

“Socio-spatial Dimension of Urban Renewal in Market-led City: The Case of Three Influential Projects in Tallinn, Estonia”

Ingmar Pastak*

Anneli Kährik

Abstract

It is generally accepted that urban renewal and flagship projects play significant role in local physical and economic development, despite the fact that the effect depends on the context. Nevertheless, among researchers the socio-spatial influence of urban renewal has been questioned over and over again. Urban renewal goes hand in hand with urban governance: the intertwined combination of public policies, local participation, and private sector initiatives help to force local development in a favourable direction. The presumption for such development is the participation of all local, public, and private stakeholders. But what may be the outcomes when public authorities implement a weak role, there are no considerable strategic plans for urban renewal, or civil society has not yet been properly empowered? The current article analyses the local socio-spatial impact of three market-led flagship urban renewal projects – a privately-led creative campus Telliskivi Creative City, a national maritime museum Seaplane Harbour, and a local municipality project Tallinn Creative Hub. The analysis has been made on the basis of 35 semi-structured interviews with urban planners, local developers, community leaders, and residents in Northern Tallinn, Estonia.

Urban renewal taking place in Estonia is unique phenomenon due to fragmentation and project-based nature: it is carried out by small and medium size private sector actors and few public authorities. On the one hand, there exists the pressure from public authorities and local residents to solve local socio-spatial problems, but on the other it often bounces with the desired economic goals of the projects. The lesson we can learn from these case studies is that the local social impact of the initiatives (museum, creative campus etc.) depend on the involvement with local community and local social networks. The main outcome of studied urban renewal projects, besides place-marketing and improving neighbourhood's image, is the creation of public and semi-public urban space, which has also socio-spatial impact on local neighbourhood – it encourages social life, brings more different groups to certain activities, strengthens social bonds, but also may result with the commercialization of created urban space.

The paper is based on ongoing work under the EU-funded project DIVERCITIES (2013-2017). This project has received funding from the European Union's Seventh Framework Programme for research, technological development and demonstration under Grant Agreement No 319970 – DIVERCITIES. The views expressed in this publication are the sole responsibility of the author(s) and do not necessarily reflect the views of the European Commission.

© by the author(s)

*Department of Geography, University of Tartu, 46 Vanemuise St., Tartu, Estonia

ingmar.pastak@ut.ee

Paper presented at the RC21 International Conference on “The Ideal City: between myth and reality. Representations, policies, contradictions and challenges for tomorrow's urban life” Urbino (Italy) 27-29 August 2015. <http://www.rc21.org/en/conferences/urbino2015/>

1. Introduction

Since the 1970s, many inner city industrial areas have undergone a reorientation from brownfields to commercial, residential, and recreational areas. These urban renewal projects are carried out by public authorities, private entrepreneurs, local actors, and mostly in cooperation with many stakeholders of these fields (Healey, 2006). The physical and economical influence of urban renewal has been studied extensively. However, less attention has been paid to the social outcomes and influence on local neighbourhood social environment, especially in Central Eastern Europe (CEE). In CEE countries public authorities play a secondary role and urban revitalization is mainly a private sector driven process (Feldman, 2000; Temelova, 2007; Keresztély and Scott, 2012). Many authors criticize the effectiveness of urban renewal in market-led context, especially in post-soviet cities. For example, Turok (1992) has stated that unrestrained market-led development may cause detrimental consequences for people living in deprived neighbourhoods and local economy. Sagan and Grabkowska (2012) point out that the urban renewal in CEE seek for interregional and European economic competitiveness, external investment, tourism rather than local “place-making” or solution for socio-economic problems in run-down areas. Furthermore, Keresztély and Scott (2012) place an emphasis on the fact that the participation processes in urban development are often very superficially declared in strategic documents and the participation of civil society actors is not common in the practice of urban renewal projects. In case of the increased inter-urban competition post-socialist city governments cannot redistribute the resources and are not able avoid the uneven development.

In Estonia, the massive privatization carried out during the Ownership Reform Act in the 1990s resulted with the high share of private ownership (Roose *et al.*, 2013; Tammaru, 2015). For example, in Tallinn the share of private home ownership is 97% (Statistics Estonia, 2015). Due to the high private ownership rate and also public authorities’ weak role, the process of urban renewal is strongly fragmented and project-based: it is carried out by small and medium size private sector actors and few public authorities without strategic approach. Although there exists a pressure from

civil society organizations to be included in urban renewal processes and the voice of local stakeholders has strengthened to some extent (Holvandus, 2015), still the question remains, to what extent the urban renewal projects affect local neighbourhood in market-led city. The target of the present study is to answer that question by studying the impact of market-led flagship urban renewal projects. We therefore aim to answer the following research questions:

- (1) What kind of local socio-spatial impact do public and private urban renewal projects have on local neighbourhood in market-led urban development?
- (2) Which factors influence the local socio-spatial effect?

