Urban revitalization in central and inner parts of (post-socialist) cities: conditions and consequences

Jana Temelová

The post-socialist cities of Central and Eastern Europe have experienced significant transformation in the last decades. During socialism the inner and central parts of cities declined in economic, physical as well as social terms. New political and economic conditions, however, created opportunities for revitalization of neglected urban zones and neighbourhoods, particularly of those which offered good potential for commercial and residential development. Accordingly, various revitalization processes have been taking place in post-socialist urban cores and inner cities with significant consequences for social and physical environment of the neighbourhoods.

Urban revitalization belongs to frequently debated themes in the Western literature. Although similar processes are taking place in post-socialist cities, the context for revitalization significantly differs. After defining urban revitalization the paper depicts the conditions for regeneration in Central and East European cities and discusses how they vary from the West European perspective. Obviously, distinct circumstances at national and local level influence not only the dynamics of revitalization, but also determine the effects for changing neighbourhoods. Hence a discussion of revitalization outcomes in central and inner neighbourhoods of post-socialist cities follows. The paper presents empirical examples from inner and central parts of Prague to document the ongoing revitalization processes and their consequences for neighbourhoods, urban functions, landscapes and people.

Bringing a place to life and the meaning of urban revitalization

Following Beauregard and Holcomb (1981) urban revitalization means to put new life into cities and to upgrade areas for ‘higher’ social and economic uses.
Typically, urban revitalization involves 'investment to remodel or rebuild a portion of the urban environment to accommodate more profitable activities and expand opportunities for consumption, particularly retail and housing for middle- and upper-income households' (Beauregard & Holcomb, 1981, 1). Two major components of urban revitalization can be distinguished; social component focused on residential areas and economic component targeted at commercial services. Residential restructuring implies rehabilitation of housing stock and residential environment of inner-city neighbourhoods with a view to attract middle class consumers (Anderson, 1988). Commercial redevelopment of CBD or local commercial centres entails physical renovation and economic revitalization secured by new retail and office schemes, congress and cultural centres or sport arenas (Beauregard & Holcomb, 1981). In general, Zielenbach (2000) identified two distinct approaches to revitalization; individual-based approaches aim at people and improvement of their living conditions in neighbourhoods (e.g. anti-poverty programmes, new employment opportunities, and support of social institutions), and place-based approaches emphasize local economic development and increase in real estate values (e.g. adaptive re-use, gentrification, incumbent upgrading).

The terms urban revitalization and urban regeneration are often used interchangeably. For example Couch, et al. (2003) see urban regeneration as a field of public policy that aims at re-growth of economic activity, restoration of environmental quality and recovery of social inclusion. Nevertheless some authors make distinctions between the two terms. While the emphasis is on activities and functions in revitalization, regeneration much applies physical upgrading and environmental improvements. According to Cowan (2005) revitalization is used to refer to ways of bringing a place to life (e.g. finding new uses for old buildings, promoting cultural activities) that, unlike regeneration, do not necessarily involve significant rebuilding. McGreal, et al. (2004) apply the term urban regeneration to describe the process of physical and economic renewal of distress locations, where development and investment in property represent the fundamental tool. Further, Cowman (2005) distinguishes between urban regeneration and urban renewal, the first one referring mainly to physical change while the second one applies more to social improvements in urban neighbourhoods.

Various processes are part of larger revitalization of the core and inner city. The basic division is on processes primarily changing residential neighbourhoods and those transforming commercial areas. The processes of residential revitalization generally suppose improvements to the built environment, yet they vary in terms of population change and social status growth. Beauregard and Holcomb (1981)
identified two contrasting processes in residential revitalization of inner city; gentrification and incumbent upgrading. Gentrification involves invasion of middle-class or higher-income groups to traditionally working class areas where they renovate housing and displace the previous inhabitants of lower social status (Hamnett, 1991). Evidently, gentrification involves physical upgrading and shift in the social composition of residents, as well as economic and cultural changes. Incumbent upgrading implies that long-term residents (owner-occupiers) of the neighbourhood invest in renovation of their properties to improve their own housing condition (Bearegar & Holcomb, 1981). In contrast to gentrification, rehabilitation of housing by incumbent upgrading does not displace indigenous population. Beside gentrification and incumbent upgrading Criekingen and Decroly (2003) recognized two other processes, marginal gentrification and upgrading, which are however rather nuances of the previous two. While gentrification is lead by new class of highly skilled and highly paid gentrifiers and results in creation of wealthy neighbourhood, marginal gentrification is associated with middle class households and implies rather trendy than wealthy neighbourhood as an outcome (Criekingen & Decroly, 2003). Upgrading refers to revitalization process in long established middle- and upper-class neighbourhoods where the physical improvements mainly consist of minor renovations made by newcomers (Criekingen & Decroly, 2003).

