An attempt at socio-economic regeneration through culture in a Central European city: the case of Pécs

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Introduction

According to Calafati (2011), “homogeneisation of consumption patterns and spatial origins of consumption goods” is one of the main trends concerning the ‘environment’ of European cities. This is crucial in an attempt to understand the role – real or perceived – covered by culture, within the broader sphere of the immaterial economy, in processes of urban regeneration and socio-economic development. The remarkable growth of this sector of economy is strictly linked to the new, fundamental role of knowledge that current researchers claim to have produced a differentiation within the tertiary sector, thus giving birth to the ‘quaternary sector’, based on information and including higher education, scientific, research, intelligence, organisational, management and tourism-related activities (Pirisi et al. 2008), or even to a ‘quintenarisation’ (Stefan–Trócsányi 2012).

Knowledge, information, competence and talent now play a major role in the economic sector: firstly, in highly developed regions, where their non-material character has brought about new attitudes and structures both in production and consumption, and slowly also in East Central Europe. From this perspective, creativity undoubtedly plays a leading role, and culture represents the main expression of this “economic branch”.

Over the past thirty years, cities have started to recognize the economic and social functions of creative economy, and have decided to implement proactive policies to promote creative and cultural activity (Ghilardi 2001). National and local governors are driven to act in this direction by supranational bodies like the European Community, which in their green papers and development programmes invite them to invest in sustainable and highly cohesive activities such as cultural ones. Further strengthening in this direction will be part of the new EU strategy for competitiveness until 2020 (ec.europa.eu/eu2020).

At the European level, the most important title within the cultural sector is the European Capital of Culture (ECoC) title, awarded by the European Union for a one year term. The aim of the title consists of offering the nominated town the opportunity to present its cultural life through the implementation of projects at national and international level. Besides the various formulas that have been presented regarding the assignment of the title, in the last decade, it has become a

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1 From 1985 to 2004, the European Cities of Culture were chosen by EU Culture Ministers (meeting in the Council), with reference to the criteria set out in the Council conclusions of 12 November 1992. In 2005, changes were introduced to the procedure for selecting a European Capital of Culture [...]. The event is now restricted to cities in EU countries, which take turns to host the event
real urban development project “with a strong connection to culture/knowledge-based investments” (Pálné Kovács–Grünhut 2013).

In an attempt to understand the role of culture in aiming for sustainable economic development, it is necessary to consider what kind of impact the European Capital of Culture can have on the development trajectory of a city over the medium term. The paper analyses the case of Pécs, the Hungarian European Capital of Culture 2010. It is based on literature review as well as empirical research carried out by the author himself. Besides an analysis of English literature, statistical data provided by the Hungarian Central Statistical Office and semi-structured interviews with experts from the cultural field in Pécs and stakeholders of the 2010 ECOC title have contributed to the information used. Two on-site visits of the city in October and December 2013 completed the empirical research.

1. Pécs in its social and economic dimension

The essential elements characterising its historical path are the increasing and gradually decreasing role of industry, the establishment of one of the largest universities in the country and its multicultural character.

Being part of Central Europe’s eastern area, post-socialist economic and social development occurred with a delay and in a more or less distorted form in comparison with other regions of Central Europe (Trócsányi 2011). The result was a dramatic and sharp transformation of the economic structure and of the governmental, administrative and institutional environment, without the opportunity for citizens to adapt to the new situation both from an economic and social perspective (Interview F). Kovács (2000) states that in Hungary’s economic transformation two factors were mainly influenced by the political and economic transition from socialism to capitalism society: housing and the labour market. According to Faragó (2012), with the collapse of the socialist system, the sales of key segments of state property, the repeal of earlier laws and the closure of companies, job-losses and a change in the pattern of income occurred inevitably.

in a pre-set order. Given the success of the event and the new scope for EU involvement in the field of cultural […] the European Parliament and the Council of ministers adopted a Decision on the designation of European Capitals of Culture – 1419/1999/EC. As well as laying down the order in which countries would host the event, the Decision stipulated that proposals from potential host cities would be assessed by an international panel – against specific criteria. European non-member countries could also bid for the title. The Capitals 2005 to 2012 were chosen under these rules. In 2005, Decision on a European Capital of Culture – No 649/2005/CE enabled countries who joined the EU in 2004 to participate in the event in the same way as all other members from the 2009 title onwards.’ (European Commission Culture website).
In spite of being an institutional and cultural regional centre for centuries, Pécs can be mainly considered an industrial city, experiencing rapid growth after the industrial revolution thanks to coal and uranium ore, although it is necessary not to underestimate the role of the light and food industry, which have made the city one of the most developed within the country in the seventies and the eighties. In 1980 there were 13,133 employed in mining, but only 4,260 in 1990 and 405 in 2005 (Faragó 2012). Underground mining totally ceased in 1987 as the extraction of black coal had become uneconomical. There was a sharp decline in the number of jobs available, and for the first time in decades, the population decreased. During the first years after the fall of socialist regime, at the very beginning of 1990s, public property was acquired by the former political elite and by former managers of the state-owned companies (Faragó 2012). They wanted to maximize their revenues by following their own interests; therefore, the process of privatisation that occurred did not take into any account the need to protect employment and to ensure the survival of the production system within the city. Many factories simply halted and production systems collapsed. The line graph below shows the trend related to population and unemployment since 1990 to 2011, considering the 1990 figure equal to 100 (Figure 1).

Figure 1

*The trends of population and unemployment in Pécs, 1990–2011, %*

The decrease by 8.2% of the population coincided with a growth by 392% in the unemployment rate, which dramatically went up especially in the last ten years, between 2001 and 2011.

After the industrial decline, capital investors arriving in the city focused especially on the trade sector. They occupied large, cheap sites and built new commercial units. New retail chains appeared everywhere in the city and former commercial units were forced to close or changed ownership. On the contrary, industrial investments remained essentially depressed, even if within the machine-building industry the number of jobs had not declined until 2012 (Faragó 2012).

Considering the projected image and the overall economic function, the commercial side of Pécs had finally gained the upper hand. As recent available data shows, over the period 2008–2011, more than 84% of registered enterprises in Pécs belonged to the service sector, only 10% to the industrial sector and between 5% and 6% to agriculture, forestry and fishing. Over the same period, within industrial sector, construction industry was prevalent (approximately 60%) while manufacturing was around 40% and just a handful of enterprises were registered in the mining and quarrying sector (always below 1%). On the other hand, within the service sector, most enterprises remain registered in real estate activities, in spite of having decrease sharply between the last two years considered, since 2010 to 2011. Because of different voices composing the whole sector, the situation depicted by Figure 2 is quite different compared to that characterising the industrial sector.

