The ECoC Title for a Central European City: the Case of Pécs 2010

MICHELE TUBALDI
Marche Polytechnic University
Piazza Roma 22, 60121 Ancona
Italy
m-tubaldi@hotmail.it

Abstract
The paper analyses the culture-led economic regeneration of Pécs, the Hungarian city which has been awarded the title of European Capital of Culture (ECoC) in 2010. The aim is to shed light on its social and economic development over the past twenty-five years, by considering the culture-oriented transformation as implemented within the city and the role played by the project.

Key words: City of culture; European Capital of Culture; culture-led regeneration; urban renewal; ECoC impact.

JEL Classification: R 11; P 25; O 22; Z 10.

1 Introduction

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. 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 do not have any connection, and a strong division exists between democratic aspirations for participation in cultural activities, and provision of sites for elite culture.

Over the last decades, deindustrialization 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, 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.
Over the past thirty years, creativity has activated new economic and social functions, and city administrators have decided to implement proactive policies to promote cultural and creative activity (Ghilardi, 2001). 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.

According to the framework and structure of the ECoC event and the various formulas that have been presented regarding the assignment of the title, in the last decade the project has become a real urban development project “with a strong connection to culture/knowledge – based investments” (Pálné Kovács, Grünhut, 2013).

The ECoC title could be 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 social conditions.

The paper analyzes the case of Pécs, the Hungarian European Capital of Culture 2010. It is based on a 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.

2 The Social and Economic Dimension of Pécs

Although its meaningful institutional and cultural dimension, Pécs can be mainly considered an industrial city, experiencing rapid growth after the industrial revolution, thanks to coal and uranium ore. The decline of this activity began in 1980s and, when the extraction of black coal had become uneconomical after 1987, underground mining totally ceased causing a sharp decline in the number of jobs available and for the first time after decades, the population decreased. Many factories halted and the production system collapsed.

After the industrial decline, capital investors arrived in city. They were focused especially on the trade sector and 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. This situation had an impact on the present time.

As recent available data shows, over the period 2008–2011 more than 84% of registered enterprises in Pécs belonged to the service sector (most of them in real estate activities), only 10% to industrial sector.

In the early two-thousands Pécs has adapted to new economic circumstances and the quaternary sector emerged thanks to the prominent role of educational, scientific and technical structures. In an attempt to adapt itself to current economic and political structural conditions, the city moved its development trajectory towards the knowledge-based and culture-led economy, with a EU funding-oriented planning.
However, now 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 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.

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 confirms an overall social and economic decline.

3 Pécs European Capital of Culture 2010

The ECoC title was seen by the civil community as a great opportunity for the social and economic rebirth of the city. The main goal of the project was to foster the regional development thorough culture, and was related to the perspective of the economic decentralization within the country. In an attempt at achieving this objective, the project acted following three main directions: 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’.

3.1 Cultural facilities and accessibility from outside

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 “Grant 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 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) (ECORYS (a) 2011).

New cultural facilities has been perceived as being key for the cultural development of the city, and represent the core element of the programme. Furthermore, as reported by all the interviewees, the five pillars of the ECoC 2010 are the true legacy left to the city. It is widely believed that among the five projects, the most successful was the revival of public space 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 same 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).

Furthermore, the revival of public spaces was aimed at connecting the outskirts with the historical city centre and at 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 marginalized people and by the gipsy community.

Looking at the map in Figure 2, 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 major arteries connecting the two areas: the Zsolnay Vilmos street on the south and the Felsővámház street on the north.

Fig. 2 The projected urban renewal effects of ECoC projects
Source: Pirisi, Stefán, Trócsányi, 2008
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.

![Picture 1](image)

**Picture 1** On the left the Balokány park with the Kodaly Centre on the background, and on the right the Felsővámház street. These parallel streets are 200m. away in a beeline.

Source: Michele Tubaldi, October 2013

Regarding the urban infrastructure, in terms of accessibility from the outside, the most important investment 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.

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.

3.2.1 **The tourism issue**

In relation to the tourism issue, data per capita and per tourism nights spent within the city show that the general trend over the last decade is negative, despite in 2010 the European Capital of Culture (ECoC) title has represented a considerable counter trend element. The *Figure 3* and *4* illustrate the general trend over the period 2001–2012, both regarding the overall tourist arrivals and the night spent in public accommodation establishments.
Considering the ‘arrivals’, the overall decrease between 2001 and 2012 is of 35.6%, while in 2010 the number of arrivals went up by 26% compared to 2009 and then, between 2010 and 2011, the decline was of 20.3%. Finally, between 2011 and 2012 a slight increase of 2.4% occurred.

Regarding ‘nights spent’, the trend is the same. The percentage of tourism nights spent within the city between 2001 and 2012 dropped by 31.5%, with an increase of 27.8% in 2010 compared to 2009 and a new decline of 18.1% since 2010 to 2011. During the last year considered, between 2011 and 2012, a slight increase of 3.9% has occurred. Considering the role of international tourism, foreign tourist arrivals are always below 30%, and at their peak they are at 28% out of the total in 2010, when there was an increase by 72.6% compared to 2009. However, in 2012, foreigner arrivals decreased of 30.7% compared to 2010.

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. On the other hand, Pécs is characterized by the so-called ‘hit and run’ tourism. From interviews, it comes to light that for Pécs is more correct to speak of ‘visitors’ 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 as 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 2012 (+104.4% of ‘arrivals’ and +106.2% 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.

