural relations (e.g. in border regions).

The impact of the recent crisis should be studied further and more deeply to understand how (if) the extension of state interventions into market processes shaped post-socialist spaces. Fiscal and monetary restrictions – enforced by supranational institutions – hit decentralization processes and reinforced centralisation trends through budget cuts, endangering local autonomies and democracy in post-socialist context. Moreover, such trends along with the proposed, increasingly complex EU programs (funding) that enhance the dependence of local agents – particularly, in rural spaces – on external resources and mediators, might reproduce inequalities at various scales and also the above-discussed, post-socialist characteristics of the redistribution systems.

Post-socialist cities – European cities

Modernization theory that underpinned political and academic discourses, and largely shaped the transformation process in the former Soviet bloc considered ‘marketization’ (the Neoliberal scheme for transition) and ‘democratization’ inevitable and as a process of ‘returning to Europe’ (Hörschelmann, 2004). In this context, the EU-accessions in 2004 and 2007 were considered as the completion of the transition process (i.e. construction of the institutions of well-functioning markets and political democracy) and the successful repositioning of post-socialist countries inside Europe by the national political elites of the accessing countries and also in political rhetoric of the EU-technocrats (Clark, 2001; Moisio, 2002; Kostovicova, 2004).

Nevertheless, being part of Europe – or being the “other” to it – have been a central issue in modernity debates in and over the “eastern half” of the continent in the pre-socialist era (particularly from the last decades of the 19th century on), when the ideas and concepts over controlling/governing urban growth and related social problems were spreading rapidly and stimulated vivid debates involving social reformers, scientists, artists and politicians
throughout Europe (Hall, 1991; Ward, 2004). Shared discourses and urban planning traditions did shape urban policies in the East even in the socialist period, even though urban planning was subordinated to macro-economic principles (Szelenyi, 1983).

In the transition period, urban spaces were re-defined as scenes to capital accumulation and also as symbols of re-constructed national and local identities (Young-Light, 2001). In this process, the West European city was considered as a model of autonomous entities that stimulated widespread municipal reforms in post-socialist countries (Stanilov, 2007; Sykora-Bouzarovski, 2012). As state intervention was not a desired scenario in ECE context in the 1990s, the deeper involvement of municipalities in European flows supported the “restoration” of planning – a tool for driving/controlling changes in urban space – as a practical step toward exploiting the funding opportunities of the EU (van Kempen et al, 2005). Thus, transition countries grew involved increasingly in the European flows of ideas, experts and funds related to urban development.

Our approach to the above-discussed processes and the resultant changes in local spaces rest on i) Lefebvre’s concept on the production of space (Lefebvre, 1991), thus, we consider urban planning as a tool of producing abstract spaces driven end exploited by capital as well as by national and local political elites; ii) on considering European spatial policies – that manifest in funding principles and practices of EU institutions – as “products” of discourses driven by highly imbalanced power relations (Huxley-Yiftachel, 2000; Richardson-Jensen, 2000; Cochrane, 2007) – that defined the framework for urban policies and produced socio-spatial interventions in ECE with a very different outcome from those in the “West”. Thus, to conceptualize post-socialist urban transformation, we must understand its embedding into European discourses and institutional practices. In more details, we argue for the followings:

- Neoliberal reforms guided by supranational institutions - including the EU – opened post-socialist urban land markets and integrated them into global flows of capital in the 1990s, inducing changes considered as major problems in European policy documents – such as residential and commercial suburbanization, gentrification, social polarization, segregation and ghettoization – that are considered as subjects to institutional interventions to protect “the European city” (compact, socially mixed, autonomous entity with vibrant historical centre). Discourses over national spatial policies were dominated by a “market” – a Neoliberal – approach toward remedying regional inequalities through improving competitiveness of regions and (major) cities and embedding them into international flows (Sykora, 1999) in which, small towns and rural communities were considered (implicitly) as powerless and marginal.
• Post-socialist urban policies had to be developed in the context of the neoliberalization of European spatial policies – within the competitive model of regional development in which, urban space was interpreted as the scene to capital accumulation and the relevant scale of managing social conflicts (the “side-products” of urban restructuring) (Harvey, 2005; Brenner, 2009). European discourses had far-reaching impacts on post-socialist urban restructuring through shaping policies and related practices. i) They supported the prevalence of the competitive scheme for regional and urban development in post-socialist countries, by shaping planning discourses through European documents and flows of experts. ii) The proposed vision of the European economic space (ESDP) that considered East and East Central Europe as a periphery and relied on the network of competing and cooperating cities for spatial equalization. Nevertheless, the most of the post-socialist cities lacked resources (pre- and co-financing), expertise and capacities to shape discourses (funding principles) and participate in development programs as equals to “core” cities. Thus, inequalities are reproduced in European discourses over spatial (urban) development that rest on earlier experiences (“best practices”). iii) Local agents consider networked – inter-urban, transnational – relations as sources of urban growth that is promoted by European spatial policies. The cooperation within urban regions is interpreted often as a practical (not strategic) issue, and it is largely dependent on national regional policies and on the organisation of territorial administration. Our interviews suggested that the instability (subsequent “reforms”) of spatial organisation of the state, the appreciation of the newly re-gained local autonomy – that is limited largely by the scarcity of development resources and the lack of experiences in regional cooperation – stimulated rather competition than collaboration within urban regions in post-socialist countries. Consequently, the network-based, competitive model of spatial development that relies on the “spill over” effects of urban growth reproduces urban-rural inequalities in post-socialist context.

• The emerging neoliberal approach toward cities as scenes to capital accumulations was adopted and re-contextualised in post-socialist countries in terms of institutional practices. As revitalization projects in ECE and SEE reflected, interventions into socio-spatial processes were/are driven mostly by the officials of the local state, who work under the pressure of the of the normative, output-oriented logic of the EU-projects, of the local politics dominated by various fighting interest groups seeking for short-term return of invested resources, and of the deficiencies of state bureaucracy.
As a consequence, the “projectification” of urban development under the umbrella of EU programs produces interventions in post-socialist urban spaces i) that often lack strategic embedding; ii) in which, the interests of the majority of local society is not articulated – due to the time limits of the projects and to lacking institutional practices in mobilizing various social groups in post-socialist context; iii) thus, reflect the visions of investors and/or urban planners; iv) and are scarcely defined in regional terms. Moreover, the power relations and conflicts within EU projects also shape the objectives and practices related to the interventions – thus, the urbanization processes.

The national and the EU project “classes” that run the institutional systems of the programs, and “whose” power rest on a combination of relational capital, specific management and language skills (including the jargon of EU-bureaucracy) controls and eventually, over-write local interests to match the projects to European and/or national institutional practices, reproducing existing practices and power relations. Moreover, various cultural and financing contexts result in debates and/or conflicts between project partners that often manifest in West/East differences and end in transferring best practices from the former to the latter.

Thus, we may presume, that the institutional practices related to the European regional and urban policies supported the Neoliberal turn in post-socialist countries, counteracted to equalizing processes through the democratization of local planning processes, contributed to the rise of elitist urban policy making practices that rests of the coalition of the experts of local state, of the national project class and of private investors – while constantly reproduced the imbalanced power relations in European discourses over spatial policies and in related practices.

References


