

## Development Brokers and Place-Based Projects in Deprived Urban Neighbourhoods: The Case of Pécs, Hungary

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### ABSTRACT

This article scrutinizes the effects of experimenting with Cohesion Policy (CP)–funded, place-based projects in an Eastern European EU member state through analysing the “best practice” case of György-telep. CP is treated as a policy tool aimed at tackling uneven and unjust social and spatial situations. The investigated case is an example of how a series of place-based, integrated urban development projects targeted a poor neighbourhood over the course of a decade in Pécs, Hungary. The analysis pursues an actor-oriented approach, shedding light on the work of translating the abstract policy ideas of the CP into actual development projects by different development brokers. The main question of the article is how and to what extent development brokers can become agents of change through implementing development projects built on such a place-based approach in a very poor neighbourhood. In the discussion, we show some basic contradictions and unintended consequences of such projects. First, we demonstrate that in some cases different projects built on different methodologies and logics (targeting the same or nearby areas) can interfere with each other. Second, we show that infrastructural investments implemented without proper planning can cause local tensions through disparities with the local inhabitants’ perceptions of justice. Third, we show that local institutional reshuffling and local politics can counteract the main aims of these development projects. While in the narrow sense the relative autonomy of development brokers can increase in place-based projects – for example, through informally fulfilling municipal functions – at the same time their autonomy is curtailed by various structural factors. Finally, we conclude that while important local results can be achieved, the systematic reproduction of injustices is not addressed.

**Keywords:** spatial justice, place-based approach, development broker, cohesion policy, urban regeneration, urban marginality, Hungary

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## Introduction

The role of EU Cohesion Policy (CP) in the case of Eastern European member states is immense. Between 2015-2017, an average of 40-80% of all public investments in the EU13 were financed through CP (European Union, 2017, p. XXII)<sup>3</sup>. In some policy areas this ratio is even higher, and in some cases, like in the domain of integrated urban developments, there is practically no public investment realized without EU funds.

This phenomenon is particularly interesting if viewed from the perspective of spatial justice, defined here as “fair and equitable distribution in space of socially valued resources and the opportunities to use them” (Soja, 2009, and cited in Madanipour *et al.*, 2017). The CP is an instrument which was explicitly designed to decrease territorial disparities within the EU. More precisely, its introduction was tied to the launch of the European Monetary Union and the Maastricht criteria in the early 1990s. Since it was expected that the EU’s deepening economic and financial integration would be more advantageous to developed core countries, the CP was created to mitigate these negative structural effects through providing territorially targeted funds for relatively underdeveloped and peripheral member states and regions (Wallace, Wallace and Pollack, 2005). Thus, the EU’s CP is implicitly a tool for counteracting the spatially unjust results of uneven development triggered by the rule of free market processes (see Jelinek, 2017).

From this angle, it has always been expected that the CP would advance the “catching up” process of the regions with fewer resources, or in short, to contribute to reducing spatial inequalities and furthering spatial justice. In recent years, partly as a result of the Barca report (Barca, 2008), the so-called “place-based approach” became mainstreamed into the CP (Barca, McCann and Rodríguez-Pose, 2012) in order to take into account local specificities while planning and implementing CP funded projects. This approach is built on the idea that goods and services provided through CP “need to be tailored to places by eliciting and aggregating local preferences and knowledge and by taking account of linkages with other places” (Barca, 2008, p. XI).

This article will scrutinize the effects of experimenting with place-based approaches in an Eastern European member state through analysing the “best practice” case of György-telep<sup>4</sup>. This case is an example of how a series of integrated urban development projects – built on the place-based approach – targeted a poor

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neighbourhood in Pécs, Hungary. A key aspect of this case study is the placement of our findings into the broader context of how important a role CP plays in Eastern European member states. We pursue an actor-oriented approach which sheds light on the work of translating the abstract policy ideas of the CP into actual development projects. In other words, we are interested in how, by whom, and with what kinds of results place-based knowledge is mobilized in such development projects.

We believe that some cautious generalizations from our specific case can contribute to the wider debate about the present and future of CP from the perspective of peripheral regions, which are meant to be the main beneficiaries of the whole instruments.

Our analytical framework is anchored in the literature focusing on the sociology and anthropology of development (see Escobar, 1994; Ferguson, 1997; Mosse, 2005). More precisely, we are interested in the critical assessment of development projects whereby the results are not only analysed in a technocratic manner compared to the initial project indicators, but examined as processes having various unintended and hidden consequences. For example, one of James Ferguson's key findings was how development ideas and practices "failed forward" through strengthening the power position of the agents of development, even if the actual results of the projects were highly questionable (Ferguson and Lohmann, 1994). While this literature mainly analyses development projects funded by international organizations governed and established by developed countries and carried out in so-called "third world" countries, we think that this framework is also useful to understanding how the former "second world" is being developed through instruments created by European core countries. In this sense, we situate our analysis "between the posts" (Chari and Verdery, 2009): we analyse a post-socialist context with a methodology developed by scholars working in post-colonial settings.

