POSSIBILITIES OF CREATIVE URBAN DEVELOPMENT AND CREATIVE FUTURE OF BUDAPEST ACCORDING TO THE NEW PROGRAMMING REGULATIONS AND DOCUMENTS

A kreatív városfejlesztés lehetőségei és budapest kreatív jövőképe az új programozási szabályok és dokumentumok alapján

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Abstract
In the next programming period, starting in 2014, European cities face the challenge to become SMART cities focusing on sustainability, competitiveness and liveability. Does culture play a key role in this process, and if so, is the European Union aware of its importance? Do programming documents for the next period for Budapest express a recognizable will of the decision makers to transform the city to a Central-European creative capital? In my study, I examine the concepts and regulations of the new programming period for the urban development and their relations to the cultural and creative industries in order to evaluate, how much the new urban and regional policy promotes urban creativity, bottom-up approaches and cultural flourishing. The main question for the analysis – with a far wider scope that the framework of this study - is, if territorial and sectorial strategies can be combined effectively in order to foster the goals of the Europe 2020 strategy. I also analyse the documents, relevant for Budapest in order to evaluate, if creative development of the Hungarian capital is emphasised enough in the new plans for the future.

Keywords: creative city, creative industries, Creative Europe, urban planning,
Introduction

2014 the European Union launches a new programing period, symbolized by the flagship strategy, Europe 2020. Hardly recovering from the global crisis, the member states again set up ambitious goals for the future: the EU now has the challenge to recover its torn internal market and to regain its reputation as leading global actor. In order to achieve smart, sustainable and inclusive growth, the EU has to mobilize all of its assets and subordinate them to these strategic goals.

Cities are the engines of this process.

70% of the Union’s population lives in urban areas. Cities with more, than 1 million inhabitants produce a GDP-value that is 25% higher, than the EU-, and 40% higher, than the national average. [EUROPEAN COMMISSION, 2009.] Moreover, cities are engines of innovation, research and development, and at the same time they are hubs and melting pots for different cultures, values and mind-sets. Therefore, empowering urban development is considered as one of the crucial factors in the realisation of the Europe 2020 strategy.

In Hungary, capital city Budapest plays an even bigger role in competitiveness of the country. According to the region’s new Operational Programme, VEKOP, it is the centre of the national R&D&I activities, since 95% of innovation capacities and investments of the country is located in the capital. [NEMZETGAZDASÁGI MINISZTERIUM, 2013] Budapest is a well-known touristic destination, a meeting point of different traditions and values, also a city with buzzing cultural life. With its population of 1.7 million people, it is big enough to be visible on the global radar screen, however, small enough to offer liveable environment to its habitants. Therefore, Budapest has great potential to become Central-Europe’s creative capital.

It is well-known that due to the reduction of the financial sources available between 2014-2020, we can not expect to use more funds for urban development purposes. So, we have to use them in a more effective way. When facing this challenge, can we say anything about the cultural aspects of urban development in the next seven years?

As we map the future, some other questions emerge:

- According to the programming documents, is there a change in EU’s attitude towards culture and the role of culture in urban development? Are smart cities creative cities, as well?
- Are there elements in the new regional policy regulations, that could serve the cultural urban development and will have cities enough freedom to be inventive?
- Do programming documents for Budapest express a clear strategy on developing the city into a creative capital?

Material and methods

In this study I present a comprehensive overview on some of the recent concepts of urban development and a critical analysis of the key documents related to urban development for the new programming period on EU level and those ones, which are relevant for Budapest. Nevertheless, we have to take into consideration, that all of these materials are proposals right now, and not legally binding regulations.
In my examination, I try to find answers for the questions above. My reflections are grouped in five subchapters in the “Results” section. In the first one, I analyse some of the recent concepts of urban development, such as the “sustainable city” and the “creative city”. Then, I present the EU’s “smart city” approach, and evaluate the EU’s attitude towards culture, when talking about sectorial programmes.

The third subchapter focuses on the differences between the current and the next regulations of the Structural Funds, as main resources devoted to foster urban development. In the fourth subchapter I examine the connections between regional innovation strategies and cultural development. The fifth chapter focuses on Budapest, by analysing the main programming documents for the capital city and its region. Results section is followed by the conclusions of this article.

Results

Cities reinvented

Saskia Sassen, writer of “The Global City” stated in one of her presentations that in the new age, cities have become the place, where different values, social groups, cultures meet – and collide. [SASSEN, 2013.] While during the most of the history of mankind, those conflicts emerged in the frontiers of different countries or imperia, now we have to face them in the heart of our cities. At the same time, those urban conflicts can be defined, as “spatial expressions of social processes” [ENYEDI, 2012.]