Unlike the number of registered enterprises in real estate, in the last considered year a slightly increase in the number of professional, scientific and technical activities is clear, with almost 20% of enterprises registered within the sector in 2011. At a lower level, between 2010 and 2011 also the number of registered enterprises in the branches of accommodation and food service (+1%), arts, entertainment and recreation (+6.5%) and education (+7.7) went up. Beyond the number of registered enterprises, the percentage of ‘active enterprises’ emerges, even if it is not possible to make a complete comparison because in this case data are only available until 2010. However, taking the mean for the period 2008–2010, ‘wholesale and retail trade’ is the sector with the largest number of active enterprises from the total of the registered ones, while only 10% of registered enterprises within the ‘real estate’ sector are active. Also the percentage of the active enterprises within the sectors of ‘professional, scientific and technical activities’ and ‘education’ is high (approximately 70%).

It is clear that in recent years a trend is unfolding.

After the economic decline of the 80s and 90s, in the early two thousands Pécs has adapted to new economic circumstances through the development of those branches of the service sector which already represented a resource for the city. The quaternary sector has specifically emerged thanks to the prominent role of
educational, scientific and technical structures. In this respect, the trade sector was an exogenous resource coming from outside. It derived from the country’s opening to free market forces, however it was not the result of an overall development plan involving citizens and local governors.

Trying to adapt itself to current economic and political structural conditions, Pécs moved its development trajectory towards the knowledge-based and culture-led economy with an EU funding-oriented planning.

Within the vision of the city’s future, the R+D and Innovation sector is one of the main highlighted, as demonstrated by the Pécs Urban Development Nonprofit Ltd. Investment Portfolio², where the role of the health industry is highlighted with two recently built research bases: the Science Building and the PEIK (Pécs Health Industry Innovation Centre).

However, it is difficult to understand where this direction will lead. Alongside the development of the quaternary sector and culture-led economy, the city is trying to become appealing also from the industrial infrastructure and tourism point of view, with new industrial parks (Pannova Industrial Park, Pécsi Industrial

² The Pécs Urban Development Nonprofit Ltd. is a company with professionals aiming to guide new investors to the Municipality and the system of the city’s companies.
Park and iPark Pécs) and empty lots for new hotels. Nevertheless, in recent years the indicators and statistical figures reflect a declining reality for Pécs, with the emigration of highly qualified people (especially temporary emigration), and the lack of ability to attract people from the outside, new citizens or tourists (Figure 3–4).

**Picture 1: The Science Building in Pécs**

*Source: Pécs Urban Development Nonprofit Ltd. Investment Portfolio.*

**Figure 3**

*Number of temporary and permanent arrivals and departures due to migration, 2002–2011*

*Source: Author’s construction from Hungarian Central Statistical Office. Annual statistical data: settlements in Hungary (2000–2011).*
In 2002, 55% of departures were due to permanent migration, while in 2011 only 37.5%; therefore, the total number of departures rose between 2008 and 2011 (+28.2%), but the number of permanent departures decreased (−19.2%). The sharp increase of the total number of departures after 2008 is due to a dramatic growth of temporary departures. Regarding arrivals, they remain relatively unchanged when considering the temporary and permanent together. Permanent arrivals remained constant until 2008 and decreased dramatically between 2008 and 2011 (−14.1%). Summing up, the overall data on migratory movements towards and from the city show that since 2008, permanent arrivals and departures have been falling while temporary departures have been considerably growing. The available data do not allow to identify the direct or indirect causes, however along with others indicators they certainly confirm an overall social and economic decline.

2. The development trajectory of Pécs

The development of Pécs has gone through various political phases which have been reflected in its socio-economic path. As the political centre and hub of the Southern Transdanubian region, the first university of the country was founded here in 1367. Furthermore, its geographical position has played a key role in
establishing the city as a multicultural centre, where Germans, Croats, Bulgarians and Hungarians lived together with members of the Roma community.³

Until the crisis of the Soviet regime, Pécs remained an industrial centre where the mining sector ensured higher-than-average living standards for citizens, as illustrated by indicators such as average income. After 1990, with the sudden opening to free market forces, trade became the main sector of development, although the unemployment rate soared. In a very complicated socio-economic context, during the early 2000s the only available opportunity to save the city from an even more dramatic decline was to shift towards new development sectors. These have been identified in those branches making up the quaternary sector, the fields of education as well as information and culture.

Along the course of its history, culture in Pécs has been a sort of ‘side effect’ of some political and economic decision (Interviewee F). For example, during the 70s and 80s, the expansion of the city’s cultural endowment was due to the rapid economic development of the socialist era. New public museums were established and the literary, musical and artistic life of the city was enriched. In Hungary, Pécs had the greatest number of museums, collections and cultural programmes after Budapest, and numerous artists were living in the city. In 1990, 14 museums in Pécs had a nationwide reputation.

Obviously, the presence of the oldest university of the country with its huge intellectual community, and the great concentration of cultural facilities – museums, theatres etc. – have had a role in this decision. In the transformation process of Pécs, the role of the university was decisive.⁴ With more than 6,000 employees, the University of Pécs is the largest employer of the entire region of Southern Transdanubia.

After 1990, without any significant foreign investment despite the opening of the market, the university was able to direct attention and resources towards the only assets available to the city: cultural heritage, cultural industry and, hence, a knowledge and culture-based economy.

Three directions were taken to promote a new phase of economic recovery, all of them oriented towards the European or international aegis. In 2000 the Early Christian Necropolis became UNESCO’s World Heritage site, after an unsucess-

³ By 2001, 93.86% of the population claimed to be Hungarian […], a further 3.16% claims to be German, 1.17% to be Roma (although the true figure is certainly higher) and 1.06% to be Croat (Faragó 2012).

⁴ Within the quaternary sector, universities and research institutes represent the base of the knowledge economy, and form autonomous subareas which could be considered as primary fields of innovation. They play a fundamental role in disseminating and producing information and culture, and they are obviously part of the so-called ‘cultural economy’, a modern branch of economy that, despite various problems in defining its boundaries, is currently on a weak ground in Hungary.
ful attempt to bring the entire historic downtown area under international protection. In 2005, in preparation for the new 2007–2013 EU programming cycle, a three pillars strategy was sketched, involving cultural, health and environmental industry, with a strong involvement of the university in all these fields. Finally, after an extensive domestic political debate in which citizens and the community played a key role (Interviews B, C, F), Pécs was awarded the title of European Capital of Culture 2010.