A key analytical tool that we found useful during our study was the notion of development brokers. We define development brokers as "a specific group of social actors who specialize in the acquisition, control and redistribution of development 'revenue'" (Lewis and Mosse, 2006, p. 12). Development brokers are situated "at the interfaces of different world-views and knowledge systems, and reveal their importance in negotiating roles, relationships, and representations" (Lewis and Mosse, 2006, p. 10). Building on this concept, we analyse how development brokers carry out the everyday work of "developing" through brokerage. At the same time, we imagine these brokers' space of manoeuvring as shaped by uneven development,

5. While most of the development projects we study were financed by EU Funds, in one case the donor was the Open Society Foundation (OSF) and was implemented by UNDP. See Table 1.

which explains the difference between less and more resourceful spaces and places as a systematically reproduced relation rooted in the logic and rhythm of capital accumulation (Smith, 1990).

All in all, we will analyse the dialectic of how practices of development are both shaped by and shaping these uneven structures (Escobar, 1994). A key concept which will be at the centre of our scrutiny is justice (Harvey, 1973; Madanipour *et al.*, 2017). We will treat CP as a policy tool which aims to tackle uneven and unjust social and spatial situations both through contributing to a fairer distribution of resources and through creating more just processes for accessing them. Our main question is exactly how and to what extent development brokers can become the agents of change through implementing development projects built on such a place-based approach in a very poor neighbourhood.

In order to address this question, we used a set of qualitative methods. On the one hand, we conducted 21 interviews with 23 different people between June 2018 and February 2019. Most of them took part in designing or implementing one of the projects carried out in György-telep in the last decade, or had professional experience relevant to our research. Additionally, we collected and analysed dozens of documents and articles about György-telep in particular and about urban development in Pécs in general. Finally, we visited György-telep with social workers and thus had the chance to pursue participant observation in different relevant situations (e.g. we attended a staff meeting of social workers working on a development project, and we observed several community/social worker interactions in the development office situated in the neighbourhood). We also did walking interviews with different social workers in and around György-telep.

An important methodological discussion must be made at this point. Our entry to the field was guided mainly by a charity organisation that is locally very well-embedded, called the Hungarian Charity Service of the Order of Malta (or Málta, as they are called colloquially and hereafter in the text). As it turned out later, Málta has an unquestionable gatekeeper position within the project territory. We were therefore regarded within György-telep itself as people connected to Málta, and we did not have the chance to have an honest discussion with local residents who might have had a critical view of what has happened in their habitat. As a result of this, our interviewees were dominantly social workers, activists, bureaucrats and experts (an architect and social experts). Whenever we write about how “the locals” relate to the development projects, it is always based on the interpretation of our interviewees, official documents and media reports. However, we tried to balance this bias with a selection of expert interviewees: we approached local opinion leaders who have been in touch with local residents and who have a critical approach towards the role of

Málta. Furthermore, we found a variety of opinions within Málta itself regarding the evaluation of the different projects, many of them being self-reflective and self-critical. Even though we feel that we could counteract the bias rooted in this situation with this choice, we must in a reflective manner highlight both the advantages and the disadvantages. On the one hand, the clear advantage of relying on Málta was that we had access to their uniquely deep and historical knowledge about the locality and the development projects carried out there. On the other hand, the main disadvantage was that in situations where we interacted with local residents, the setting was clearly influenced by our imagined “attachment” to them.

In the following, we highlight a few contradictions rooted in the institutions of the project-world. First, we show that in some cases different projects (built on different methodologies and logics targeting the same or close areas) can interfere with each other. Second, we show that infrastructural investments implemented without proper planning can cause local tensions through disparities with the local inhabitants’ perceptions of justice. Third, we show that local institutional reshuffling and local politics can counteract the main aims of these development projects.

### **György-telep: the production of a deprived neighbourhood through the cycles of uneven development**

Pécs, located in Southern Hungary, is the country’s fifth largest city with a population of around 150,000 inhabitants. Besides its historical importance, the city is also famous for coal mining. By the turn of the 20<sup>th</sup> century, the First Danube Steamship Navigation Company (FDSNC) built its “mining empire” in the city by buying and leasing estates and by building worker colonies<sup>6</sup> in the valleys around Eastern Pécs. They extracted coal from the nearby pits and transported it by boat on the Danube. From this period onwards, Pécs became dualized: the new, rapidly growing working class Eastern Neighbourhood was attached to the historical city centre. After 1945, the nationalized mining company still operated and provided housing in the so-called “workers colonies” in the Eastern part of the city. Depending on the dwellers’ social and economic status, these colonies consisted of houses with different sizes and comfort levels, but were typically small, low comfort flats.