The extrapolated progress of urbanisation, and the growing problems caused by the rapid growth of urban population resulted in different catastrophe scenarios as well as in utopias considering the “future city”. However, there are some new concepts and approaches which become more and more incorporated into the way of urban planning and management worldwide. Theoretically as well as practically.

In this subchapter I present two of those concepts: the sustainable city and the creative city. While the first one is an initiative by the United Nations Human Settlements Programme (UN HABITAT) together with the United Nations Environmental Programme (UNEP), the second one can be associated with British urban thinker, Charles Landry.

I have chosen the sustainable city concept mainly because it relates most to one of my objects of analysis, the smart city, while the creative city concept itself stands in the focus point of my research, since this is the approach, that privileges culture.

When talking about new concepts we must refer to the sources of conflicts that called for these new ways of thinking. According to Marie Lundqvist, the main problems with urbanisation are the following ones:

„Firstly, the city removes people spatially from the productive land and leaving them dependent on resources from rural areas. Secondly, when planning for cities the guiding principles have been based on compartmental ideas with the objective that water, air and natural resources are free, resulting in serious environmental problems affecting human health and quality of life. Thirdly cities are reflections of the values embended in the legal
constructions on which society is based which is why it is difficult to make a fundamental change as these values needs to be reevaluated.“ [LUNDQVIST, 2007.]

Enyedi states, that conflicts can be solved only by complex intervention into social problems, where „this intervention can have an architectural-urbanism way of support, but construction and urban planning itself is not a solution for conflicts“ [ENYEDI, 2012.].

With a very well-formulated metaphor, Charles Landry and Franco Bianchini call this phenomenon „urban-engineering“. [LANDRY, 2008.] They deduce today's false urban approaches from the times, when urban problems emerged due to the industrial revolution. The city of the 19th century needed roads, canalisation and housing. Infrastructural problems needed infrastructural answers. Today, as we see, problems have several layers, therefore, solutions need integrated and holistic thinking. This new way of thinking is present in the „sustainable city“ concept, as well as in the „creative city“ concept.

As mentioned before, the Sustainable Cities Programme is an initiative of UN HABITAT, together with UNEP. The programme started after the UN Conference on Environmental and Development in Rio de Janeiro, 1992. This conference established Agenda 21 to deal with global environmental issues, and Sustainable Cities Programme can be considered as a sister programme to Agenda 21, with basic principles established in UN HABITAT II conference, 1996.

According to this programme, „sustainable urbanisation is a dynamic, multidimensional process, covering environmental, as well as social, economic and political-institutional sustainability. It embraces relationships between all human settlements, from small urban centres to metropolises, and between towns and cities and their surrounding rural areas“. [UN HABITAT, 2002.]

Therefore, the Sustainable Cities Programme deals with the following urban issues:

1) transforming urban economy (i.e. use of resources, infrastructure, etc. in an environmental friendly way, creating sustainable connections between rural and urban producers);
2) developing urban labour force (through education and employment programmes, especially for endangered social groups);
3) improving urban infrastructure in a sustainable way (i.e. developing green public transportation, and providing basic infrastructure for water, sanitation, waste management);
4) reducing waste;
5) introducing sustainable land-use;
6) strengthening local governments;
7) strengthening participation in local governments;
8) increasing social justice and inclusion.

As we see, this concept combines all the three dimensions of sustainable development (i.e. economic, social and environmental sustainability), but as for cities, although these aspects can/have to be validated in all of the settlements, I think, the sustainable city concept itself mostly reflects on the problems of the developing countries and their fast-growing megalopolises. It is understandable considering the fact, that urbanisation basically happens in these developing countries.
Dealing rather with the problems of the Global North's cities, Charles Landry's book, „The Creative City“ introduced a whole new approach in urban thinking. Landry's concept is based not on the „hardware“, but rather on the „software“ of the city, such as leadership, people and creativity. In order to understand, how different this approach is, it is worth to take a look at Landry's list of soft assets:

„The problem for urban leaders is that city management is organised along traditional functional lines, such as housing, parks, health, police or transportation. Important as these are, no one is responsible for the other dimensions. [...] Key notions include:

- iconics;
- design-consciousness;
- eco-awareness;
- artistic thinking;
- atmospherics and experience;
- associational richness and resonance creation;
- cultural depth;
- networking capacity;
- communication and language skills.“ [LANDRY, 2008]

When talking about cities of Europe, I think, these thoughts are utmost remarkable. Talking about „artistic thinking“ or „cultural depth“, when drawing the problem-tree of our settlement might sounds idealistic, but in my opinion, these are the elements, that will mark the city as a unique, and distinguishable point on the map. Not only for tourists, but also for investors and for the most important actors: present and future citizens.