Obviously, soon all resources were funnelled towards the European Capital of Culture project, which especially in the first phase required the re-allocation of economic resources as well as the total involvement of the intellectual capacities of the city. The original purpose of the project was to promote the economic potential of the city, improving its attractiveness in terms of tourism and cultural industry. Furthermore, the development had to be strictly connected to the city’s resources regarding its heritage and tendencies. Investments were directed to support the urban regeneration and social development of single quarters by involving local ideas and talent.

3. Pécs as European Capital of Culture 2010

Considering the aims of the project highlighted in the application, two main goals were pursued. The first was the regional development through culture, and was related to the dynamic of economic decentralisation. The second pertained to the attempt at strengthening broader cooperation in a large area of Central and Southern Europe, including countries such as Hungary, Romania, Serbia, Montenegro, Croatia, Bosnia-Herzegovina, Slovenia, and Italy.

The aims falling into the first group, as they were listed in the application, can be included into specific categories of intervention:

a) strengthening urban infrastructure in terms of cultural facilities and accessibility from outside;

b) promoting economic recovery through the revival of tourism and the development of cultural industries and information technology;

c) encouraging social development through the regeneration and integration of the various quarters making up the urban ‘collage’.

The implementation of large-scale infrastructure projects was seen as being of key importance in achieving the goal of long-term development. Thus, the application and the entire programme was founded on five key projects: the Kodály Centre (concert and conference venue), the Zsolnay Cultural Quarter (flagship of the programme), the new “Grand Exhibition Space”, the Regional Library and Knowledge Centre, and the revival of public squares and parks.
Instead of the creation of the Grand Exhibition Space, it was decided to refurbish a number of existing cultural facilities on the city’s “museum street”. The South Transdanubian Regional Library and Knowledge Centre and the revival of public spaces and parks were the only two projects finished in time to host events. The Kodály Centre and the reconstruction of museum street were finished at the very end of 2010, whilst the reconstruction of the Zsolnay Cultural Quarter was completed one year later.

All five projects identified in the application were implemented at a cost of around €140m, with the support of the European Regional Development Fund (ERDF) (Pécs 2010 Post-evaluation report). The “Ex-post evaluation of 2010 European Capitals of Culture”, commissioned by the European Commission and carried out by Ecorys in 2011, points out the most successful elements of the initiative. Among these, the great number of cultural events realised\(^5\) and mostly the investments in cultural infrastructure seen as the most important legacy of the city in the long term.

The application of Pécs was initiated by the civic community at the local level, and only later had it involved local administrators and decision-makers. One of the main ideas emerging from interviews shed some light on the fact that, after the initial phase, a large part of the local community and local stakeholders were excluded from the process (Interviewees B and C). Most of the local people have been involved in projects related to fine art, while among the local artists, mostly musicians were involved (Interviewee A). Apart from the community involvement and participation, it is important to consider how the above-mentioned interventions have been performed and what kind of short/medium term results they have produced.

3.1. ECoC: urban infrastructure

Regarding this aspect, it is necessary to differentiate between cultural facilities and urban infrastructure.

The former refer to those structures focused on the production and consumption of cultural activities and, in this case, mainly relate to the five projects making up the ECoC programme. The latter are related to the equipment of facilities and transportation and communication services that have made the city more accessible from the outside.

\(^5\) According to the ECORYS’ report, “the cultural programme in 2010 included 650 projects that delivered 4,675 events. In addition, during the preparatory years 2007–2009 a total of 360 projects were also implemented”.

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3.1.1. Cultural facilities

New cultural facilities have been perceived as being key for the cultural development of the city, and represent the core element of the programme. The five pillars of the ECOC 2010 are the true legacy left to the city, as reported by all the interviewees. It is widely believed that among all the five projects, the most successful was the revival of public spaces and parks (Interviews 2, 3, 5, 6). However, even regarding this case, it has been pointed out that some problems occurred. First of all, due to the shortage of time and money low quality materials were used for renovation (Interviews 2, 3, 6). Consequently, the use of some materials in different areas of the city has led to an overall homogeneity of spaces, with no regard to the different socio-economic characteristics of neighbourhoods, nor even the architectural environments (Interviewee B).

*Picture 2: Above, the Balokány park with the Kodaly Centre in the background, and below, Felsővámház street. These parallel streets are 200m away in a beeline* 
*Source: Michele Tubaldi, October 2013.*
Furthermore, the revival of public spaces aimed at connecting the outskirts with the historical city centre and establishing a new sustainable way of life for citizens, but this connection never occurred (for example, between the eastern part of the city where the Zsolnay Quarter is located and the inner city). From this perspective, the Zsolnay Quarter had a very important function in addition to its cultural dimension, being the core of the most important regeneration process on the most degraded area of Pécs, inhabited by poor and marginalised people and by the gypsy community.

Looking at the map in Figure 5, it is possible to focus on the cultural axis which crosses the city from west to east. The axis has been imagined as a strong tool of integration between the various urban areas. The decision to create the Zsolnay Quarter on the eastern part of the city, the most important cultural centre of the ECoC project was strategic in order to integrate the entire eastern part of the city with the city centre, through the regeneration of the two mayor arteries connecting the two areas: the Zsolnay Vilmos street on the south and the Felsővámház street on the north.

Figure 5

*The projected urban renewal effects of ECoC projects*

This aim cannot be considered to be fully achieved. Indeed, although the fact that the Zsolnay Vilmos street has been completely regenerated with the placement of the Regional Library, the Kodály Centre and the Balokány park, the further northern area, along Felsővámház street, still remains one of the most degraded within the city, with the highest poverty rate.

3.1.2. Transportation and communication services

Another element to be considered is related to the urban infrastructure beyond its cultural functions. First of all, this concerns the transformation of Pécs in term of accessibility from the outside. The most important investment in this direction involved the construction of the M6–M60 motorway, which was completed in 2010, despite its first section being built in 2006. The highway, running along the Danube, connects Pécs to the so-called V/c TEN corridor, joining Budapest to Sarajevo and to the Bosnian seaside.6

The opinions on the benefits for the city are discordant. According to some experts, the highway “is expected to boost the economy” and “the first signs of investors inquiries can be felt just a year after its opening”. It contributed to the success of the ECoC programme and “to the spatial transformation of the city’ as well” (Trócsányi 2011). It was connected with the ECoC programme and was very important for the city (Interviewee A). On the other hand, it has been defined a “present” for Pécs, but it is not exploited as it should and it neither has economic impact for the city nor for the country as a whole (Interviewee B). Concerning participation and cultural consumption in Southern Hungary, it even had a side effect: as it has reduced the journey time to Budapest for almost an hour, Baranya County’s citizens prefer to reach the capital rather than settle for the local cultural production (Interviewee F).

3.2. ECoC: effects on the economy of Pécs

The ECoC-led economic recovery of Pécs was at the heart of the entire programme. Two main branches make up this category. The first is the revival of tourism and the second the development of cultural industries and information technology.