The most important colonies were Szabolcstelep (until 1947 the independent village of Szabolcsfalu included Hősök tere and György-telep, the location of our case study), Pécsbánya and István-akna. In the 1950s, a large modernist housing estate called Meszes was developed in the eastern part of the city which provided housing

6. In Hungarian the word *kolónia* has the specific meaning of settlement. The etymology of this word connects the practice of companies creating worker settlements to the colonial practice of imperial estates. For this reason, we will use the literal translation of *kolónia* (colony) in this text to name these specific worker settlements.

for miners that was of better quality than they previously had in the colonies. While the mines were nationalized following the Second World War, the older flats in the miner colonies were managed by the mining company until 1971. The city municipality took over the maintenance of these apartments after 1971, which marked the beginning of a new disinvestment cycle for these neighbourhoods. After decades of relative prosperity and moderate status, the miner colonies started to become less and less favourable places. Ironically, this was partly the consequence of the extensive housing construction policy of the socialist state: housing-related fiscal sources were spent on new constructions, and old working class neighbourhoods suffered from disinvestment. As miners were slowly relocated into better quality, newly constructed modernist flats, many of the original lower quality flats in the colonies were given to poor Roma families who were relocated from informal Roma slums in the nearby forests. These Roma slums had been eliminated following a national slum-elimination programme begun in 1965 (Márfi, 2005; Zolnay, 2009; Pörös [manuscript]). As a consequence, the neighbourhood's social status was downgraded in parallel with its physical decline. The lack of investments and renovation catalysed the stigmatization of former working class neighbourhoods, while the historical city centre inhabited by the middle class and elites was undergoing a regeneration process. The result was a polarized, dual structure of the city (Erdősi, 1968; Zolnay, 2009) which created the basis of EU-funded urban interventions after 2010.

The most common narratives of spatial injustice we encountered revolved around this dual structure of the city, and mostly emphasized how the Eastern Neighbourhood differs from the rest of the city. However, the Eastern Neighbourhood is far from being a homogeneous territory. First of all, there is the difference between the modernist flats of Meszes, featuring all modern conveniences and located in housing estates built in the 1950s and 1960s, and small, low comfort flats located in the old houses of former miner colonies. This distinction was also formalized with the official delineation of segregated places<sup>7</sup> (Jónás, Tistyán, 2016: 53-57). Among all these official segregated areas, György-telep has been one of the most notorious, along with the adjacent neighbourhood of Hősök tere. György-telep and Hősök tere are situated on the edge of the Eastern Neighbourhood while the others are located further in the "forest". While György-telep and Hősök tere are

7. In Hungary cities can only apply for EU funds for urban development projects if they have an "Integrated Development Strategy", which must include a map of segregated places made by the National Statistical Office based on national census data. A governmental decree specifies what an official segregated area is: the rate of households with elementary education and without regular income within the active age group is higher than 35%, and the territorial unit has a minimum of 50 inhabitants. Only these official segregated areas are eligible for funds supporting socially sensitive, place-based, integrated urban developments.



officially two segregated areas within the Eastern Neighbourhood, in everyday practice these territories are often treated as one stigmatized spatial entity.

According to the most common understanding, György-telep is the name of a few dozen houses built at the bottom of a valley for miners approximately 100 years ago, and where around 200 people live today. György-telep and Hősök tere are connected by a staircase which holds strong symbolic meaning in everyday practices. People from György-telep must always go up the stairs to go shopping, reach the school, etc. But people from Hősök tere never go down the stairs: they have no reason to go down to György-telep.

"They are in such a secluded place that I think 80% of the residents of Pécs have never been to György-telep. There are 100,000 people in the city who have never been in their entire lives to György-telep. There might be people from nearby Meszes, who have never been to György-telep"<sup>8</sup>

Before the development projects started in 2007, György-telep was the "penal colony" of the city, as one of our interviewees put it. This means that it has been the most stigmatized area which was used by the municipality to "hide" the most socially problematic families. Only social housing units with the lowest possible size, without comfort, and without basic infrastructure (running water, gas or sewage) were established here. The municipality often relocated dwellers from the other parts of the city who had rent arrears. "It was deep down, in every sense of the word," summarized one of the social workers of Málta.

There were considerable differences between György-telep, in the bottom of the valley, and Hősök tere, on the top of it. This was not only because of their different spatial positions, but also because of the different physical conditions of the houses and because of different perceptions, as the following quote from one of the Málta leaders shows: "György-telep was really rough, it was the home of the 'gypsies with the axes'. Compared to that, Hősök tere defined itself as having a higher prestige, so we had to ease this tension." However, before the development programmes, Hősök tere was not considered a safe place either. Moreover, one of the main results of one of the development projects was the "clearance" of the square.