The analysis bases on semi-structured qualitative interviews with the projects stakeholders, urban planners, local entrepreneurs, community leaders, and residents carried out in 2014 and early 2015 in Northern Tallinn, Estonia. The interview data was transcribed, coded, and thereafter analysed on the qualitative thematic analysis method.

The paper is structured as follows. First, we concentrate on the socio-spatial dimension of urban renewal and flagships projects, thereafter we look at the main features of post-socialist context. In the second part of the article we present the research area, selected case studies, and methods. Finally, we distinguish the main findings on the basis of empirical data to explain how the studied market-led urban renewal projects affect local neighbourhood's socio-spatial development in Northern Tallinn.

2. Theoretical background

2.1. The social dimension of urban renewal and flagship projects

Urban renewal is a central concept in modern urban planning. Roberts and Sykes (2000) define urban renewal as a comprehensive and integrated strategy and action to solve urban problems and improve the environmental, physical, economic, and social condition of an area that has been subject to change. In recent years, there have been many authors making a distinction between urban regeneration and renewal by nature of the process: regeneration is understood as more controlled process carried out

through different projects and strategies (Ganser and Williams, 2007; Couch *et al.*, 2007; Tallon, 2013) whereas renewal (or revitalization) is explained as more spontaneous process taken place prevalingly in Central and Eastern European cities in the context of market-led urban development and slight intervention of public authorities (Feldman, 2000; Kovacs, 2009; Scott and Kühn, 2012).

One of the most crucial tools of urban renewal is a flagship project. It is a building or an area which is created in hoping to give an impulse for revitalization for its surrounding areas in terms of physical, economic, and social development (Temelova, 2007; Grodach, 2010). Therefore, the main idea is that such schemes hold the potential to influence the surrounding environment (Temelova, 2007). Flagship developments are also the places where global and local influences intertwine. For example it could be a high-end housing, a museum, luxury shopping, tourist attraction, cultural amenity or a hotel (Doucet *et al.*, 2011). In recent years, there have been many papers describing different types of flagships: a museum (Vicario and Martínez-Monje, 2003; Grodach, 2010; Lazzeretti and Capone, 2013; Heidenreich and Plaza, 2013), a theatre (Trumbull, 2014), a business district with high-end housing (Doucet *et al.*, 2011), and a shopping centre (Temelova, 2007).

Despite the long-standing research which shows that urban renewal strategies give generally positive results, the modern agenda of urban renewal and flagship development has several central issues to solve. First, there is no guarantee for success in urban renewal and flagship development – the outcome of revitalization is strongly context-related (Temelova, 2007; Grodach, 2010). Therefore, the success depends of various factors: the development potential of the location, the attitude of local authorities, the commitment of involved actors etc. (Temelova, 2007). Secondly, one of the main problems of revitalization is the spatial selectivity (Turok, 1992). Revitalization often starts from locations with greater development potential, e.g. wooden residential areas and brownfield sites near the city centre with good transport links (Kiss, 2002). The third central issue is the lack of attention to local problems while craving after external success. Sagan and Grabkowska (2012) emphasise the importance of “locale” in urban regeneration processes: if the urban regeneration do

not consider the local conditions in physical, economic, but also in social terms the result may be alienating local residents and misjudging local potentials.

Moving closer to the integration of social and demographic issues, the modern concept of urban renewal has widening by scope and also by meaning. For example Radoslav *et al.* (2013) emphasise that urban renewal has three distinctive features: restructuring of housing, recreating public spaces, and organizing various events and activities. The modern approach is focused also more on maintaining rather than demolishing the existing environment and there is a growing awareness for paying attention to creativity and culture within the concept of culture-led urban regeneration.

Many case studies point out the positive effect in terms of social revitalization, when considering culture-based flagship projects. This is called the “Bilbao effect” – named after the Guggenheim museum in Bilbao, Spain. Heidenreich and Plaza (2013) define the “Bilbao effect” as a phenomenon when a flagship project leads to culture-driven revitalization and develops tourism, businesses or creative industries in a local area or region. According to Heidenreich and Plaza (2013), museums as flagship developments have also social and symbolic role in the neighbourhood. For example the museums can be a meeting place for local residents and external visitors if they arrange cultural and social events like conferences, contests, book presentations, workshops, and field trips within the territory, or involving local artists, researchers, and hobbyists. In that case the museum acts as an everyday meeting place that “actively participates in the construction of urban social fabric” (Lazzeretti and Capone, 2013:16). This viewpoint meets the Sagan and Grabkowska’s (2012) need for “locale” – in other words focusing on local issues in urban renewal processes – to revitalize the area in social terms.