6 Other important transport infrastructures are the Pécs–Pogány Airport and the 95 km distant Osijek International Airport, with direct flights to Frankfurt, Split and Dubrovnik. Regarding the train transport, there are nine pairs of Intercity trains every day connecting Pécs with Budapest for a 3 hours journey.
3.2.1. The tourism issue

As already said for temporary and permanent migration, Pécs is demonstrating a fundamental weakness in attracting people from the outside. This situation regards not only the arrival of new citizens, entrepreneurs or students, but also tourists, as demonstrated by recent figures on this phenomenon. Data per capita and per tourism nights spent within the city show that the general trend over the last decade is negative, even though in 2010 the European Capital of Culture (ECoC) title has represented a considerable counterring element. The line graphs below illustrates the general trend over the period 2001–2011 both regarding the overall tourist arrivals and the night spent in public accommodation establish-ments (Figures 6–7).

Considering the ‘arrivals’, the overall decrease between 2001 and 2011 is by 37.1%, while in 2010 the number of arrivals went up by 26% compared to 2009, and then, between 2010 and 2011, the decline was by 20.3%. Regarding ‘nights spent’, the trend is the same. The percentage of tourism nights spent within the city between 2001 and 2011 dropped by 34.1%, with an increase by 27.8% in 2010 compared to 2009 and a new decline by 18.1% since 2010 to 2011.

Figure 6

*Tourist arrivals in public accommodation establishments (capita)*

Considering the role of international tourism⁷, on the following bar charts it is possible to observe that foreign tourist arrivals are always below 30%, and at their peak they are at 28% out of the total in 2010, when there is an increase by 72.6% compared to 2009. However, in 2011, foreigner arrivals decreased by 28.8% compared to 2010 (Figures 8–9).

Regarding the percentage of the international tourism nights spent in public accommodation establishments, in 2010 they exceed 30% out of the total, with an increase by 76.3% compared to 2009, and a decline by 25.7% between 2010 and 2011, when the number of tourism nights spent in Pécs by foreigners was 29.8% respect to 70.2% of Hungarians citizens. Therefore, even in relation to the presence of foreigner tourism in city, the general trend is back to show a descending line and predictions for future are even more negative (Interviewees C, E, F).

Despite the positive figure for 2010, it is clear that the title has not been a real tool to increase the tourism sector of the city; rather a positive expedient with immediate impact. Although there are no data available for 2012 at the moment, interviewees ensure that trend is back to being negative (Interviewees C, E, F.). On the other hand, Pécs is characterised by the so-called ‘hit and run’ tourism.

⁷ International tourism is very important to be considered because in Central-East European countries, where the economy is weaker than Western Europe countries, foreign tourists have more economic resources to spend.
Figure 8

*International and domestic tourist arrivals in public accommodation establishments over the last 10 years*


Figure 9

*International and domestic tourism nights spent in public accommodation establishments over the last 10 years*

From interviews, it comes to light that for Pécs it is more correct to speak of ‘visitors’ rather than ‘tourists’ (Interviewee F). Especially elderly people and school children visit the city during the day or in the weekends, without spending money or using the city’s facilities. According to statistics on overnight stays in Pécs, it is possible to see that the city suffers the comparison with other Hungarians cities where it is possible to find wellness centres and thermal baths. From this point of view, it is interesting to note that the few wellness hotels in the city are the only ones which have shown an increase of arrivals and overnight stays since 2009 to 2011 (+62% of ‘arrivals’ and +59.2% of ‘tourism nights spent’). Another important element is represented by visitors coming from cruises along the Danube. Most of them are elderly visitors who take a bus in Mohács and spend a few hours in Pécs, visiting the most important attractions of the city before going back (Interviewee F).

Summing up, available statistics and interviews highlight an unsustainable tourism model for Pécs, with a low economic impact and a lack of long-term vision to make tourism a strategic issue for the development of the city.

Talking about the economic recovery of cities, tourism is only one side of the coin. It is related with the ability to attract people from outside and often it is limited to a vision of demand or ‘static’ supply. Generally speaking, this means referring to the attractiveness factors of a city as something never-changing, mostly considering the so-called ‘inherited factors’, for example natural resources, food and wine, monuments or other attractions.

However, after Dwyer and Kim (2003) have identified tourism elements determining the competitiveness of a territory, all recent studies emphasize the role of inherited or created territorial assets, and, above all, highlight the importance of the ability to organize and show the market the advantages delivered by these resources – these are benefits that take shape in terms of knowledge, expertise, experience and acquisition of information.

On the one hand, resources with which the locality is provided permit to enter the market; on the other hand, their management must activate appropriate procedures to make the area a suitable competitor. Thus, it is possible that an area has a certain ability to be attractive due to inherited factors, but its competitive strength hinges on the ability to transform basic elements into competitive advantages, created by assigning them higher symbolic values that can be translated into market values. From this point of view, attention moves towards the ability of a city to establish an order of functions potentially carried forward in a national or international context, by considering all kinds of resources composing the city, and moving from them to create something new. The focus will be on the ability to create different products and, essentially, the attention inevitably converges from demand to supply, on the side of production.
Non-metropolitan urban centres such as Cork, Seville, Lille or Vilnius, which constitute sources of development for the entire regions to which they belong, have experienced a very significant socio-economic development in recent decades, as they become highly qualified centers of excellence in research and innovation, with structures, highly specialised products, and services crucial in terms of competitiveness. These are key elements in a culturally-oriented strategy of land management, as they ensure the presence of the city in the global urban system. In strictly cultural terms, the production system inevitably involve cultural industries and information technology.  

3.2.2. ECoC for the cultural industries in Pécs

Basically, the core of cultural and creative economic activities is creation. Thus, all products or services related to art, literature, music, architecture, media, design and fashion, digital technology, R & D, heritage, cultural infrastructure etc. could be considered as part of the cultural economy. According to United Nations, cultural economics “is the application of the economic analysis to all of the creative and performing arts, the heritage and cultural industries, whether publicly or privately owned” (UNCTAD 2010, 5).

In Richard Florida (2002)’s 3T-centred model, the most important development opportunity for cities lies in the ability to be an attractive place for creative people. Enyedi and Keresztély (quoted in Stefán–Trócsányi, 2012) interpret cultural product industry as cultural services, including market-oriented activities with high creativity contents and return on capital. Some examples of products included on this branch of industry are electronic media, traditional press, advertisement, marketing and communication services, publishing, music and movie industry, software industry, fashion industry, design and architecture, higher education and research etc. In Pratt’s opinion, cultural industry is a product or performance fulfilled in arts or literature, and the reproduction and dissemination of these in form of books, journals, films, tv and radio programmes and data storage media, and also activities linking various branches of art (including promotion and advertising). Creation, distribution and broadcasting of the materialised products of printed and electronic media are also included, as well as the operation of museums, libraries, theatres, galleries or even night clubs (Pratt 1997). All these types of industries make up the so-called cultural economy, which could be basically considered as the ensemble of culture-related services and product industry.