"Hősök tere itself...It used to be a real jungle in front of the basketball court and the playground. It was a perfect place for the drunken regulars of the nearby shop to pee, perfect for shady trysts, and perfect for being knocked down and robbed. I always said to everyone that I do not fear Hősök tere, but sometimes I was afraid to get off

8. Interview with a municipality employee responsible for planning and managing development projects.

the bus there. In some situations, when certain people were there, it was not a secure thing. But now it is much cleaner and much better.”<sup>9</sup>

All in all, from the perspective of the locals, György-telep and Hősök tere were two separate worlds, which we see as an instance of mutual distancing (Wacquant, 2007). However, from a more distant position, both territories were functionally part of a stigmatized, dilapidated neighbourhood, which made them perfect targets for a series of development projects from 2008 onwards (Wacquant, Slater and Pereira, 2014). In the following, we will analyse how different rounds of socially sensitive urban interventions were designed to level the disadvantages which stemmed from this peripheral spatial position and low social prestige created by the different waves of uneven development in this Eastern Neighbourhood of Pécs.

### **The beginning of a development cycle**

According to several informants, in 2007 the national leaders of Málta, along with local politicians, visited a development project in Pécs at a former miner colony. Someone from the municipality offered to visit another former miner colony on the way back: György-telep. A member of that Málta delegation recalled vividly that “[w]hat we saw there, I do not know... I have never lived a gentry’s life, but that was a different temporal and spatial dimension, something very different.” After that visit, the leader of Málta immediately initiated the launch of a small-scale development project in György-telep based on the long-term presence of social workers. The methodology of this so-called “Presence programme”, which has been Málta’s hallmark method (Csonkáné, Dusa and Fehér, 2011; Fehér, Marozsán and Patterman, 2011; Kiss, 2011), helped to build deep personal relations between the inhabitants and the social workers, and was based on the permanent presence of the latter. This permanent presence, deep knowledge and embeddedness helped not only to understand the local situation, but to elaborate helpful strategies tailored to the specific needs of different individuals and families.

By 2010, the spatial and social inequalities between the Eastern Neighbourhood (especially the former miner colonies like György-telep) and the city centre had become considerably high for several reasons. First, the city won the title of “European Capital of Culture” (ECC), and the ECC-related large-scale cultural development projects in the city<sup>10</sup> were spatially unbalanced and did not focus on the

9. Interview with a Málta social worker.

10. From 2005 the main developmental goal of the city was to prepare to be the European Capital of Culture in 2010 (ECC), which was imagined as an opportunity to boost development and to redefine the spatial structure of



Eastern Neighbourhood (Füzér, 2017). Second, the economic crisis hit the working-class Eastern Neighbourhood particularly hard. At the same time, “in 2011, for some reason, local politicians were very much open towards civil society and pioneering initiatives, especially in the sphere of urban planning”<sup>11</sup>. As a result, the political will of the municipality to “do something” with the most disadvantageous neighbourhoods in the city met the capacities and professional ambitions of the Department of Natural and Human Resources (DNHR, in Hungarian: *Természeti és Emberi Erőforrás Referatúra*) within the municipality.

In the spring of 2012, a new development call (TÁMOP) was opened by the National Development Agency (NDA) which provided CP resources to improve the education, employment and health status of those living in segregated communities. Since Málta’s Presence programme had already been running in György-telep, some local development brokers convinced the local municipality that it should be the target area of the city’s application to this call. While the Presence programme was a crucial reason for this decision, it was not the only one:

“György-telep was a concept circulating within the city. It was relatively close to the centre, it was relatively small, the municipality knew it, it was visible, and it was a problem. [...] It could be imagined that you can help them. [...] That it can be integrated into the city, so it had a solid base.”<sup>12</sup>

Previously, different development strategies of the city mentioned György-telep as a neighbourhood listed for demolition. Due to the physical condition of the houses (which were built without proper foundations) and the lack of infrastructure, and owing to the physical distance from the city, most architects and urban planners agreed to demolish the colony. However, these plans slowly started to change, partly because of Málta’s activity in the neighbourhood and partly because a new developmental approach took shape on the national level which was not entirely unrelated to the lobbying power of the national organization of Málta.

“Before 2008 the mayor – who is the present mayor – wanted to eliminate this area, practically to bring bulldozers and destroy it. It was not envisioned what to do with the people living there, but there was a vision to eliminate such places. And then the mayor met [the national leader of Málta], they talked a lot about the situation and

the city through large-scale, culture-led regeneration projects, and through rejuvenating some selected public spaces (<https://www.herito.pl/en/articles/pecs-2010-investment-in-cultural-infrastructure>).

11. Interview with a Málta employee.

12. Interview with a municipality employee responsible for planning and implementing development projects.

finally he convinced the mayor that there are other solutions. Let's choose one of those, maybe Pécs itself can profit out of it."<sup>13</sup>

According to another informant, this "profiting" from a political perspective meant that the city did not have to face potential resistance from citizens who might have opposed the relocation of "problematic" dwellers into "non-problematic" neighbourhoods. All this was enabled by the unprecedented amount of EU funding available for integrated urban regeneration, which was supposed to increase spatial justice through improving dilapidated neighbourhoods.