The studies of culture-based flagship projects show that they can act also as places for production of knowledge and social networks. For example museums can influence local social life by a) providing a space for education and research; b) maintaining and representing values; identities, and authenticities; c) providing creative public space; and d) improving social cohesion and welfare (Lazzeretti and Capone, 2013). The impact on social cohesion and welfare could be understood through the cultural and

social integration taking place in a museum (ibid. 2013). These examples of literature have explained the impact of single (often culture-based) building or renewal project on local or regional socio-economic environment.

According to Turok (1992), the clearest outcomes of urban renewal are the impact on sense of place or identity and thereby better perceptions of the neighbourhood. Flagship projects can accelerate development through providing credibility for following projects (Temelova, 2007). Temelova (2007) demonstrates that as a consequence of improving the neighbourhood's image the area becomes perceived as a secure location to invest in. Additionally, the social improvement of the neighbourhood has also an effect on the residents' sense of security.

Still, although the projects can act as a source of revitalization, many authors point out the negative socio-spatial outcome. The flagship urban renewal may cause detrimental consequences for people living in deprived neighbourhoods and for the local economy. Urban renewal can lead to gentrification meaning that local residents and firms will be replaced by incomers in case of the property values and rents rise (Turok, 1992). In this sense, Sagan and Grabkowska (2012) explain that one outcome of urban renewal is the inflow of in-migrants and outflow of old residents. They explain such migration is a long-term process which could lead to many urban problems but also introduce more sustainable social mix in residential areas. David Harvey (1989) criticises urban renewal projects as boosting the unequal urban development which is often an ineluctable consequence of small-scale and even large-scale projects. Some authors point out the urban renewal in the market-led context meaning less regulation and less intervention by public sector, greater private autonomy which lead to the growth of spatial and social inequalities in the city (Feldman, 2000; Ruoppila, 2007).

2.2. The context of post-socialist urban renewal

The post-socialist urban development differs from western experiences. The extensive privatization of housing in 1990s and early 2000s resulted with fragmented ownership structure that makes it difficult to initiate larger scale urban renewal projects (Keresztély and Scott, 2012). The uneven developments have encouraged the

degradation of neighbourhoods in historical centre, obsolete brownfield areas, and post-socialist housing areas mainly because of the lack of intervention during post-socialist period (Keresztély and Scott, 2012). During the period of transition, the most rapid changes took place in inner cities. Sagan and Grabkowska (2012) note that pre-war tenement houses were neglected as non-prestigious during the Soviet era but are experiencing growth in popularity during the last decades. In addition, the processes taken place in former industrial areas have also changed the physical appearance, socio-economic structure, and image of these neighbourhoods. The brownfield regeneration often goes hand in hand with gentrification: traditional industrial areas are converted to a multi-functional urban landscape where the mixed use is one of the main principles in urban development schemes (Temelova, 2007).

According to Keresztély and Scott (2012), the post-socialist transformation is basically a case of globalization and accommodation to market-driven urban development. They (ibid. 2012) point out six distinctive features of post socialist context: (1) transformation to new rules and identities, (2) uncertainty of measures, (3) fiscal restraints, (4) experimentation, (5) influence of western experiences, and (6) political fragmentation. The post-socialist urban policies principally deal with short-term goals and focus on specific urban development projects that provide tangible results (Sagan and Grabkowska, 2012). For example, urban regeneration policies focus mainly on representative and historically “valuable” brownfields within inner city and less attention is paid to the improvement of housing conditions and quality of life in other inner city parts (Sagan and Grabkowska, 2012). Thus, waterfront and historical sites are preferred as development projects to create cultural or commercial areas (Ruoppila, 2007).

The market orientation, lack of urban renewal policies, and non-participation of civil society actors have led to the weak representation of social dimension in urban renewal in CEE states. The urban renewal in CEE countries is mainly a private sector driven process due to little involvement of the public sector (Temelova, 2007). Feldman (2000) criticises the public authorities for lack in strategy and power. In post-socialist countries there has been a change from state-dominated policies to neoliberal

approaches with greater participation of private sector but without equivalent involvement of civil society actors (Keresztély and Scott, 2012). The one-dimensional understanding of urban renewal limits focusing on local and social issues – it is primarily oriented towards physical places, not people (Sagan and Grabkowska, 2012). However, certain changes take place in terms of involving civil society organisations and local residents to urban renewal processes. Keresztély and Scott (2012) describe that the role of civil society in urban development has increased: several civil society organizations made up of architects, artists, environmentalists, and local residents have become more vocal. Still, the weak levels of state intervention, institutional fragmentation, and the domination of market-led approaches impede the improvement of social dimension in urban renewal in CEE states (Keresztély and Scott, 2012).

Last but not least, it is important to add that the urban renewal projects in Estonia are not usually specially targeted to improve the local social and economic development, but it is still in many cases the expected outcome. In Tallinn there is no general urban regeneration policy and there are no regeneration principles added to the master plans or planning concepts either (Pastak 2014).