Commercial revitalization usually happens through adaptive re-use and commercialization. The both processes involve primarily physical regeneration and functional transformations, but subsequently result also in population and social changes. Adaptive re-use describes the conversion of abandoned industrial sites and warehouses (brownfields) in central and inner cities into residential lofts, retail stores or office spaces (Zielenbach, 2000). Commercialization implies the increase of commercial functions in total land use of the area either by replacement of previously residential functions in existing structure or by new construction on empty or previously developed land (Sykora, 1999).

Obviously, urban revitalization takes place under various conditions specific to each urban context. Since the circumstances differ from one city to another, revitalization strategies are not identical and do not bring the same outcomes.

When and how revitalization happens, approaches and conditions

Criekingen and Decroly (2003) pointed to geographical diversity of regeneration experiences implying that revitalization processes tend to occur in various
ways in different neighbourhoods of different cities. Similarly, Beauregard and Holcomb (1981, 17) noted that ‘urban revitalization efforts have many underlying similarities, but there are also significant differences from city to city in response to unique economic, political, social, and historical realities’. The understanding of urban revitalization shall therefore regard wider national as well as local context. Couch, et al. (2003, 5) emphasized that ‘factors such as location, regional economic conditions, previous land-use patterns and building forms, together with the nature of local markets, administrative structures, tools and mechanisms of intervention, are all shown to be important in shaping local differences in urban regeneration policy and its outcomes.’ Evidently the post-socialist and western cities provide two distinct economic and institutional contexts under which revitalization should be comprehended.

Basically during the whole post-war era city leaders in the West have searched for appropriate strategies to tackle urban problems and decay. Between 1950s and 1970s, urban renewal, the process associated with wholesale clearance of run-down city sections and replacing them with new buildings, was applied to revitalize deprived urban areas and improve living and social conditions in cities of North America and Western Europe. Urban renewal projects were typically planned under massive government subsidies. Starting in the 1970s in the US and later, in 1980s, in Europe urban policies have been designed to encourage private sector investment into regeneration of derelict areas. A faith that private sector property development may provide a driving force to urban regeneration led local authorities to engagement in public private partnerships (Turok, 1992). Many urban strategies recognized image improvements, enhancement of local attractiveness and creation of high quality environments as important tasks of public policy (Bianchini, et al., 1992; Hubbard, 1995). It was believed that physical component of environment needs to be recreated in order to bring about regeneration and stimulate economic renaissance of distressed inner city (Loffman & Nevin 1995; Smyth, 1994). Various kinds of prestige and flagship developments have thus been increasingly introduced throughout Europe and the rest of the world as the essential tools of property-led regeneration. In the last 20 years culture-driven regeneration has come to occupy a pivotal position in contemporary urban policies (Griffiths, 1995; Miles & Paddison, 2005). Cultural strategies (including cultural projects and events, cultural industries, place marketing) make use of arts and culture-related initiatives as central elements for local economic growth and urban revitalization.