### **Putting together a development coalition and brokering different development logics**

One of our main findings was the emerging role of Málta as a broker (see Lewis, Mosse, 2006), or as one of the key leaders of Málta put it, Málta as a "turntable". Málta was the organization which was able to connect all these different interests and aspirations and turn them into a coherent intervention, translated into the language of EU-funded projects based on their deep knowledge of the segregated neighbourhood. One of the social workers of Málta described this process as follows:

"There was the project which required this, and required that, so both the municipality and the residents had to take part in it. And there was Málta, which could take the lead in opening up something like a communication channel, which connects all these actors in a way that, besides a necessary relation, they can even look at each other in a humane way."

Málta's role as a broker in the beginning was rooted in the fact that they had deep knowledge of György-telep. Thus, when the consortium which was led and initiated by the municipality for applying for the first TÁMOP fund was put together, the role of Málta was imagined as that of an NGO bridging the local realities with the realities of the project world. The two other important actors in this initial consortium were the DNHR and Khetanipe, the most powerful Roma NGO in the city. While the role of the DNHR was imagined as project manager and coordinator for fulfilling all the bureaucratic and technical criteria, Khetanipe was expected to give voice to the specific issues concerning the local Roma population.

The period when the consortium assembled the tender for the TÁMOP fund, and when it was later implemented between 2012 and 2015, is remembered by all the partners as a golden age.

13. Interview with a Málta employee.

“We volunteered for the task to include all those actors who have routine, knowledge, practice or connections related to this territory. We could not leave them out, we had to lean on them, and not only after we put together the project proposal, but including them in its production because we would implement it together. If you would like to put it this way, it was practically a community planning procedure.”<sup>14</sup>

The relations between these actors were described retrospectively as more or less equal despite their different institutional logics. During planning and implementing the TÁMOP project, Málta and Khetanipe shared different tasks which were represented spatially within the neighbourhood: Málta continued the family-based social work, which had started with the Presence programme four years earlier in György-telep, while Khetanipe ran the educational and cultural programmes in the renovated community house outside of György-telep. The different institutional logics were visible. For Málta, the main target of the development project was spatially defined: it was György-telep. For Khetanipe, as a Roma association per definition, the target was the Roma community within the city.

Parallel with that TÁMOP project, the UNDP<sup>15</sup> started another development project in “Szabolcs-telep”, which included György-telep, Hősök tere and the neighbouring streets. This project was based on community work led by community coaches, and implicitly had a place-based approach as well. Coaches played an important role in the mobilization of the community. The main idea was to collectively define development goals which could be implemented even without external resources using the help of the coaches as mediators between local people and institutional stakeholders. Coaches encouraged local people to do volunteer work for the community.

Under the UNDP project, two community groups were set up at two different locations (György-telep and Hősök tere). UNDP employed one coach from Málta and one from Khetanipe, which symbolized the equality of these two main actors in the development process (mirroring their relation within the parallel TÁMOP project). The story of the two groups, including their successes and failures, was very different: in György-telep, nobody understood the intention of the coaches because they were accustomed to the more individual method of the Presence programme. For years they had received social assistance in one-on-one situations with the social workers, and they were unable to shift towards another, more collective logic of tackling everyday problems. On the contrary, in Hősök tere, where there was no preceding development project, the community group operated well. The most important

14. Interview with a Málta employee.

15. <http://localdevelopmentforinclusion.org/assets/01-coaching-adventures.pdf>.

principle of the working group was that “you get something if you do something” for the community. This principle was completely contrary to the individual social work methodology and principle used previously in György telep. “It was extremely clear how differently the people who started with communal social work and those who started with individual social work at the beginning reacted.”<sup>16</sup> It also raised the question of distributional injustice between the dwellers from different parts of the neighbourhood. While someone outside of the community working group might have “gotten something without doing something” as a result of the logic of a different project, the people involved in the UNDP project “had to do something” before getting something.

This interference of the two parallel interventions shows well the danger inherent in the logic of development projects. For a limited amount of time, a previously unprecedented wave of resources is channelled into a territory which is structurally on the negative side of uneven development. During the limited time of intensive resource inflow (even if this resource is “soft” social work and community development led by external experts), the logic of the development brokers (in this case, the logic of the Presence programme and the logic of “you get something if you do something”) can dominate local discourses and practices. But it is very hard to make this externally enforced logic compatible with the local reality, and this can have unintended negative consequences, especially if the time-span of the project is very short, despite the goodwill of the development brokers. In short, besides many positive effects, the two projects interfered with each other in a way which decreased the efficiency of both.