3. Case study area and methods

3.1. Case area description and background of the projects

Tallinn is the capital of Estonia and similarly to other Eastern European cities it has great influence on the state's economy. Approximately 30% of the population of Estonia lives in Tallinn and almost half of Estonia's gross domestic product is produced here (Statistical Yearbook of Tallinn, 2013). Northern Tallinn is the northernmost of Tallinn's eight city districts, which is surrounded by sea (Figure 1).



Figure 1. The three case studies situating in Northern Tallinn.

The district has the longest waterfront, but for the large part is used as ports, warehouses, and industrial purposes. Therefore, the majority of the seaside is closed off for the public. Nevertheless, Northern Tallinn is a mixture of different architecture: industrial and military areas, ports, soviet panel houses, low-rise tenement-houses hemmed by numerous abandoned buildings and old railway infrastructure. This traditional industrial district nowadays comprises of diverse neighbourhoods: some of them are still socio-economically disadvantaged, while other experience rapid development, gentrification, residential and brownfield revitalization. Kalamaja and Pelgulinna neighbourhoods – where the projects are situated – consist of low-rise housing, but in the nearby Pelguranna and Karjamaa neighbourhoods there exist also 5-storey panel houses built in the Soviet period. Mostly due to inflow of industrial workers from all over the Soviet Union before the 1990s, subsequent rapid deindustrialization, and gentrification since the 2000's Northern Tallinn has become an ethnically and socio-economically diverse area (Holvandus *et al.*, 2015). The gentrification of pre-war wooden tenement housing in Kalamaja and Pelgulinn has

changed these neighbourhoods to a trendy area. A visible process in Northern Tallinn is also brownfield revitalization. It takes a considerable dimension because of the existence of many former industrial buildings suitable for changing to creative campuses, museums, and offices. Such urban renewal is strongly linked with creative economy which has grown up from alternative and bohemian atmosphere to well-financed creative urban renewal projects initiated by public authorities and private firms. The empirical framework of this article is based on three influential urban renewal cases situated in the Kalamaja and Pelgulinn neighbourhoods: a privately-led real estate management Telliskivi Creative City, a national maritime museum Seaplane Harbour, and a local municipality project Tallinn Creative Hub. All of these three projects are former industrial sites which have undergone a complete change in function and social renewal (Figure 2).



Figure 2. The functional change of studied urban renewal projects.

In this article the authors define the flagship project as any kind of project which through a pioneering role and creating the spin-off effect initiates or catalyses the upgrading of the area. The idea is to study the influence of the projects aiming not to directly regenerate the local neighbourhood but having a remarkable influence on renewal of the neighbourhood.

Telliskivi Creative City is a creative campus promoting creative economy and providing different rental properties for creative entrepreneurs, non-profit organizations, bohemian restaurants, and niche-shops. It is a privately-led brownfield regeneration project, initiated in 2008 in an old rail factory. Telliskivi Creative City can be considered as a flagship project because the creative campus concept and culture-led brownfield regeneration ideas were not yet implemented in Northern Tallinn.

Seaplane Harbour is a museum opened in previously closed military waterfront area in 2012. It is operated by Estonian Maritime Museum and located in old seaplane hangars remarkable for their architectural value. The permanent exposition includes collection of maritime history and engineering, life-sized exhibits, but the museum also operates as a port offering a limited amount of places for small private sailing boats and vessels for sightseeing cruises on the Bay of Tallinn. Seaplane Harbour hosts international and local events, exhibitions, festivals, and forums alongside the museum's activities and develops national maritime science and history.

Tallinn Creative Hub is a creative environment aiming to build up new interdisciplinary and cooperation between cultural, creative industries, and private sector. It is initiated in 2010 by local municipality for the European Capital of Culture project "Tallinn 2011". The building is situated in an old power plant. The main activity is to promote creative industries and arrange cultural events. The portfolio consists of creating commercial and cultural events, promoting the grassroots creativity through workshops and other activities, offering labs for designing and making prototypes, and also bridging such bottom-up creative production to entrepreneurial activities.

The case selection offers analysis of diverse and wide-range nature of market-led urban renewal projects (see Table 1).

Table 1. Basic characteristics of the case projects

Project	Public function	Initiator	Start of project
Telliskivi Creative City	✓ Creative campus: rental properties for creative entrepreneurs	Private investor	2009
Seaplane Harbour	✓ Museum	Ministry of Culture	2012
Tallinn Creative Hub	✓ Creative Hub	Local municipality	2011

Mentioned three urban renewal cases were selected to cover all forms of urban renewal projects which have a remarkable influence to local socio-spatial changes. All projects have public and social function, are initiated within the last six years, and have a significant number of visitors. Also the selection of various projects offers the analysis of initiators role: the case selection comprises a privately-led real estate management, a central government project operated by the Ministry of Culture, and a local municipality project. Choosing the initiatives from different initiators also provide a cross-section of large urban renewal projects in post-soviet context which helps to understand the market-led urban renewal processes socio-spatial influences and its driving forces.