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8 The term “cultural industry” appeared in the post-war period as a radical critique of mass entertainment by members of the Frankfurt school led by Theodor Adorno and Maz Horkheimer, followed subsequently by writers such as Herbert Marcuse.

9 The 3T model refers to Talent (human and scientific capital), Technology (research, development and innovation), and Tolerance (variety and acceptance of openness).
Hungary has a remarkable tradition of handicrafts, such as bookbinders, leather workers, potters etc. which represent a special heritage. In addition, important heritage sites, which form the basis of cultural tourism, have to be mentioned. Furthermore, universities and research institutes which mean the background and basis of the already several times mentioned knowledge economy represent primary fields of innovation.

In the sector of creative industries, Hungary represents an interesting case study. According to the 2005 WIPO report, within the country in 2002 the contribution of all copyright based industries to the national economy in terms of value added was 6.67%, a figure that represents a solid evidence of the importance of the sector even by international comparison. The contribution to employment was also substantial. The bar charts below show the described situation (Figures 10–11).

Evaluating the strong centralised nature of the political, institutional and economic structures in Hungary, the predominant role is played by the capital, Budapest. In the field of cultural and creative industries, because of the resources available and the level of demand, the role of Budapest is even more crucial, whilst in the rest of the country the level of creative industries’ production is low, and their contribution to GDP and the employment rate are marginal. From this perspective, the only great opportunity for cities like Pécs is to reinforce the weight of their universities and research centres, in terms of wealth of knowledge and economic functions deriving from them, for example regarding the presence of spin-offs able to connect research’s outcomes to the production system.

Figure 10

*The contribution of all copyright based industries to GDP by international comparison (%)*

![Bar chart showing the contribution of copyright based industries to GDP by international comparison](chart.png)

Considering the situation of Pécs, according to the 2010 Creative Cities study titled “Status of Creative Industries at Pécs”, the rate of the creative business operating in the city is approximately 4%. Out of almost 800 registered local enterprises in creative industries, more than 50% work in the sector ‘Arts, crafts, performing arts’ and ‘Architecture’. The pie chart below illustrates how enterprises are divided per main different creative sector (Figure 12).

Within the ‘other creative enterprises’ sector, the lowest number of registered enterprises are in the ‘software and interactive leisure development’ (1.4%), whilst the ‘cultural trade’ (2.8%), the ‘film production and cinema’ (4.8%) and museums, expositions’ (7.3%) register higher percentages. However, considering the contribution to employment, the ‘arts, crafts and performing arts’ sector is mostly operated by small enterprises or the self-employed; thus, in this branch, the number of employees is low. On the contrary, in sectors such as ‘Software and leisure development’, ‘design’, and ‘architecture’, the number of employees is considerably higher.

There are no additional data about the changes in the figures of creative industries in Pécs. Data on the number of registered enterprises in the creative sector show an increase by 6.5% in 2011 compared to 2010, however there are no statistics on employment rates or on the contribution in terms of GDP.

From the available data and interviews, it emerges that in 2010, thanks to ECoC, the sector has experienced a positive jolt, albeit not in terms of employment at least in the number of businesses, despite the negative impact of the crisis of 2008 and 2009.
However, as reported in the 2011 ECoC post-evaluation study (ECORYS 2011, 55), although “the development of the creative industries was foreseen in the ECoC original application and was an important issue of the programme, […] the consolidation of creative industries was one of the most difficult objective to achieve”. Furthermore, according to the opinions of stakeholders interviewed for the report, the main problems encountered were: the fact that the Zsolnay Cultural Quarter, which was expected to foster the development of creative industries, was not finished in time for 2010. Secondly, the fact that “cultural industries are very underdeveloped in the region”, and finally, the fact that “organisations at local level tend to be rather small in size and often struggle to satisfy the technical criteria identified in the calls for proposals, especially regarding bigger contracts”.

In addition, also bringing cultural operators together to strengthen civic initiatives and facilitate the creation of networks of cultural projects and project promoters seems to be a formidable challenge with no success at the moment. Furthermore, contrary to the fundamental role of the University in the city, it is strikingly missing spin-off enterprises relying on university human capital despite a general idea to establish and “incubator house” supporting such initiatives (Trócsányi 2011). A dramatic factor for the future development of Pécs continues to be the lack of link between the university and the business/enterprise sphere, although something is changing in the health sector. From this point of view,
despite the declarations of the past years, the city has not been able to move towards the development trajectory identified yet, and ECoC represents a missed opportunity.

Beyond the 2010 cultural projects, the ECoC title was not used to create the structural basis in order to leave a culture-led legacy to the city focused on intellectual and economic resources for a later recovery. In spite of good intentions, the event was made spectacular, but no space for a long-term strategic vision has been provided.

3.3. Intervention in favor of social development: ECoC and the cultural participation

In the case of Pécs, the theme of participation was prominent in two aspects. The first was related to the role of civic community within the programme for 2010 not as audience but as actors, in reference to the role of promoters and implementers of the events, for example in terms of local artist and local stakeholders’ contribution. The second refers to the participation in cultural activities and events in the role of audience.

In the first case, we should consider two main phases in the conception and implementation of the 2010 programme. As resulted from interviews and recent literature, the first stage was characterised by intense involvement of civil society. The idea to participate to the ECoC title was conceived by a number of civil organisations, including a wide group of private, public and not-for-profit organisations, which saw the title as an opportunity to strengthen civic participation and the role of civil society organisations in the development of the city. The idea was then supported by the municipality, and stakeholders responsible for its initiation then became responsible for preparing the application (ECORYS 2011). During the preparation of the bid aimed to be selected by the national government, local civic organisations, artists, and scholars were invited in order to collect ideas, whilst the business sector and urban planners were absent (Interviewee C). However, at a later stage, as the narrow group had no knowledge in urban planning, experts in the field were involved and finally, during the final stage of planning, which was dedicated to the preparation of investments financed by European Structural Funds, “the applications and programmes were designed by external and not local consulting companies” so, “although local independent experts at the university and other academic organisation had much more local knowledge for this task, the cultural strategy was prepared by external experts commissioned by the city hall” (Pálné Kovács–Grünhut 2013, 6). Thus, in the first stage, when the task was to convince local politicians about the importance of the application for the entire development of Pécs, and when local actors co-
operated with each other, the Pécs 2010 Management Centre was the platform of a broad informal network that allowed participation for individuals according to their merits and skills and even to have a role in the decision-making procedure. After that, during the second phase, “local management already had a complex organisational structure, with a Bidding Cabinet, a Bidding Office, a Board (for consultation with the city’s leadership), its own Programme Council, a Development Council and several working-groups encompassing more than a hundred persons” (Pálné Kovács–Grúnhut 2013, 13).