16. Interview with a Málta employee.

**Table 1. Development projects in György-telep and Hősök tere (2007-2016)**

Project	Place	Activity	Actors
2007-2011 'Presence' programme financed by Málta and the city municipality	György telep	Permanent presence of the social workers, individual social work built on deep local knowledge	Málta
2012-2015 TÁMOP 5.3.6-11/1 (ESF) Complex settlement programme	György telep	Social work, community work, providing social services; mobilised and utilized place-based knowledge	Wide developmental coalition formed by the DNHR, Málta, and Khetanipe
2012-2014 UNDP project – financed by OSF MtM Fund	György telep and Hősök tere	Community work led by community coaches based on local knowledge	Málta and Khetanipe
2014-2015 TIOP (EFRD) 3.2.3.A- 13/1 complementing call to TÁMOP 5.3.6 – 116/1	György telep	Renovation of 22 social housing units and 5 flats bought in integrated environment for relocating dwellers, planning based on local knowledge	Málta and the Housing Department were in close cooperation. UDC as a project manager. Khetanipe had minor role.
2013-2014 DDOP 4.1.2/B-13 (EFRD) call only in the Southern Transdanubian Region	Hősök tere	Renovation of 20 social housing units and 10 flats bought in integrated environment for relocating dwellers. As a complex project it had soft elements too. Top-down planning.	

**How “a lot of money came in” and transformed the development coalition**

At the end of 2013, the previous “soft” approaches were backed by novel, “hard” projects, which meant a shift from social work towards infrastructural development.

Two related tender opportunities with EFRD resources (called TIOP and DDOP) were opened and run parallel to each other. Both provided funds for renovating social housing units and supporting the relocation of dwellers from segregated areas to an integrated environment while continuing the previous one-on-one social work. The two tenders belonged to two different ministries (TIOP – Ministry of Human Resources and DDOP – Ministry for National Economy) and adhered to different logics for improving disadvantaged neighbourhoods. TIOP was the complementing call of the previous TÁMOP projects, and was available only for those municipalities which had successfully completed a TÁMOP project. The infrastructural investments of the TIOP projects had to target the same neighbourhood, which in this case was György-telep. In this project, desegregation (i.e. the relocation of dwellers to integrated neighbourhoods) was a possible but not mandatory element. The TIOP project in György-telep resulted in the renovation of 22 housing units, and an additional five families were relocated to an integrated neighbourhood.

The other relevant tender opportunity was DDOP, which was opened only in the South Transdanubian region as an experimental opportunity to develop pioneering integrated urban regeneration models. It combined soft and hard elements: a community building was created, some dwellers were assisted during relocation into integrated neighbourhoods, social service provision was strengthened, and social housing units were renovated. Stronger desegregation requirements were imposed within DDOP: for each project, the relocation of 30 to 36 families to an integrated environment had to be undertaken. Three DDOP projects were implemented in Pécs, targeting Hősök tere and two other former miner colonies.

The TIOP project targeted György-telep in the narrow sense. Given the relatively small size of this area and the fact that all the houses were owned by the municipality, the project was able to finance the renovation of all the buildings and the assistance of all the families. As we described above, the previous experience of the Málta social workers enabled a very efficient and productive participatory planning process. Contrary to the failure of the UNDP method in this area, relocation could motivate the dwellers to mobilize and do something collective. In other words, the prospect of further distributional justice had a larger motivating effect than the process-justice-oriented UNDP project.

“It was very joyful for all of us how we planned the infrastructural investment as a community. We worked in small groups, drawing our dream houses on big paper sheets and designing their interior. The municipality said that we should not have done this, as the inhabitants would ask for everything imaginable from the planners regardless of its rationale. But it was not true. The ladies asked for double basin kitchen sinks or a separate water pipe end in case they would be able to purchase a



washing machine in the future. So the housing element of the programme was designed with incorporating these very practical and very modest wishes.”<sup>17</sup>

Unlike the success of the TIOP project, the DDOP project, which aimed to renovate houses around Hősök tere, broke the formerly successfully operating community working group. The UNDP methodology of step-by-step community building was clearly at odds with the quick pace and radical impact of the DDOP project. As one of the social workers put it, “our [collectively defined] principle of ‘you get something if you do something’ was washed away by a lot of money, and you were not required to do anything for the renovation of your house”<sup>18</sup>. Another social worker used a very catchy metaphor to illustrate the contradiction between the different logics of the two projects.

“With the TÁMOP project, we wanted to build a train station in order to make it possible for the people to catch the train, in case it would one day arrive. With the TIOP and DDOP, a TGV sped across the neighbourhood even before we could finish the construction of the train station, plus it neither stopped nor slowed down. So every local dweller had to try jumping on it.”

Moreover, the DDOP project was more explicitly selective and unjust according to several local points of view. According to the project regulations, only municipality-owned properties could be renovated, despite the fact that in this part of the neighbourhood the ownership structure was mixed and patchwork. For example, some families who were formerly active in the community working group but lived in privately-owned houses were excluded from the renovation, even if their homes were in worse physical condition than that of their neighbours who lived in municipality-owned units. In a similar vein, those who lived outside of the target area, even in municipality-owned houses, could not benefit from the infrastructural developments, even if they played a key role in the community. This contradiction which undermined the justice paradigm of the development scheme goals was summarized by one of our interviewees.