3.2. Methods

The empirical material of this article consists of semi-structured interviews with key actors from Telliskivi Creative City, Seaplane Harbour, and Tallinn Culture Hub urban renewal projects: local developers, CEO's, real estate managers and residents (local level); local government officials, urban planners and architects (professional level); key persons from neighbourhood associations and other non-governmental organizations (non-profit and voluntary level). 35 face-to-face semi-structured interviews were carried out in the late 2014 to early 2015. Respondents were found

through different channels and using different methods. The interviewees were selected with respect to the knowledge, professional, and personal experiences of the studied three urban renewal projects using internet based social networks and also using snowballing method. The respondents were selected with respect to diverse sample in terms of age, gender, income, and social status. In addition, the spatial distribution of local residents' residences were followed to find respondents from different types of housing and different neighbourhoods. In order to find diverse entry points we also attended community meetings and local events arranged by the projects. Respondents from projects' staff, city planners, and government officials, key persons from non-governmental organizations were selected with respect to their involvement in development projects. Also interviewees from both main nationalities in Estonia (18 of respondents were Estonians, 15 were from Russian-speaking population) and with foreign residents living in the case study area (2 interviews) were conducted.

To analyse the interview data qualitative thematic analysis was used. All the interviews were transcribed and coded thereafter to create sub-themes which describe the experiences and perceptions of different stakeholders of the urban renewal processes. The inductive coding used helps to bring together the components or fragments of ideas, which often are meaningless when viewed alone, simultaneously helping to reflect the overall attitudes, and understand the motivations behind actions and officially declared statements.

4. Results and discussion

The studied three urban renewal projects have diverse initiators and also different main objectives. Telliskivi Creative City is a real estate management which operates in real estate market, at the same time Seaplane Harbour and Tallinn Creative Hub are public sector projects created to promote culture and creative activities. Although the aims of these projects are different, they have followed similar patterns when developing the culture-led renewal plans and the conceptions of the projects. On the basis of the interview data we can distinct two ways of how the studied urban renewal

projects have influenced local social fabric and networks: first, in all cases public and semi-public spaces for encounter have been created, and secondly, the projects bonds the (local) project-specific target groups.

4.1. The creation of public and semi-public space as place-marketing tool

Industrial areas and ports have long occupied Northern Tallinn which has made these areas strictly guarded and inaccessible for the public. The created space with unlimited access influences positively the local social life of a traditional industrial neighbourhood, enriches with waterfront experience, and offers a good place for creative activities.

The main outcome of the projects is the creation of public and semi-public space and thereby boosting the local social life. The created public space of the projects has a substantial social dimension: it is a place for encounter, a place for communication and activities, and a venue for local social recovery. Restaurants and cafés, stage and rehearsal rooms, yard area and outdoor cafés can all be considered amongst this public and semi-public space, as well as some parts of the museum or shopping areas. In all cases the access to this territory is free.

Telliskivi Creative City has created bohemian and creative space with restaurants, cafés, bars, yard area, a theatre, childcare, and arranged different events like flea market regularly within the campus. Seaplane Harbour has created a local museum-based maritime cluster built around the museum as a public object – it is basically the exhibition area but also the territory of the museum with the port area which offers dockside for private sailing boats and yachts, a playground for children, access to the waterfront; also different events like Tallinn Maritime Days are arranged there. Tallinn Creative Hub is a well-known place for cultural events despite the fact that the refurbishment works of the campus are not finished. The launching process of this initiative has been very slow which has initiated a local planning dispute about whether adapting this space for more with the interests of local community or at the discretion of the local municipality. It has become an actual planning dispute where the two parties – local neighbourhood association and local municipality's planning

authority – argue over the function of the area, about the openness and closeness in principle.

However, it is important to emphasise that the free access public area like restaurants and cafés, yards and ports rather have a supportive function: it allows and contributes the access to the main activities or services provided. The creation of such public space has become a tool in the process of real estate speculation and the renewal of brownfield sites. The aim is to provide high-quality public space to get public support and increase the amount of visitors.

„The current projects are managed in such a way that the public space has the task to attract the audience for being able to operate here. Thus the understanding of public space is one-sided – the public space should be conceptualised as more striking and more meaningful“ (R2 – member of non-governmental grass-root organisation)

The leap of fate into the creative city concept and using the successful models of culture-led urban regeneration repeatedly have led to a situation where local creativity is used like a model for creating surplus value besides accepting the competition challenges and searching for external recognition for the projects:

„Offering public space for locals, culture events, and the involvement of creative industries is like a model which has become very popular and is copied everywhere within the process of urban renewal.“ (R15 – urban planner)