The arena for urban revitalization in central and inner parts of cities in Central and Eastern Europe opened only at the beginning of 1990s after the collapse of
socialist regime. The overlapping of post-socialist transformation with the impact of internationalization and globalization make the circumstances for urban revitalization in post-socialist countries distinct from the West. In North America and Western Europe urban revitalization usually relies on strong involvement of public sector, entrepreneurial urban governance, targeted urban policies and public-private partnership. Hence the form and the course of revitalization in CEE cities as well as the role of particular actors and drivers vary from Western experience. The post-socialist society and space are today more influenced by economic mechanisms, while the role of state and administrative decisions diminished. The real power and scope of public authorities (particularly local self-governments) in guiding revitalization remains much weaker in post-socialist cities, often along of tight local budgets, restrictions imposed by private land ownership, protracted bargaining processes and the lack of experience and expertise (Badyina & Golubchikov, 2005; Keivani, et al., 2001; Sailer-Fliege, 1999). Taking the example of the waterfront regeneration in Tallinn, Feldman (2000) argued that Western concepts used to explain urban revitalization have limited applicability to the post-socialist cities, among others due to fragmented and unstable institutional context, fiscal and organizational weakness of city governments, the lack of partnership and cooperation among stakeholders, and the continued pivotal role of the central state in urban planning. Similarly, Temelova (2007) showed that urban revitalization in Prague is mainly a private-sector driven process with pivotal role of foreign companies as public authorities lack in fiscal capacity and strategy on one hand and the new development projects involve capital-intensive investments on the other.

Yet the features of socio-economic processes vary also within post-socialist cities as a consequence of different transformation policies, historical legacies and levels of social and economic development in each country (Kovács, 1999). A specific situation exists in former East German cities where the country’s reunification created a unique condition of urban transformation. The special support programmes, high subsidies, tax reductions as well as in engaged planning conceptions of the local authorities made the context distinct to other CEE countries (Weißner, 1999). In inner and central quarters of East German cities urban revitalization was encouraged by large-scale federal subsidies (e.g. program Urban restructuring East to encourage policies to revitalize inner city), the activities of local authorities (zoning of renewal areas with special legal opportunities and public financial support), the tax reduction for new housing construction and subsidies for private investors (Glock & Haußermann, 2004; Weißner, 1999). Consequently revitalization of inner cities in East Germany developed into a widespread process, unlike in other CEE countries, where such financial incentives were lacking (Weißner, 1999).
Besides institutional context and political settings a range of other factors determine and influence the pattern of revitalization process and its differentiated outcomes. According to Zielenbach (2000) revitalization results from the interplay of local decisions, the characteristics of the community (e.g. location, physical amenities, local institutions, community organizations, local leadership, social capital) and the economic and social forces affecting the city and the metropolitan region as a whole. The importance of location needs to be emphasized here, regarding both, the position of a city within the national context as well as the location of a neighbourhood within the city. After 1990 the capitals in Central and Eastern Europe became the focus of a growing interest in real estate investments, particularly thanks to their economic dominance within their countries (Adair, et al., 1999; Berry & McGreal, 1995). Hence Földi (2006) documented on the example of inner Budapest, that revitalization shows varied patterns by neighbourhoods located in different districts. On urban level Beauregard and Holcomb (1981) remarked that revitalization is, among other circumstances, stimulated by differential profitability of locations. Andersson (1988) believes that residential revitalization, namely gentrification, is usually directed towards unique or in some way especially attractive parts of the city. New development schemes (various kinds of prestige and flagship projects devoted to regeneration) typically focus on areas with the highest development potential such as the city centres, locations with heritage value or waterfronts (Bianchini, et al, 1992; Loftman & Nevin, 1995). Kiss (2002) noted, that the reutilization of old industrial areas in Budapest depends on their distance from the city centre (the more central the location, the greater the changes). Altogether the synergy and the right balance of many factors opens arena for neighbourhood revitalization, as the study of transforming inner city neighbourhood Smíchov in Prague proved (Temelová, 2007). Smíchov's local development potential staged by the nationwide changes of the 1990's and the high investment attractiveness of Prague, the interest of capital-strong and experienced developer, who entered with a well-designed flagship project and the established platform for public-private negotiations and cooperation, were important driving forces in neighbourhood revitalization (fig. 1) (Temelová, 2007).