“In the meantime there is the DDOP project, whose logic is not ‘you get something if you do something’, but simply that in certain territories, because of some given calculations, a few selected families will receive a lot of support, but in the neighbouring streets we cannot give anything to the people. Simply because this is how the project works. And this is something different than the logic of ‘you get something if you do something’, which the people themselves decided to follow.”<sup>19</sup>

17. Interview with a Málta employee.

18. Interview with a Málta social worker.

19. Interview with a Málta social worker.

The TIOP project was more flexible by contrast, and due to the successful community planning process, the sizes of the apartments were tailored to the needs of the given families. Due to the rigid project structure and narrow timespan of the DDOP project, the apartments renovated during this project were of the same size and quality.

“It was very hard to explain why the neighbour can get a freshly renovated flat with three rooms, even though they have not paid the rent previously, while he who lives two streets away with a large family needs to squeeze into 28 m<sup>2</sup>. But why? And indeed, it is such a logical question: why?”<sup>20</sup>

During the projects’ implementation, families were relocated from the officially-designated “segregated” areas to “integrated” parts of the city. This element of both programmes raised several questions. The municipality owned social housing units in different parts of the city, but as many experts critically noted, they only wanted to relocate families from György-telep and Hősök tere to the surrounding Eastern Neighbourhoods. This was partly explained by affordability issues: in other parts of the city the social housing units are usually situated in large housing estates where utility costs are much higher. However, it is known that the municipality had social housing units in the historical centre of the city as well which had lower utility costs. According to our informants, the leaders of the municipality requested that poor families not be relocated to these prestigious parts of the city, and even the locally embedded development brokers could not modify this political decision.

### **Outsourcing the governance of urban marginality: Málta becomes “shadow municipal”**

The two large infrastructural development projects completely reshaped relations between the main actors. Moreover, in 2015 the DNHR, which was the main catalyst of the former development coalition, was abolished.

“For the local politicians it became unpleasant that the civil society and the people wanting to discuss the future of the city have so much freedom. So, they cleared some of them out of the way...”<sup>21</sup>

This “clearance” happened after the second landslide victory of the right-wing Fidesz party at national elections, and coincided with several public policy reforms initiated by the politically strengthened governing party. The former tasks of DNHR were assigned to the Urban Development Company (UDC), which was previously responsible for the management of the large-scale infrastructural projects related to

20. Interview with a Málta social worker.

21. Interview with a Málta employee.

the ECC. Within the municipality, the role of the Housing Department (HD) increased, as they were in close daily cooperation with the staff of Málta. Málta was responsible for assisting the families and for logistically organizing the relocations, and thus had to expand. One consequence of this was that employees of the former DNHR and Khetanipe were hired by Málta. Thus, while the organizational infrastructure of the project implementation changed greatly, the most important people remained in key positions but now mainly as Málta staff. As an unintended consequence, these two development projects strengthened the position of Málta and made the organization a powerful local development broker within the city.

As a result of the shifts within the project management structure mentioned above, the more or less equal triadic pattern of the previous consortium transformed into the duo of Málta and the HD of the municipality, which occurred at the expense of the informal peripheralization of Khetanipe in decision-making situations (Khetanipe formally remained a member of the consortium). Besides organizational rivalry, the act of side-lining represents a larger, more symbolic change as well. The projects in György-telep – and similar projects elsewhere in the country – are now explicitly not labelled as Roma programmes but rather as programmes targeting poverty. This shift resembles the semantic shift on the national level whereby “social” urban rehabilitations had to be renamed by eliminating the word “social”.

The strengthening position of Málta might be partly explained by the fact that it is a national organization with clear ambitions to expand its authority. This ambition has met with the central government’s strategy to outsource social service provision – and in general the “management” of marginalized communities – to non-governmental, church-related or religious organizations. We observed a similar tendency in the case of Pécs as well. The institutional logic of the municipality (more precisely its Housing Department in this case) was very different from Málta’s approach. The HD’s system of managing poverty and the social housing system ten years ago was described by insiders as “chaotic” and with no capacity for change. In some cases, the Housing Department did not even know who lived in the social housing units it supposedly managed. Thus, while there was a political will to somehow contain the social tension emerging from the process of uneven development and marginalization (and from all related social problems, such as prostitution, petty crime, the visibility of poverty, etc.), the relatively inflexible and ineffective bureaucratic structures hindered them in fulfilling this goal.

The backbone of Málta’s shift toward its more powerful position was thus rooted in its “turntable” position and based on its deep local knowledge and trustful relations with the locals, something which was seen as beneficial by the municipality. The demanding “burden” of staying in touch with “problematic” families was thus taken

off of the city. This may have been a relief from the residents' perspective as well since they were guided and helped through the bureaucratic labyrinth of administrative issues by reliable social workers. The legal framework for this "turntable" or "translation" dictates that residents who sign a so-called "co-operation agreement" with Málta are usually treated preferentially by the municipal bureaucrats as long as they fulfil all the necessary criteria (e.g. regular payment of rent and instalments of their arrears, behaving in an orderly manner, etc.), something Málta ensures very efficiently through a system of informal paternalism. Thus, with this move, the function of increasing spatial justice inherent in the EU-funded development projects becomes a consequence of conditions set by the agreement between the institutional actors.