Therefore, it is worth to examine, if European urban strategies – based on the smart city concept – will be unique enough to ground urban revitalising. In other words: is software (i.e. culture) emphasized in these strategies?

**European smart cities – is there a place for culture?**

When talking about future urban development, the main concept of the European Union is definitely the “SMART City” approach. To become smart, cities have to focus

- on economic growth resulting from innovation and R&D;
- on sustainable growth resulting from using green technologies;
- and on inclusive growth, resulting from using accessible IT-tools in public administration.

Culture –at first sight- does not play a key role in this process.

When taking a look on sectorial programmes of the new EU budgetary framework, we have to mention the Creative Europe Programme, to be launched in 2014. This is the dedicated sectorial programme for the cultural and creative industries. With its total budget of 1.800 million Euros, Creative Europe will definitely not belong to the main development programmes of the EU and by studying the relevant documents, we can also come to a conclusion, that this programme will address only narrow cultural branches, such as film making and movies, performing arts, book publishing, etc. What is the situation considering territorial policies?
The new regional policy – more integrated, yet more free?

Studying the proposed regulations of the new programming period, we might have a “back to the future” feeling. It seems, that some innovative regulations from the 2007-13 period did not survive, so the ‘new’ regulation for the 2014-20 period is actually the ‘old’ one, coming from 2000-06. Firstly, again we have the funds for agriculture and fishing industries regulated in the same framework, as ERDF and ESF. Secondly, the forced separation of the ERDF and ESF (the monofund rule) that resulted in very complicated and bureaucratic ways of project planning and management, is finally over. Funds can be combined in the same Operational Programme, which promotes more the integrated and holistic thinking.

Some new regulations also aim to offer wide-range possibilities to achieve a focused, yet tailor-made use of the Structural Funds.

First of all, the use of Structural Funds in the new programming period has to be strictly connected to 11 key actions, determined by the new Common Strategic Framework. By analysing those goals, we can come to a conclusion, that they represent a rather general approach, so no clear reference can be found on promoting the development of cultural and creative industries in urban areas. However, reading between the lines, we can identify those goals, which include the cultural aspects as well. These are:

- 1. Strengthening research, technological development and innovation;
- 2. Enhancing access to and use and quality of information and communication technologies;
- 3. Enhancing the competitiveness of SMEs
- 8. Promoting employment and supporting labour mobility
- 9. Promoting social inclusion and combating poverty
- 10. Investing in education, skills and lifelong learning [EUROPEAN COMMISSION, 2012.b]

The goals mentioned above, are subordinated to the main aims: smart and inclusive growth.

Territorial aspects of achieving smart and inclusive growth have to be ensured by creating the so called RIS3’s, i.e. the Regional Innovation Strategies for Smart Specialisation. These strategies – as we will see it later – are of key importance when promoting cultural and creative industries (CIT’s) and cultural urban development.

Secondly, the wider extension of community-led local development and the introduction of integrated territorial investments also represent a bottom-up approach in urban planning. Innovation and sharing of best practices is also supported by URBACT Programme that will continue in 2014. [EUROPEAN PARLIAMENT AND COUNCIL, 2012]

Thirdly, the prescribed minimum level of ESF, especially in more developed regions indicates, that instead of creating basic infrastructure from EU funds, regions should deal with their intangible assets more in the future than in the past.

Finally, by forcing the simplification of rules and the use of e-services also in the management of funds, the EU seems to be committed to the aim of giving as much freedom to the regions and cities as it is possible to create and realize their own development strategies.
RIS3 and separated strategies for creative city planning and management

As mentioned before, territorial aspects of achieving smart and inclusive growth have to be ensured by creating regional innovation strategies.

RIS3 is per definitionem “integrated, place-based economic transformation agenda” that builds on the region’s strengths and focuses on competitive advantages. The RIS3 is the key document of “smart specialisation”, while cultural and creative industries are/can/should be part of smart specialisation in the regions.