Regarding the involvement of local stakeholders, made up mainly by small and medium sized enterprises, also because of their economic weakness and disorganisation, they were excluded from the planning phase and also from the implementation of developments (Interviewee B).

On the other hand, local intellectuals, professionals, and artists were integrated during the ECoC start-up years, but just for consultative functions, with no power in the decision-making procedure, although in the opening ceremony local artists have been involved and it is not possible to generalize about their involvement. For example in the music scene their role was higher than that in other artistic fields (Interviewee A).

“Later most of the bodies were dissolved” and “this process of continuous marginalisation badly influenced the willingness of the local civil sector to participate: loss of confidence became typical, the legitimacy of the planning and implementation activities decreased, the inhabitants of Pécs became ambivalent towards the ECC” (Pálné Kovács–Grúnhut 2013, 14). Intellectual and artists involved in the first phase of the project soon felt excluded and frustrated (Interviewee C).

The second aspect of the participation of local community in the programme regards the attendance to events.

The issue of participation in cultural events is widely debated among contemporary scientists who are investigating the role of culture in social and economic dynamics.

Considering the available statistics, three representative sub-areas related to cultural participation in Hungary and Pécs have been investigated over the period 2007–2011, corresponding to the ECoC preparation period for Pécs, the year of the title and the following year: “participants in regular cultural forms”, “participants in cultural programmes”, and “members of creative cultural communities”. Data show interesting trends for Pécs, especially when compared to the national average. The line graph in Figure 13 illustrates the trends for Pécs, considering 100 as the starting value of 2007.
The most remarkable fact is represented by the steep increase of the “participants in regular cultural forms” between 2007 and 2009, during the years of preparation for ECoC (+202% in 2009 compared to 2007), and by the subsequent collapse between 2009 and 2010 (−48.7%), during the last stage of planning. These data seem to confirm what was previously argued about the strong initial involvement of the local community and the subsequent detachment. The performance of “participants in cultural programmes” is different. They peaked in 2010 after an increase by 12% between 2007 and 2009 and a further growth by 14.2% between 2009 and 2010. Finally, after the ECoC year, they sharply decreased by 38.7%. Unlike the other sectors, between 2007 and 2011 the “members of creative communities” grew constantly, strengthening in the last year (+21.6% between 2010 and 2011), with an overall increase by 61%. It is the only voice testifying an impact beyond 2010 of the ECoC project regarding the participation and involvement of the local population.

However, to obtain a more significant acknowledgement on the ECoC’s role for the participation of Pécs’s citizens and artists, it is appropriate to compare local trends to the national ones over the same period of time. Even in this case the starting point, as represented by 2007, is considered equal to 100. The first bar chart compares the participation level in regular cultural forms in Hungary and Pécs between 2007 and 2011 (Figure 14).
While in Hungary the level is constant over the considered period, the dramatic increase of participants in Pécs between 2007 and 2009 and the same steep fall between 2009 and 2010 is evident.

The bar chart below, illustrating the participants in cultural programmes, shows a different trend (Figure 15). In this case the level is the same for both the contexts during the preparation period, while in Pécs grows significantly during 2010 and later considerably decreases. On the contrary, the level in Hungary remains pretty much the same.

Finally, the last bar chart shows the situation related to the members of cultural communities (Figure 16). In this case the remarkable fact is the significant rise after the ECoC title, between 2010 and 2011, both at local and national level where, however, the growth is even higher.

The statistical data show that from the point of view of the involvement of both local artists and civic society, the ECoC project can be analysed as consisting of two distinct phases. The first, which runs from 2007 to 2009, is the so-called “preparatory phase” and sees a strong attraction of the local community. In the dynamics of conception and planning of the project and in various cultural forms, local artists and the population get to work, participate, feel responsible and involved. The second stage, which is the “implementation” phase and the later one, after the title, appears as the phase of disenchament. Experts from
Figure 15

Participants in cultural programmes in Pécs and Hungary over the period 2007–2011

Source: Author’s construction from Hungarian Central Statistical Office.

Figure 16

Members of creative cultural communities in Hungary and Pécs over the period 2007–2011

Source: Author’s construction from Hungarian Central Statistical Office.
outside get involved, management and direction pass to authorities from Budapest, local artists are largely excluded from the projects. Participation in cultural programmes and events dramatically decreases. Despite the increase of members of creative communities, the whole project looks like a foreign body in the social fabric of the city. This element is confirmed by the interviewees. Despite the good intentions, the ECoC’s impact on cultural participation has had almost exclusively local repercussions and rather limited in time, with no results in the years following the event. Civil attempts still functioning, started during the ECoC programme are an online and offline consultative forum on several topics [EKF – A fal (www.afal.hu)] by relatively broad public participation and a City Cooperation (www.varoskoop.pecsicivil.hu/city_cooperation/) for the participative planning of sustainable development.

As Pálné Kovács and Grünhut (2013, 14) state, “some cases the locals were asked about general questions, but not in an organised way, just via online sites. There was not any attempt for dialogue or real community building. In addition, access to public information and data took place in a slow and insufficient way, thus related to transparency there were numerous problems. Only one example about these deficiencies: feasibility studies of the ECC Pécs key infrastructural developments were released just after a civil movement called Társaság a Közérdekű Adatokért (Society for Data of Public Interest) submitted and won a lawsuit against the local government”.

3.4. The legacy of ECoC for the city of Pécs

Looking at the system and the overall structure of the ECoC programme and considering the outcomes produced in several European cities that have obtained the prestigious title, is questionable whether such a short-term project like this could be able to move a city in a completely different development direction. Despite the good intentions, in the case of Pécs something went awry. If we consider what the city “is” now and what the city “has” now, three years after the title, we can see that although a different urban structure has been created, it remains a declining city from different perspectives. This could happen because no strategy based on the event was adopted and the attention has been completely paid in achieving visible success in the short term. “Instead of the complex, integrated city development or renewing, grandiose building construction and one year long cultural jamboree has been implemented and the new investments have not been coupled by conscious restructuring of economy and human capital development” (Pálné Kovács– Grünhut 2013, 7).