3.2.2 ECoC and the cultural industries in Pécs

In relation to the second branch of the ‘economic recovery’, the so-called ‘cultural industries’ issue, 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 thanks to ECoC in 2010 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, 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” (ECORYS (a) 2011, p. 55). 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 “organizations 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” (ECORYS (a) 2011, p. 55).

In addition, also bringing cultural operators together to strengthen civic initiatives and to facilitate the creation of networks of cultural projects and project promoters seems to be a formidable challenge with no success at the moment. Moreover, despite the fundamental role of the University within 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 ECoC and the cultural participation in Pécs

According to the 2009 UNESCO Framework for Cultural Statistics Handbook No. 2, “the literature provides a number of triple distinctions of possible participation patterns”: the attending/receiving, the performance/production, and the interaction, without distinction between professional and amateur practice.

From this perspective, three representative sub-areas related to cultural participation and reflecting this distinction can be considered: the participants in regular cultural forms (interaction); the participants in cultural programmes (attendance); and the number of members of creative cultural communities (production).

In Pécs these three topics have been investigated over the period 2007 – 2012, corresponding to the ECoC preparation period, the year of the title and the following year. The line graph in Figure 5 illustrates the trends, by considering equal to 100 the starting value of 2007.

![Figure 5](image)

**Fig. 5**

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 a 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 of 12% between 2007 and 2009 and a further growth of 14.2% between 2009 and 2010. Finally, after the ECoC year, they sharply decreased by 38.7% between 2010 and 2011, coming back to increase between 2011 and 2012 (+29.9%).

Unlike the other sectors, between 2007 and 2011 the “members of creative communities” grew constantly, strengthening between 2010 and 2011 (+21.6%), with an overall increase of 61% over this period. Only during the last year, between 2011 and 2012, they slightly decreased by 4.7%. It is the main voice testifying an impact beyond 2010 of the ECoC project regarding the participation and involvement of the local community, with an overall increase of 53.5% over the period 2007-2012. However, it is not possible to consider the impact in the rate of employment, due to the lack of available data.

Regarding the cultural participation in general, data show that the ECoC project can be analyzed as consisting of two distinct phases. The first, which runs since 2007 to 2009, is the so-called “preparatory phase” and sees a strong attraction of 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 later one, after the title, appears like the phase of
disenchantment. Experts from outside get involved, management and direction pass to
authorities from national government, local artists are largely excluded from the projects.

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.

4 The Legacy of ECoC for the City

In the case of Pécs “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). Thus, despite the good
intentions, no strategy based on the event was adopted and the attention has been completely
paid in achieving visible success in short term.

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 has never seen the
project as a “pure local” programme to be implemented on a local basis. According to Pálné
Kovács, Grünhut (2013) “local artists, experts, and university teachers had no direct influence
on the cultural programming and had no own capital to launch projects aiming cultural
business and creative actions”. Also, no cultural industries has been established through
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,
and has given the city the opportunity to cooperate with other cities hosting the ECoC title,
redefining its international relations, creating foundations for co-operation beyond the title
year (ECORYS (a) 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 (ECORYS (a) 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 hearth of the programme, the five
pillars represent the true legacy for the city. The revival of public spaces has had a role in the
renovation of outskirts and have created better living conditions in neighbourhoods far from
the city centre, the Zsolnay Quarter has come to represent one of the symbol of Pécs, where
the most important cultural events are carried out. However, as resulting from the
interviewees, currently the Zsolnay Cultural Quarter is characterized 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. Furthermore, due to the economic situation, the prospects seem to be negative. This essentially because culture-led 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 represents the creation of empty containers, spaces where nothing is created, produced, planned or invented. It is possible to find visitors only during the weekends, when some events are organized.

This is something already occurred in others European capitals of culture into the past. In Pécs, 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).

5 Conclusions

Studies on the ECoC impacts suggest that it 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 centralized system, because of the central government ambitions, the weakness of civic society, and the scarcity of economic resources available, the relative 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, Garcia 2004, Wilks-Hegg 2004, Peck 2005, Miles 2007, Comunian 2011).

In some extreme ways, Pécs represents the demonstration of ECoC title’s currently lacks. It shows that culture is still perceived in its attractive, outward oriented dimension. 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 globalization phenomenon often dangerous for civic society.

Essential elements would become:
- fostering the bottom-up approach in the entire phase of planning through the systematization of a network of relationships involving community representatives, artists, local stakeholders and research centres;
- the finalization 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). Pécs was rather the audience than the provider of its “own” cultural events.

The original long-term goals about sustainable economic development did not ensue. Only large new buildings have remained as mementos of the project.

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List of Interviewees:
A) Rusza Csaba
   University of Pécs – Directorate General of Finance: Deputy Director of Finance responsible for major investments.

B) Palne Kovacs Ilona
   Hungarian Academy of Sciences – Institute for Regional Studies, Transdanubian Research Institute.

C) Fuzer Katalin
   University of Pécs – Department of Sociology: Assistant Professor, Deputy Head of Department.

D) Komor Istvan
   Zsolnay Quarter – Operational Director.

E) Farago Laszlo
   Hungarian Academy of Sciences – Institute for Regional Studies, Transdanubian Research Institute.

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