According to the guide to RIS3, “these industries have multiple role to play in unlocking the creative and innovative potential of a region” as they “have the potential to increase the quality of life”, “are vital for the emergence of new economic activities”, “contribute to the social integration of marginalised groups” and can “address social concerns”. At the same time, they also create jobs and stimulate innovation. [EUROPEAN COMMISSION, 2012 a]

As we can see, regional innovation strategies are possible supporters of promoting cultural and creative industries, but we must not forget two important facts, namely:

- regional innovation strategies are defined on regional and not local level. When dealing with urban development, we have to take one step further.
- regional innovation strategies focus on economic growth and job creation. That is a far more narrow scope, than an urban cultural development strategy has to have.

Budapest – great potential without mindful planning?

Just a few weeks ago, Budapest has been elected second best city of the world by CNN Readers’ Choice Award. Our capital has been glorified several times in the recent months in the international media for its unique atmosphere, iconic baths, magnificent cultural heritage and - last but not least – for its world-famous ruin pubs. Living in the city, an insider experiences a turbulent buzz: day-by-day new galleries, new craft-fairs, design shops open. Budapest becomes fashion capital…Budapest becomes start-up capital….Budapest glitters.

Is this glamour a result of mindful planning and decisions of the city leaders, or rather the success of the city’s self-motivated groups?

In the past, some studies highlighted the potential of Budapest to become the creative capital of Central-Europe. The authors also urged city leaders to create a strategy on the development of the city’s creative milieu.15

The new programing period gives a new opportunity to urbanists to rethink the city’s cultural and creative potential and canalize financial resources to support the creative development.

When studying the highest level of the programing documents, we have to refer to the National Development 2020 strategy, which is a comprehensive mid-term plan for the whole country, uniting sectorial and territorial approaches. The National Development 2020 strategy

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15 For example this study (available only in Hungarian): BORSI Balázs-VISZT Erzsébet: A kreatív és kulturális ágazatok (CCI) szerepe és növekedési lehetőségei a Budapest Metropolis Régió gazdaságában (GKI Gazdaságkutató Zrt. tanulmánya, készült a Studio Metropolitana Kht. megbízásából, 2010.)
recognizes the opportunity of changing Budapest into a creative centre, however, it continues to treat cultural and creative industries as “side-branches” to technology intensive industries and R&D. The document is also not consistent in using definitions for CCI’s, but at least, it mentions the aspects of creative industries. [NEMZETGAZDASÁGI MINISZTÉRIUM-NEMZETGAZDASÁGI TERVEZÉSI HIVATAL 2012.]

Taking one step further, the RIS3 strategy of the Central-Hungary region (that includes Budapest) also mentions creative industries, within the priority axis 5: “Promoting innovative enterprises”. Nevertheless, we can find only narrow references on CCI’s, mainly connected to the knowledge-based industries. [NEMZETI INNOVÁCIÓS HIVATAL – EQUINOX CONSULTING KFT. 2013.]

The Competitive Central-Hungary Operational Programme (VEKOP) represents a different approach. Here we find cultural and creative industries mainly connected with touristic attractions. Creativity is mentioned also when talking about innovation. Again, no concrete priority is set up here.[NEMZETGAZDASÁGI MINISZTÉRIUM 2013.]

To sum up, it seems, that Hungarian programing documents miss a common understanding on what cultural and creative industries actually are, how they are connected with knowledge-industries and other branches, like tourism, and how and in which priorities they should be developed.

**Conclusions**

After this brief description of the future frame conditions for urban development, what can we say about the possibilities of creating creative cities in the new programming period and about the future of Creative Budapest? First of all, I think, that the European Union’s legislation is shifting from a top-down approach to a bottom-up one. The role of CLLD and ITI’s in the next era is clear evidence on that. The expressed willingness to reduce bureaucracy and the allowance of the combination of different funds and programmes also show a direction, in which cities are free to plan their own future and use different ways of achieving the goals. We can also experience a slow, but yet markable shift in the attitude of the decision makers towards culture. The most important conclusion that we can derive from the legislative frames is, that while EU struggles for a “liberalisation” in urban planning, it will be the cities, which will have to “walk the talk”.

As for Budapest, the picture is more confusing and disturbing. Although all programing documents refer to the cultural and creative industries as possible break-out points for the region, every document is missing a clear strategy, goals and action steps to maximize the power of CCI’s. In my opinion, this lack of clear message is at the same time an urgent call for a separate cultural and creative strategy for the Hungarian capital. It will be the task of researchers in regional development to analyse, how the RIS3 strategy of Budapest will be implemented, and – during my ongoing research considering creative cities – to analyse and evaluate, how the city can live with its creative assets within the framework, the RIS3 or the smart city concept offers.
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