We call the position that Málta held after that organizational shift "shadow municipal", because the growing power of Málta within the consortium was accompanied by the informal outsourcing of some of the municipality's functions related to managing poverty. However, compared to other Western European cases, this process is not formal austerity or an efficiency-driven solution, but rather a partly informal delegation of certain tasks. In short, Málta transformed the previously "chaotic" relations between the HD and the residents of György-telep into a more stable relationship of informal paternalism wherein Málta's role as a development broker and translator between the municipality and the poor residents of György-telep became inevitable. The everydayness of becoming "municipal" is nicely illustrated by the following quote from a social worker employed by Málta.

"We used to go [into the HD of the municipality] a little bit, organize the documents with them a bit, because they could not find something. I used to create spread sheets [...] and then you hear back that they were admired for my spread sheets. So yes, we make a lot of jokes, for example saying that one day we will go in their office for a week and reorganize everything. You know, after six years of working together, and after all those heroic days, you can make such jokes [...] It was very different in the beginning. For pushing through our agenda about the first 30 families being relocated, we needed five tough meetings. They had a certain knowledge about them, we had our own knowledge about them, and to put all these different perspectives together... after a while they had no time, no capacity, no manpower and no enthusiasm for this. So nowadays it is much easier. [...] We are the ones who get it right. Because they look at it only from a distance. And after a while you can accept this."<sup>22</sup>

22. Interview with a Málta social worker.

## Conclusion

From the perspective of official project indicators, the case of György-telep is one of the most successful place-based projects in Hungary. It is often cited as a “best case” example, because hundreds of people were able to move from substandard flats into modern homes, and because various social services and social assistance were provided to poor inhabitants of a formerly neglected and stigmatized neighbourhood of Pécs over an extended period of time. However, these results were in some cases not achieved *because* of the CP and UNDP-funded projects, but in spite of them. The negative effects of interfering project methods, rapid infrastructural investments with strict bureaucratic requirements and exclusionary local politics were mitigated by a specific form of brokerage.

One of our main findings was how, as an unintended consequence, this series of contradictory development projects could lead to the strengthening role of Málta as a broker in the local developmental coalition. Málta was able to provide continuity across different interfering project logics through its turntable position. While Málta could smooth out the negative effects of these contradictions, it could not completely eliminate them. This finding echoes the conclusions of James Ferguson, who claimed that, regardless of the projects’ results, development brokers can secure or strengthen their position through the projects themselves (Ferguson, 1997). It is also in line with the insight that development brokers can be powerful and vulnerable at the same time (Wolfe, 1956, cited in Lewis and Mosse, 2006, p. 12). While in the narrow sense their relative autonomy can increase (for example, through becoming shadow municipal), nevertheless their autonomy is curtailed by various structural factors (e.g. local politics, the regulations of spending EU funds, etc.).

Besides these observations our case study contributes to a larger issue as well. Can these development projects modify the exclusionary and unjust structures and processes of uneven development? An activist of a radical housing advocacy group in the city explained this question as follows: “Málta is only a drop in the sea. It is good what they are doing, but the whole housing system is very problematic, and thus Málta’s practice is not enough.” A fellow activist from the same organization pointed out that while residents signing a co-operation partnership agreement with Málta are genuinely helped and taken care of, in other segregated areas of the city beyond and around György-telep, evictions are constantly carried out. While injustice is counteracted with a concentrated effort in one territory as a result of EU funds, the production of injustices is reproduced systematically elsewhere. Moreover, through the informal “turntable” role of Málta, the system of social housing provision and management remains unaccountable and non-transparent. This is another point which supports the argument that while Málta gained power and increased its

relative autonomy from a certain perspective in brokering the everyday activities of development in the target area, they remained vulnerable to larger political and structural constraints.

Blaming a single development project for not transforming the whole system of producing structural injustices would not be fair. However, it is possible to speculate about more general conclusions concerning the broader function of such development projects through our case study. In Pécs, we saw that one of the most important limits of place-based developments is that they are situated in an institutional and policy landscape which systematically reproduces spatial injustices despite their original goals. While a strong local development broker can achieve important local results through mediating between different “worlds” and different logics, the very roots of these wider injustices remain intact. Thus, without addressing the question of how this systematic reproduction of injustice happens through national and local policies, narrowly targeted place-based projects will only help a portion of the population in need, despite the best intentions of the funders and the development brokers. Furthermore, without taking seriously the crucial role of development brokers in addressing these structural problems, it is hardly possible to design more effective solutions.

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