

UNIVERSITY OF SZEGED
FACULTY OF SCIENCE AND INFORMATICS
DOCTORAL SCHOOL OF EARTH SCIENCES
DEPARTMENT OF ECONOMIC
AND SOCIAL GEOGRAPHY

**A HUMAN GEOGRAPHICAL ANALYSIS
OF THE RELATIONSHIP BETWEEN
URBAN DIVERSITY AND URBAN RENEWAL
IN JÓZSEFVÁROS**

Theses of the PhD dissertation

Dániel Horváth

Supervisor:
Prof. Dr. Zoltán Kovács
head of department

Szeged
2019

1. RESEARCH BACKGROUND AND HISTORY

Budapest is a traditionally diverse city of the post-socialist region, and the 8th district called Józsefváros is one of the most heterogeneous parts of the Hungarian capital. Despite these local conditions, research focusing on the social impact of urban renewal programmes has paid limited attention to the role of urban diversity and the socio-economic consequences of the different types of urban renewal interventions. My doctoral research focused on both the urban diversity and the urban renewal. The urban societies have undergone a radical change all over of Europe during the past half century. The major changes include the increasing socio-economic polarization of urban societies, the growing mobility of population and the increased socio-spatial differentiation and segregation. The theory and practice of urban renewal changed significantly at the same time as well. The urban renewal interventions have become more complex and multi-layered since the infrastructure-oriented urban reconstructions of the 1980s to the integrated socially sensitive urban renewals of the 2000s. The municipally-led urban renewal programmes were widespread in Budapest since the second half of the 1990s. Due to the above-mentioned facts the scientific investigations focused on social effects of urban renewal initiatives have become frequent since the second half of the 2000s.

Initially, most research focused on residential segregation. Later on, the process of gentrification was put into the centre of urban researches. Nowadays, urban studies increasingly consider the growing diversity of urban societies and the variety of urban renewal interventions. The diversity studies emerged as a new trend of research dealing with the perceptions, inequalities, interactions, spatial appearance and political aspects of social differences (VERTOVEC, S. 2007, 2010). According to the new scientific approach diversity is not only an ethnic, demographic and socio-economic terms, but it takes also the differences into account that exist with respect to lifestyles, attitudes and activities (TASAN-KOK, T. *et al.* 2013). The concept of hiperdiversity provided a framework for the current doctoral research.

The socio-spatial researches usually showed the deterioration of socio-economic status of Józsefváros in a Budapest-wide context during the 1990s (Table 1.). Later on, a socio-economic upgrading could be detected in some parts of Józsefváros due to the municipally-led urban renewal activities launched in the early 2000s. This time the district-wide socio-spatial analysis were put into the centre of scientific investigation which already focused on the neighbourhood aspects. Some scientific papers dealing with urban diversity of Józsefváros and Budapest were published in Hungarian literature recent years.

Table 1. Some of the main characteristics of socio-spatial analyses in last decades

Period	Topic of research	Spatial scale of research	Analytical unit
1990s	segregation	city-level	district
2000s	gentrification	district-level	quarter
2010s	diversity	quarter-level	neighbourhood

Source: edited by the author

2. Research questions

The *overall aim* of my doctoral research is to explore the social effects of urban renewal from a new perspective based on the case of Józsefváros. On the one hand, it was put on social mixing at the centre of doctoral investigation instead of the segregation and gentrification studies. On the other hand, I draw attention to the different effects of diversified urban renewal strategies. Finally, my further overall aim is to analyse the relationship between urban diversity and urban renewal. The *theoretical aim* of my investigation is to review the different models of urban renewal interventions, to outline and systematization of Hungarian and international characteristics, as well as to examine and critically analyse the theoretical approaches of urban renewal. The theoretical purpose of the current paper is also to contribute to the expansion of the scientific results of diversity studies in Hungary.

The *empirical aim* of my doctoral research is to define the urban renewal models in Budapest, as well as to investigate the main changes of urban diversity after the change of regime with special attention on social effects of urban renewal from the perspective of social cohesion, social mobility and economic performance. The practical purpose of my doctoral research is also to explore the socio-spatial processes of Józsefváros and to highlight the most important factors and conflicts.

The *policy goal* of this paper is to formulate recommendations to the policy actors taking the impact of different urban renewal models of Józsefváros on urban diversity into account, with a special view regard to the socially sustainable urban development. Based on the above, the main questions of my doctoral research are the followings:

- 1) How has the international and Hungarian practice of urban renewal evolved, what were the main differences and similarities which can be found between urban renewal models and how could be the programmes carried out in Józsefváros evaluated?
- 2) How did Józsefváros's diversity change after the change of regime, and what kind of factors and features can be found in this transformation?
- 3) How did urban renewal affect the transformation of urban diversity in Józsefváros, especially in terms of social cohesion, social mobility and economic performance?
- 4) What kind of distinctive differences can be identified in terms of social impacts through the implementation of different area-based urban renewal strategies?
- 5) How possible is it to justify that widespread scientific statement, that urban renewal interventions clearly and necessary strengthen the social homogenization of the affected neighbourhood in the long-term?