The interview data showed that the expectations of the city planners to these three single urban renewal projects are still astonishingly high and there is an overall agreement that the neighbourhood development should be carried out in such a way because it is effective. Nevertheless, there are signs of commercialization that threatens these sites and created public spaces. Notably, aiming to the prestige and image, concentrating on the cost-effective actions and specific target groups – in the most literal sense to the marketing – the projects driven under the guise of artistic and

cultural activities are essentially handled like usual business projects. Also the mentioned free access local public and semi-public space has been created in a purpose to support the consumption. A project leader described the process resolutely:

„Unfortunately, there exist big risks when targeting the project at bottom-up creativity and local activism. We are responsible for the project and therefore we also calculate on the basis of Excel! The model must work and not just for one or two years.“ (R8 – project leader)

The examples illustrating this argument are the studied public sector projects, Seaplane Harbour and Tallinn Creative Hub, because they have been created in consideration of public interests, nevertheless aiming to the success and good image. Certainly, this also affects local development when the wish for the success of the project dominates the other objectives, such as the development of local creative economy.

4.2. Bonding the (local) target groups

With the creation of local public and semi-public space and also through the main activities the projects bond certain target groups (see table 2), among whom there may also be local residents. Telliskivi Creative City has become a meeting place for local gentrifiers and creative persons, Seaplane Harbour brings together the marine and maritime enthusiasts – specialists, researchers, hobbyists, and has created a tradition of arranging authoritative events; Tallinn Creative Hub collocates the artists, creative entrepreneurs, and loyal creative organizations despite being in the conflict with local residents when attempted to make a top-down decisions about the development of the campus.

Table 2. The active stakeholders (target groups) of the initiatives.

Telliskivi Creative City	Seaplane Harbour	Tallinn Creative Hub
<ul style="list-style-type: none"> • Local gentrifiers • Creative persons and artists • Creative entrepreneurs • Members of local neighbourhood associations 	<ul style="list-style-type: none"> • Tourists • Maritime enthusiasts and hobbyists • Maritime specialists and marine experts • Persons related maritime education • Visitors of prestigious events • Owners of small vessels and yachts 	<ul style="list-style-type: none"> • Creative persons and artists • Creative entrepreneurs • Persons related education and science • Local government cultural institutions related persons

The positive effect of the projects is bonding certain groups among whom there are also local creative people and creative entrepreneurs, gentrifiers defined as immigrants usually younger, native, and more-paid professionals; and some members of local neighbourhood associations.

„For me, Telliskivi Creative City is an active and interesting place for meeting other people. There is everything you need: restaurants for dinner, gym for sport activities, places for hobbies. If such a place would not exist, many activities would be done outside the neighborhood.“ (R10 – younger resident from Kalamaja neighbourhood)

The problem reveals itself from the other side of the coin: these target groups consist of persons who are more successful, more paid, more active, and more solvent. As we see the projects bond basically the thematic groups related with creative activities. Thus, Telliskivi Creative City is a meeting place for young gentrifiers and hipsters partly because the project has focused on this target group. The interviews with local residents revealed that Russian-speaking residents do not visit the project. Seaplane Harbour has built up a maritime stakeholder’s network besides the museum activities,

arranges events, workshops, and promotes maritime education and training. However, Northern-Tallinn is the traditional location for the marine industry and the project's network does not include local marine operators and maritime businesses. The biggest problem when speaking about local impact of market-led projects is the selectivity of target groups on the basis on economical calculating.

The projects are not targeted to improve local socio-economic condition, but as far as they also include some local important target groups, e.g. the gentrifiers or creative people, the involvement with local community and local social networks increase. Kalamaja has become a trademark of small community of creative people living in a high-valued wooden housing. All the projects contribute to the process of gentrification, because the in-migrants' group is the main target group. To conclude, the bonding of certain (local) groups is visible, but the projects try to specialise more on wealthier and vocal local groups.

4.3. Factors that influence focusing on local social development

The projects' focusing on local social development depend on two main factors: the voice of local groups and the profitability of activities which can be targeted at the local community. The process of gentrification taking place in Kalamaja and Pelgulinna neighbourhoods has contributed to the physical changes in terms of urban renewal, but as well as in terms of in-migration replacing traditional inhabitants with younger, better educated, and mostly – ethnic Estonians. These are people who are more solvent, prefer a good living environment, entertainment, and leisure activities. Providing such services is nowadays a cost-effective activity. On the other hand, this group is more active and vocal, intervenes powerfully with the public discussions and takes part in the process of collaborative planning. Seaplane Harbour, when developing local cluster of marine and leisure activities, is concentrating more on the 'cream' of society: public sector employees, the famous artists and creative people, but targeting less at local marine industries, entrepreneurs and residents. Tallinn Creative Hub tries also to specialise on creative fields and prestigious events. As a

result, the selection criteria can be quite harsh as the local creative entrepreneur demonstrated:

„I work in a small local circus troupe. We asked for the opportunity to organize an event in Tallinn Creative Hub and they told that they would give the rooms for free, but we only would have to pay for heating and power costs. I thought it is a cool opportunity and asked how much are these costs. They said 2,500 euros. /.../ We wanted the room for one night and it would have cost 2,500 euros?! Wow, it is not for free anymore! Maybe I just don't have access to the right people to do things there? I know that there are still many important events arranged for the local community.“ (R34 – local resident and creative entrepreneur)

Last but not least, an important aspect pointed out from the interviews of the stakeholders is that the profitability of activities does not mean always the direct benefits but also the expected profit through the local social recovery, the growth of real estate prices, or the prestige or the authoritativeness of the project. The crucial idea here is that it is useful to get along with the active community members, neighbourhood associations, and other local non-profit actors who are more vocal and may potentially resist to development of the project in the future.

