

The Paradox of Place-based Development and Centralised Governance

The Case of Pécs in Hungary

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Theme R. Territorial governance and regional leadership

The last years are not the golden age of decentralisation referring first of all to the financial crisis although the mainstream of neoliberal „good” governance officially keeps its position at international scenes like EU, OECD, EC, WB etc. The shaping and floating content of territorial governance in the EU documents and the new regulation of EU Cohesion Policy suppose also that local, regional actors will be especially active in development policy actions.

There are, however, many facts, signs which warn us to be cautious at least in the countries which were rather centralised in the former time also. The so-called TANGO project financed by the ESPON attempted to elaborate the preconditions and indicators of good territorial governance based on analysis of the literature, Delphi survey and 12 case studies from 6 European countries.

(Reports and other kind of scientific papers about the research are available at following link:
http://www.espon.eu/main/Menu_Projects/Menu_AppliedResearch/tango.html)

The paper introduces the Hungarian case study dealing with European Capital of Culture (ECC) project implemented in Pécs in 2010. The ECC challenge can be formulated as a real place-based development action focusing on the cultural supply of the city. ECC is not just a one-year cultural jamboree rather a complex urban development program based on the local resources like cultural assets, local knowledge, social capital etc.

The governance challenge was how to involve the different stakeholders and government levels, how to harmonize the short-term and long-term development targets and interests, how to integrate the urban economic development (investments) and the soft cultural, environmental and social aspects, how to expand the local gains for the whole region? It was an important feature as well that the relatively small city (150.000 inhabitants) had to manage big investments in very short time.

The paper will analyse the different stages of this development cycle introducing the main actors and actions during the project and even the follow-up. The case's lessons are manifold. ECC projects are, always and everywhere, big challenges from the governance point of view. This is the case especially in a centralised country where the development policy controlled from the top, where the local governments have very narrow space of movement, where local political elite and even the local civil society and creative class have no tradition in cooperation. The case provided lessons for the management of Structural Funds as well, since the logic and financial mechanisms of SF regime at least in Hungary proved to be very rigid to implement a very complex, large scale development project.

The failure of this originally very bottom up project together with other experiences of regional policy in Hungary project the threats of failure in the next programming period of cohesion policy also. The new buzzwords like ITI, CLLD are plausible only in a governance context which allows for

local actors to act independently, and when local actors possess resources, instruments and skills to manage complex, place-based development programmes. Both preconditions are still missing in Hungary, or even the governance model has started to completely opposite direction.

The paper tries to contrast the centralised governance traditions and new development policy challenges in order to remind us that Europe is no more homogenous as it was so formerly at all. The paradox is not Hungarian unique: the emerging neo-Weberian governance model seems to be popular in other countries as well questioning the Western neoliberal good governance paradigm.

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