A lack of strategic ability (and willingness) was certainly one of the main reasons. Another major difficulty is related to the role of the central government,
which have never seen the project as a “pure local” programme to implement on a local basis. Pálné Kovács, Grünhut (2013, 9) also ascribe an important responsibility to local politicians who took the most important decisions. Indeed they, despite the official version, “did also not truly believe that the culture could be the main driving force of the economic development” of the city. This is testified by the fact that local artists, experts, and university teachers had no direct influence on the cultural programming and had no own capital to launch projects aiming at cultural business and creative actions. Also the independent civic and businessmen had no access to the cultural programming and, finally, no cultural industries has been established by ECoC and just a few clusters were created later and independently from the programme, and unfortunately they did not prove to be successful.

However, it is not possible to say that the programme has been a total failure or a waste of time for the city. According to the economic conditions of Pécs, it was a great opportunity to be taken and some results have been achieved. Furthermore, “if there had not been ECoC there would have been nothing, no other programmes or alternative strategies, the socio-economic decline would simply have continued its path” (Interviewee D). Considering the main results achieved, the ECoC programme has strengthened the cooperation between local stakeholders during the preparation phase, especially between civic representatives and artists, have given the city the opportunity to cooperate with other cities hosting the ECoC title, redefining its international relations, creating foundations for cooperation beyond the title year (ECoC 2010 post evaluation report, 2011 p. 64).

Thanks to ECoC, members of creative cultural communities have increased and cultural operators and stakeholders across the city have gained experience, most of them remaining employed within the city’s cultural sector, including some within the new cultural facilities (ECoC 2010 post evaluation report, 2011 p. 63).

However, it is unquestionable that the legacy of Pécs 2010 is strongly linked to the infrastructure projects and restored facilities. As being the heart of the programme, the five pillars represent the true legacy for the city. After all, the whole programme has always been focused on the implementation of these projects. Among those considered to be most successful, the revival of public spaces and squares and the Zsolnay Quarter are the most mentioned. The former because it has had a role in the renovation of outskirts and has created better living conditions in neighbourhoods far from the city centre, and the latter because it has come to represent one of the symbols of Pécs, where the most important cultural events are carried out. The five hectare area of the porcelain manufacture was reborn via a HUF 11 billion urban development programme, and it has four thematic parts. The most important element of the Craftsman’s Quarter is the exhibition introducing the Zsolnay family along with their history, and the famous Gyugyi Collection. The University Quarter will include several different branches.
of the University of Pécs such as the Faculty of Music and Visual Arts, and its brand new department.

However, beyond its strong symbolic value, as resulting from the interviewees, the Zsolnay Cultural Quarter is characterised by serious management difficulties due to maintenance costs. Although the problem is very important also for the other projects, for the Zsolnay Quarter it could jeopardize its role in the future. Currently, the maintenance costs of the cultural facilities represent the most important question for the future. Moreover, due to the economic situation, the prospects seem to be negative. This is essentially because culture-led productive activities able to offer long-term economic alternatives were not created, since it was not adopted an integrated cultural strategy for the city. Even in the case of the Zsolnay Quarter, already existing activities were simply moved within the area (Interviewee C) but no new production has been initiated. This lack of new production, clusters, and spin-offs connecting the business community to the university represents the creation of empty containers; spaces where nothing is

*Picture 3: Zsolnay Quarter on a Friday afternoon*

*Source: Michele Tubaldi, October 2013.*
created, produced, planned or invented. It is possible to find visitors only during the weekends, when some events are organised. This represents the real defeat for Pécs Capital of Culture 2010. Maybe not a complete one, but definitely a lack of success. Furthermore, it is something already occurred in several European capitals of culture into the past, even though the local administrators and stakeholders were aware of the risk, they were not able to avoid it and to take the opportunity for a real rebirth of the city (Interviewee B).

4. The ECoC cultural programme: new perspectives

The current legal basis for the ECoC (Decision 1622/2006/EC) requires their cultural programmes to satisfy five criteria grouped into two broad categories: “the European Dimension” (foster international co-operation, highlight the richness of cultural diversity, bring the common aspects of European cultures to the fore) and “City and Citizens” (participation of citizens and sustainability). The same decision also defines a chronological list of Member States entitled to nominate ECoC up to and including 2019. Furthermore, under the current legal basis, the objective of the action is “to highlight the richness and diversity of European cultures and the features they share, as well as to promote greater mutual understanding between European citizens”.

Until 2004, the ECoC were selected according to an inter-governmental process. From 2005 to 2019, a chronological list of Member States defines the entitlement to nominate candidates for ECoC. The 2006 Decision also introduced a competitive process which applied as of the 2013 ECoC, with transitional provisions for 2011 and 2012. Some participants in the online consultation launched by the European Commission as part of the preparations for a new legal basis for the European Capital of Culture (ECoC) after 2019, suggested either some sort of restricted form of open competition (either geographical or in time) or a combination of open competition and chronological list with, for example, one city being chosen from the list of Member States and another city chosen through a European-wide open competition.

Regarding the ECoC’s impacts, the most tangible are currently believed to be a ‘better international profile and image for the city’ and ‘a more vibrant cultural scene’, whilst a ‘more favourable view of Europe and the EU’ and ‘social inclusion through culture’ were reported to be the least tangible benefits of being an ECoC. These findings suggest that the ECoC remains very much a cultural event in its essence and in terms of the legacy connected with it. In the qualitative comments supplied, there was consensus that capturing the long-term benefits of ECoC (whether cultural, economic or social in nature), required effective legacy planning and associated governance arrangements to be put in place.
This is a crucial aspect to be considered in the direction that the title will have to take in the future. Being satisfied to improve city’s image and ensure visibility, without affecting the production system and the development trajectory of the city which has the title, represents a gap that needs to be filled in the future. From this point of view, the selection process should be calibrated by assigning more weight to the strategic development model rather than to planned events. This also concerns the infrastructure system. Obviously, infrastructures must be related to the overall urban development, but they should be aimed at encouraging and strengthening creative processes over the long term.

From this point of view, the case of Pécs offers food for thought. The first element to be (re)considered regards the fact that ECoC project provides for the same requirements and the same logic to all cities around Europe. However, because of different social and political structures, this has proven not to be working. For example, in strong centralised system, because of the central government’s ambitions, the weakness of civic society, and the scarcity of economic resources available, the relatively recent transition to new free market economic systems as in the case of Eastern Europe, the structure of the project has not produced many success stories.