5. Conclusion

In recent years, the social dimensions of urban renewal have become increasingly important in Western cities. The research so far has shown that different projects can influence local social development substantially. At the very moment, this logic has been also taken over into neoliberal context with expecting the same outcome. The market-led development means less regulations and a more trust in market mechanisms which often lead to the profit-oriented schemes seeking for the productivity of the project rather than local improvement. As we concentrate on the stated objectives of the projects they are not usually targeted to improve the local social and economic development *per se*, still this is one of the goals which is expected

to be achieved on the level of city planning. In relation to such expectations it is a right moment to ask what is the local social outcome of market-led urban renewal projects and which factors influence it.

Although the studies so far have shown that a single urban renewal project can influence the local economic development positively, for example a local museum acting as a local social engine or culture-led urban renewal initiative having a leading role in urban regeneration schemes, the studied projects in the neoliberal context and in the market-led situation have relatively little impact on the local social fabric. The main outcome of studied projects is that all of them create public and semi-public space. The crucial finding is that, both the privately-led and public sector projects can be described through seeking for productivity and prestige. The profitability does not mean the direct financial return but also the expected rise in profitability through the development of creative economy or growth in real estate prices in the area, the authority or prestige of the project – all what are gained through the activity of the project in longer perspective.

At this point it is important to explain that the integration of creative economy has been more part of the business model rather than a focus on a bottom-up creative initiative grown from the local community. Indeed, the impact of all three projects on local development exists, because they have thousands of visitors, they have created meeting places, and developed project-based networks in the area, but the motive here is not to gain from local social development, rather it is to seek for economic efficiency while concentrating on the outward-looking ambitions.

The important aspect to emphasise here is that these projects are capable to bond local target groups, among whom there may also be local residents. And so, Telliskivi Creative City has become an important meeting place for local artists and young middle-class gentrifiers, at the same time Seaplane Harbour brings together various social networks which consist of maritime specialists, teachers and scientists, and has created an image as hosting the prestigious events; on the contrary Tallinn Creative Hub has contrasted with the local residents and community organisations' preferences

with attempting to create a more top-down network of selected creative organisations, but still being an important initiative promoting creative industries. The focus on local development depends on two factors: the voice of local residents and the profitability of activities targeted to local community. If local residents are enough solvent or the local community activism and interest in the local planning issues is high, then the projects try to focus on the local outcomes also.

To conclude, the aim of this paper is to bind the positive image of the urban renewal projects found in recent literature with the neoliberal context and to examine what is the impact of projects on local social development in Post-Soviet situation. In relation to the research objective, the outcomes stated by the stakeholders of projects and the urban planners were compared with the opinions of local residents – to critically consider what is the relationship of locals with these projects and how these projects have influenced the local neighbourhood. As the recent works of Vicario and Martínez-Monje (2003), Lazzeretti and Capone (2013), Heidenreich and Plaza (2013), has emphasised the creation of (local) social networks, the present paper studying the projects situated in a neoliberal context downshifts this enthusiasm somewhat, but still urges not to lose the belief that the development of a neighbourhood can take place through the privately or publicly initiated market-led projects. The socio-spatial outcomes of studied urban renewal projects are creating public and semi-public urban space, which encourages social life, brings more different groups to certain activities, and strengthens social bonds. However, all these projects are situated in similar socio-spatial context – fast developing inner city neighbourhood experiencing gentrification. This positive outcome of the studied market-led projects may have therefore greater importance in the early phase of gentrification – or in case of middle-income rather than deprived neighbourhoods – because the projects bond local groups and people who are specialised in certain field of activity, who are more solvent and active in civil society, who are often middle-income native specialists.

In further research there is a need to study also the bottom-up projects created by local residents or local non-profit organisations. The Tallinn Creative Hub was initiated by local artists, architects, and creative enthusiasts as real grassroots bottom-up

initiative, but later it was taken over by the local government and, however, pushed afterwards to the overall city creative economy concept and adapted for a broader vision. It is necessary to know in what way the neoliberal context influences the bottom-up projects and its influence on local social environment.