Changing neighbourhoods, landscapes and people

By revitalization the neighbourhood's environment conforms to the requirements of new and qualitatively higher functions and to the needs of newcomers (residents and consumers) of better socio-economic standing. Urban revitalization thus results in a wide range of transformations that include physical upgrading, land
use adaptations and changes in social structure. Urban revitalization not only transforms the physical and social environment of urban areas, but also changes image of the cities and psychological relationships between humans and urban places (Beauregard & Holcomb, 1981). Many authors however aired doubts about the ability of revitalization to trigger off development and to sufficiently distribute benefits of the growth among different social groups and neighbourhoods in the city (Beauregard & Holcomb, 1981; Bianchini, et al., 1992; Harvey, 1989; Smith 1982; Turok, 1992). The exclusionary manner of urban revitalization is thus emphasized, both in social as well as spatial terms.

The consequences of neighbourhood change for social structure and quality of life gained substantial attention in urban literature. The growth of socio-economic status has been apparent in many neighbourhoods experiencing revitalization. In Prague, the influx of younger and better educated people into neighbourhoods influenced by revitalization processes enhanced the local educational structure and ensured the social status growth (tab. 1). The social costs are however regarded particularly controversial by ‘slash and build’ renewal which often results in dramatic physical modification and forced relocation of population (Johnston et al., 2000). Alike gentrification awakes objections due to the displacement of poorer inhabitants as a result of hiking rents and property prices and the spread of specific (luxurious) services and stores for wealthy yuppies which deteriorate the possibilities of local inhabitants to supply everyday goods (Beauregard, 1990; Cybriwsky, 1978; Zukin, 1998). Dvorská (2008) showed in the study of senior’s quality of life in the city centre of Prague that
despite the general satisfaction with living conditions the elderly population perceives negatively the lack of cheaper grocery and drug stores and the growing housing prices. Cybriwsky (1978) further demonstrated on the case of revitalizing neighbourhood Fairmount in Philadelphia how the quality of life declined for many residents with the neighbourhood's upgrading and arrival of better-off newcomers. For local community the revitalization brought deterioration of local distinctive lifestyle, weakening of close social contacts, and slack of internal control mechanisms in the community. Apparently the presence of social groups with distinct life styles and needs in one neighbourhood makes the local arena liable for conflicts (fig. 2).

Table 1: The share of university educated in population older than 15 years in 1991 and 2001

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<td>Commercialized city centre</td>
<td>19,7</td>
<td>24,2</td>
<td>122,8</td>
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<td>(Prague 1)</td>
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<tr>
<td>Revitalizing inner city (Smíchov)</td>
<td>16,8</td>
<td>20,4</td>
<td>121,4</td>
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<td>Prague</td>
<td>16,0</td>
<td>18,8</td>
<td>117,5</td>
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A battle for space however occurs not only between social groups but also between various functions. By commercialization the economic activities which are able to generate high profits push out the less competitive functions from the most attractive urban locations, thus office and retail uses replace housing and warehousing in many of the post-socialist city centres (Kovács, 1999; Sailer-Fliege, 1999). The worries of dying out city centre due to its decreasing residential function appeared in Prague during 1990s with the commercialization of the core. On the other hand, deteriorating economic situation of Berlin during 1990s together with the construction of new dwelling units in the city centre maintained the resident population and made the shrinkage of city centre far less deep in Berlin compared to Prague (fig. 3).

The issue of justice and legitimacy surrounds especially regeneration by large-scale developments raised under public subsidies. Notwithstanding their marketing and image-making role the long term economic benefits are questioned and the drain of finance from socially needed

![Fig. 2: Social conflict in a gentrifying neighbourhood? (Friedrichshain, Berlin) Photo: J. Temelová](image)
spheres (education, health, public transport) is criticized (Harvey, 1989). Prestige and flagship projects are usually regarded as exclusive facilities built for economic gains of their initiators (Loftman & Nevin, 1995). Bianchini, et al. (1992) warned that property-led regeneration may even make situation more difficult to local businesses and communities by pushing up rents and land values. In fact, it may contribute to displacement or segregation and the growth in regenerating neighbourhood can be accompanied by decay in other urban areas (Bianchini, et al., 1992; Harvey, 2000; Kaplan, et al., 2004). On the other hand some studies proved that in certain context flagship developments can pioneer neighbourhood revitalization by providing a place marketing symbol and certainty to investors as well as by creating competitive environment and platform for public-private negotiations (Temelová, 2005, 2007). Extensive revitalization in Prague’s Smíchov brought new economic activities, firms and services into the traditional industrial neighbourhood, that is, besides other, articulated in changing economic structure and its shift towards progressive services (fig. 4). The combination of changes in physical structure, urban morphology and functional use of space created new urban landscape marked by modern architecture, new public spaces and progressive activities (Temelová & Novák, 2007).