The second element is connected with the short-term effects of the project. The issue of distinguishing between a traditional role of culture in urban space and its potential in terms of development has been debated in the last ten years. Moulaert et al. (2004) argue that the binomial ‘urban development/artistic and cultural projects’ is often based on a too limited view on physical materials aspects (in particular the construction of buildings and spaces), neglecting the crucial dimension of social sustainability and implementation of intangible infrastructure, based on cognitive, relational and symbolic identity. According to Garcia (2004), urban regeneration processes are often connected to major events (as in the case of European Capital of Culture) which do not allow to create the basis for sustainable development of cultural planning. In his opinion, these events work as an attractive tool for media attention and outside visitors, but they cannot be a means of representation of local community. Garcia points out the short-term vision of this kind of programme, the low level of employment generated and the lack of democratisation pertaining the participatory process. According to Jones and Wilks-Hegg (2004) the issue of social inclusion is central in culture-led regeneration projects, especially when there are festivals celebrating different cultures but not really interested in integrating these cultures within the local context. In Miles’s opinion (2007), culture-led regeneration projects are first of all focused on the reproduction of an elitist vision of culture. The language of creativity is practically irresistible for local politicians seeking to pursue their instrumental, short-term interests under the cover of a rather more uplifting discursive rationale (Peck 2011).
In Comunian’s opinion (2011), the strong economic argument made by policy makers about the importance of cultural titles and flagship cultural developments for the local creative economy is misleading in two ways. Firstly, because of the overrated view of the impact of creative economy for growth and jobs. Secondly, because in the titles and investments for cultural cities the economic growth promoted is focused on tourism and cultural consumption, for example setting up new shopping centres and night-time economy areas. Furthermore, the large developments promoted in large scale regeneration projects often end up pushing out cultural producers from those urban areas. Thus, although the creative economy argument is used as a key motivation for the development of cultural cities, it is often misunderstood or used in instrumental ways.

Indeed, in important case studies – Glasgow, Liverpool, Newcastle Gateshead, Bilbao – the presence and minimum contribution of local and creative producers in shaping and defining creative cities is very low.

Obviously, local creative professionals recognize that the image’s improvement of the city has an indirect impact on their work; however, aside image, it seems that there is no special attention or specific initiatives linking the title of ‘creative city’ to the creation of value added for the local creative economy. Thinking about the lack of connection between creative economy and cultural city might help to deconstruct and reanalyze rhetorical subject focused on the “fast-urban policy” (Peck 2005), related to what the cultural city can do in favor of local creative economies. Rather than insisting on the idea that obtaining great cultural investments and prestigious cultural titles helps the rise of creative industries, it is important to consider what types of benefits they may ensure, verifying and assessing whether these benefits would be real rather than theoretical.

5. Conclusions

The growth of cultural industries or the insertion of flagship cultural institutions is increasingly seen by local governors and businesses as a solution to the post-industrial condition. As demonstrated by several cities around the world, however, old economic patterns are reproduced in culture-led urban development. Cultural entrepreneurs are not avant-gardist in a political or economic sense, and they are not known for an interest in social justice. Thus, the dominant image of city marketing reinforces, rather than challenges structures of power and represents a city for an audience of investors (Miles S.–Miles M. 2004). As Gonzales (1993) argues about the case of Bilbao and the role of the Guggenheim, cultural investment and local democracy don’t have any connection, and a strong
division exists between democratic aspirations for participation in cultural activities, and the provision of sites for elite culture.

However, deindustrialisation, with its loss of manufacturing industries, has left space for the growth of service industries, in which education, information, research and tourism became overriding. Within this context, because of the new role of culture in the social fabric, cultural activity and creative economy started to play a leading role in urban regeneration and the recovery of cities, earlier in the United States and in Western Europe and later in Central and Eastern Europe. Considered as a means of sustainable development, investment in cultural activities has been strongly encouraged by supranational institutions and interesting cases have actually shown that economic recovery can be sustained by this kind of activities. Old industrial areas have been redeveloped and new cultural quarters have been made, with investments mainly directed to city centres. Glasgow, Bilbao, Dublin, Manchester, Barcelona, Lyon, Rotterdam and many other cities have followed paths of development focusing on cultural activities, which are able to improve the quality of life and, consequently, to attract new investors and professionals.

The ECoC title could seen as a tool aiming at enhance cultural functions and resources of a city. It ensures visibility and notoriety to the city for a year-term period and aims at affecting its economy and, indirectly, its social condition. Nevertheless, nowadays ECoC proves not to have this ability, and in a declining economy this opportunity should not be wasted. In some extreme ways, Pécs represents the demonstration of ECoC title’s currently lacks. It is the obvious manifestation of the fact that culture is still perceived in its attractive, outward oriented dimension, despite twenty years of changing fortunes and negative outcomes in social terms as demonstrated by wealth enhanced polarisation and gentrification in many cities across the United States and Western Europe.

From this point of view, the evaluation criteria should be changed by providing opportunities to cities that prove to be able to use culture in terms of production, involving research centres and activating spin off enterprises and clusters which could exist and persist over the long term, by abandoning the “spectacular” view of culture condemning it to remain an ephemeral globalisation phenomenon often dangerous for civic society. Essential elements would become:

- fostering the bottom-up approach in the entire phase of planning through the systematisation of a network of relationships involving community representatives, artists, local stakeholders and research centres;
- the finalisation of new cultural facilities (for example the five pillars of Pécs) in terms of production and not just recreational or leisure. Each structure should encompass new functions and not just a simple repositioning of previously carried out elsewhere activities;
− the ability to organize cultural production starting from the city’s traditional resources, through ‘soft’ conversion processes appraising the industrial and production history of the territory;
− the ability to facilitate governance aimed at achieving local goals, by providing tools for differentiation between national realities very different from each other.

The logic of multi-level governance is crucial and necessary for the success of the European cohesion policy but it has to face many obstacles in centralised countries. Without local space of movement and responsibility the place-based projects will be just a performance of marionette puppets (Pálné Kovács–Grünhut 2013).

The efforts of Pécs as concerned of managing the ECC project were not bad but the external determination strongly limited the local discretion. The city was rather the audience than the provider of its “own” cultural events without to launch long term development. The original long-term goals about sustainable economic development did not ensue, just large new buildings which have remained as mementos of the project.
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**List of Interviewees**

A) Ruzsa, Csaba

University of Pécs – Directorate General of Finance: Deputy Director of Finance responsible for major investments

B) Palné Kovács, Ilona

Hungarian Academy of Sciences – Institute for Regional Studies, Transdanubian Research Institute

C) Füzér, Katalin

University of Pécs – Department of Sociology: Assistant Professor, Deputy Head of Department

D) Komor, István

Zsolnay Quarter – Operational Director.

E) Faragó, Laszló

Hungarian Academy of Sciences – Institute for Regional Studies, Transdanubian Research Institute

F) Trócsányi, András

University of Pécs – Department of Human Geography and Urban Studies: Head of Department, Senior Lecturer.
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