References

- Couch, C., Sykes, O., Börstinghaus, W. (2011), Thirty years of urban regeneration in Britain, Germany and France: The importance of context and path dependency. *Progress in Planning* 75, pp. 1-52.
- Doucet, B., Van Kempen, R., Van Weesep, J. (2011), Resident Perceptions of Flagship Waterfront Regeneration: The Case of The Kop Van Zuid in Rotterdam. *Tijdschrift voor Economische en Sociale Geografie*, 102 (2), 125 - 145.
- Feldman, F. (2000), Urban Waterfront Regeneration and Local Governance in Tallinn. *Europe-Asia Studies*, 52 (5), pp. 829-850.
- Ganser, R., Williams, K. (2007), Brownfield Development: Are We Using the Right Targets? Evidence from England and Germany. *European Planning Studies*, 15 (5), pp. 603-622.
- Grodach, C. (2010), Beyond Bilbao: rethinking flagship cultural development and planning in three California cities. *Journal of Planning Education and Research*, 29 (3), pp. 353-366.
- Harvey, D. (1989), From managerialism to entrepreneurialism: The transformation in urban governance in late capitalism. *Geografiska Annaler* 71 B (1), pp. 3-17.
- Healey, P. (2006), Transforming governance: Challenges of institutional adaptation and a new politics of space. *European Planning Studies*, 14 (3), pp. 299-320.
- Heidenreich, M., Plaza, B. (2013), Renewal through Culture? The Role of Museums in the Renewal of Industrial Regions in Europe. *European Planning Studies*, 23 (8), pp. 1111-1134
- Holvandus, J. (2014), Collaborative Planning Practice in Tallinn, Estonia: the Role and Viewpoint of Neighbourhood Associations. University of Tartu, Estonia. Master's Thesis.
- Holvandus, J., Pastak, I., Leetmaa, K. and Tammaru, T. (2015), Living in a hyper-diverse urban area: the case of Tallinn, Estonia. Tartu: University of Tartu.

Keresztély, K., Scott, J.W. (2012), Urban Regeneration in the Post- Socialist Context: Budapest and the Search for a Social Dimension. *European Planning Studies*, 20 (7), pp. 1441-1455.

Kovacs, Z. (2009), Social and economic transformation of historical neighbourhoods in Budapest. *Tijdschrift voor economische en sociale geografie*, 100 (4), pp. 399-416.

Lazzeretti, L., Capone, F. (2013), Museums as Societal Engines for Urban Renewal. The Event Strategy of the Museum of Natural History in Florence. *European Planning Studies*, 21 (12), pp. 1-20.

Pastak, I. (2014), Regeneration of Brownfields and its Role in City District Development: the Case of Northern Tallinn. University of Tartu, Estonia. Master's Thesis.

Radoslav, R., Branea, A.M., Stelian Gaman, M. (2013), Rehabilitation through a holisticrevitalization strategy of historical city centres - Timisoara, Romania. *Journal of Cultural Heritage*, 14 (3), pp. e1-e6.

Roberts, P., Sykes, H. (2000), *Urban Regeneration - A Handbook*. British Urban Regeneration Association. SAGE Publications, London.

Roose, A., Kull, A., Gauk, M., Tali, T. (2013), Land use policy shocks in the post-communist urban fringe: A case study of Estonia. *Land Use Policy* 30, pp. 76– 83.

Ruoppila, S. (2007), Establishing a Market-orientated Urban Planning System after State Socialism: The Case of Tallinn. *European Planning Studies*, 15 (3), pp. 405-427.

Sagan I., Grabkowska M. (2012), Urban Regeneration in Gdańsk, Poland: Local Regimes and Tensions Between Top-Down Strategies and Endogenous Renewal. *European Planning Studies*, 20 (7), pp. 1135-1154.

Scott, J.W. & Kühn, M.(2012), Urban Change and Urban Development Strategies in Central East Europe: A Selective Assessment of Events Since 1989. *European Planning Studies*, 20 (7), pp. 1093-1109.

Tallon, A. (2013), *Urban regeneration in the UK: second edition*. 2nd edition. London: Routledge.

Tammaru, T., Marcińczak, S., van Ham, M., Musterd, S. (2015), *Socio-Economic Segregation in European Capital Cities. East Meets West*. Routledge (in press).

Temelová, J. (2007), Flagship developments and the physical upgrading of the post-socialist inner city: the Golden Angel project in Prague. *Geografiska Annaler*, 89 B (2), pp.169-181.

Turok, I. (1992), Property-led urban regeneration: panacea or placebo? *Environment and Planning A*, 24 (2), pp. 361–379.

Trumbull, N. S. (2014), Culture-led development and conflict over urban space: reimag(in)ing St Petersburg, Russia. *Geografiska Annaler*, 96 B (1), pp. 1-22.

Vicario, L., Martínez-Monje, M. P. (2003), Another „Guggenheim effect“? The generation of a potentially gentrifiable neighbourhood in Bilbao. *Urban Studies*, 40 (12), pp. 2383-2400.