New functions and services as well as local image enhancement draw new users to revitalizing neighbourhoods (Murzyn, 2006). In case of Smíchov, heterogeneous supply of services and shops targeted at different social groups sets conditions for organic development of central functions and the mix of social and life-style groups (fig. 5). The mixing-friendly physical landscape and land-
uses are however not typical to all sub-centres exposed to new construction in inner Prague. Comparing social differentiation of users in the micro-space of selected local centres Polívka (2007) concluded that central Smíchov (unlike other Prague's sub-centres) performs relatively heterogeneous social structure of users, partly thanks to the diversity of targets in the area, but also thanks to its function as a public transport junction.

![Pie chart showing the structure of companies operating in Smíchov](image)

**Fig 4:** The structure of companies operating in Smíchov demonstrates the shift of the inner city neighbourhood from industrial to modern office centre

Source: field survey, October 2006. Adapted from Temelová and Novák (2007).

Regarding spatial unevenness of revitalization, Beauregard and Holcomb (1981, 3) assumed that 'in urban revitalization, not only are investments unevenly distributed across space, but the costs and benefits generated by these investments disproportionally affect different areas of the city.' The unevenness and selectiveness of revitalization process holds for the whole city as well as for development on neighbourhood level. Despite of intensive changes taking place in Smíchov (Prague), not all zones within the neighbourhood benefit from the dynamic development (fig. 6). While physical environment is upgrading and the share of progressive functions is growing in central Smíchov, polarization between low- and high-profit economic functions and low- and high-income social groups marks the wider area (Temelová & Novák, 2007). Revitalization does not affect locations with polluted environment and bad-quality housing stock in surrounding of transport-intensive communications, where still dilapidated physical environment, housing stock for poor residents, non-stop gambling clubs, pawnshops and other low-grade land-uses and activities prevail.
Fig 5: The structure of users in pedestrian zone in central Smíchov during various times of a working day. Source: field survey (structured observation), July 2008. Note: People passing and staying the observed sector of the zone during 40 minutes within an hour were counted (n = 1858).

- Managers and professionals
- Homeless and underclass
- Old people (seniors)
- Mothers / fathers with small children
- Non-conformists
- Others
- Marginal workers, construction workers
- Lower class looking people
- Teenagers / students
- Gypsy and other ethnic groups
- Tourists

Fig 6: Contrasting urban landscapes of progressive economy and modern retail on one hand and inner city tenement housing and local services on the other (Smíchov, Prague).
Photos: J. Temelová, J. Novák
Alike the initiation and the pattern of revitalization, its success depends on the interplay of many factors and circumstances too. Clearly the qualities of regeneration design and particular projects determine the impact on the area. New developments should have some relevance to the city and neighbourhood, integrity in terms of architecture, planning and activities (Guy, et al., 2002; Smyth, 1994). Beauregard and Holcomb (1981) remarked that image is crucial in producing a momentum of progress and in instilling confidence in investors. Revitalization involves many interdependent institutions, organizations and other actors. The extent to which these participants can recognize and fulfil their roles largely determines whether economic, social and environmental needs reach a balance in the revitalization process (Zielenbach, 2000). The recognition of the role of local authorities has been apparent in most of the literature on regeneration. Local government is the key actor in encouraging, facilitating and coordinating development activities in the neighbourhood, it is the one to link new projects to sustainable regeneration objectives and to city-wide development approach, it decides which activities and land uses are encouraged or restrained and not least, it should mind that the benefits of redevelopment will trickle down to all.
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References