3. RESEARCH METHODS

The empirical investigations of doctoral research have included two sections. At first, the urban renewal was put at the centre of analyses, and then I paid attention to the socio-economic diversity of local society. The methodology of the research was based on a complex approach using quantitative and qualitative research methods. The choice of methodology was based on the recognition, that the multi-layered and highly complex diversity of modern cities can be analysed more expedient with qualitative tools at the level of individuals and groups exploring relationships and networks, than with quantitative methods.

The doctoral investigation has included the analysis of international and Hungarian literature about theories and practice of urban renewal. In addition, statistical data, I also relied on the experience of field visits. The socio-spatial characteristics of Józsefváros were investigated by the following quantitative methods: calculation of labour market segmentation, dissimilarity index and segregation index. The data of the Hungarian Central Statistical Office for the years 1990, 2001 and 2011 and the Regional Dataset of Budapest were used to analyse the changes after transition. The geographical survey was carried out at the level of 77 units and 11 neighbourhoods within Józsefváros, and it was realised at district level within Budapest as well.

I used occupational data to measure the intraurban socio-economic segregation. Occupation is generally considered to be the best single-variable indicator of SES and of a person's position in the social structure (MORGAN, B. 1980). The breakdown of the economically active population by occupation relies on International Standard Classification of Occupation (ISCO). The ISCO is well appropriate to examine labour market segmentation. I formed three groups according to socio-economic status based on the eight occupational groups, which was the basis of the analyses. In line with international trends of socio-spatial studies I applied qualitative methods in addition to quantitative ones.

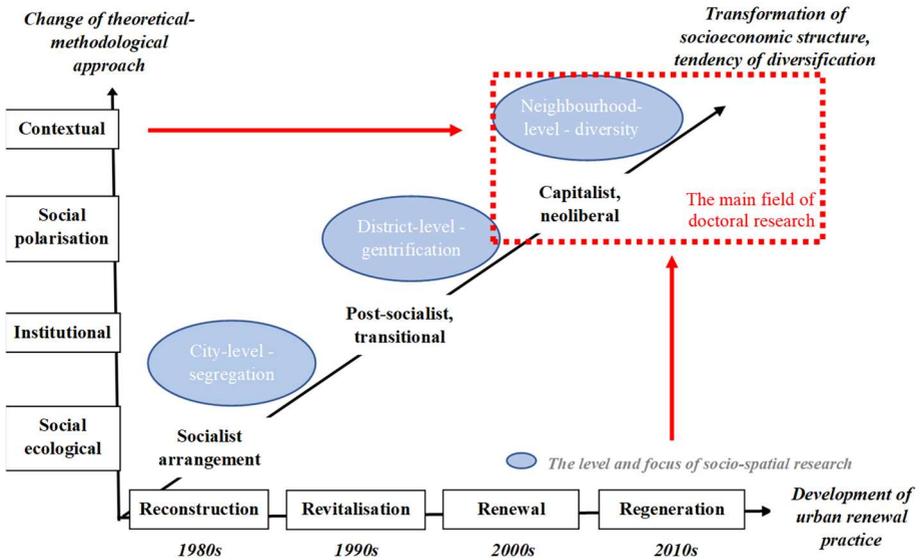
Following the concept of hyper-diversity (TASAN-KOK, T. et al. 2013), The relationship between urban diversity and urban renewal was revealed regarding social cohesion, social mobility and economic performance, including both the positive and the negative effects. Furthermore, I also paid attention to the exploration of possible conflicts. First of all, I took the policy discourses into consideration in terms of exploring the urban diversity from a socio-economic, social and ethnic point of view, and exploring the relationship between lifestyles, attitudes and activities with diversity. In addition, semi-structured interviews with actors, experts, and representatives of NGOs and local initiatives were carried out besides the document analysis during the doctoral research. Fifty interviews were made with local residents in order to explore the inhabitant's perception of diversity especially focused on the social cohesion and social mobility. The doctoral investigations on economic performance were based on interviews with 36 entrepreneurs and 4 key persons in Józsefváros. During the selection of interviewees, I tried to represent the diversity of local population and businesses from the point of view of the place of residence, location of operation, age, gender and occupation as well.

4. RESULTS OF DOCTORAL RESEARCH

4.1. The examination of urban renewal

My doctoral research has shown that the theory as well as the practice of urban renewal activities has significantly changed in Budapest over the past three decades (Figure 1.). The urban renewal interventions have become more complex and multi-layered since the infrastructure-oriented urban reconstructions of the 1980s to the integrated socially sensitive urban renewals of the 2000s. Nowadays there is an overlap of different periods of urban renewal in Budapest. The European Union subsidies have played a key role in this transformation process after 2000. A new era has emerged in urban renewal, where the strengthening of state's role can be observed after 2010. Diversification of urban renewal (environmentally, economic, socially oriented) can be demonstrated as one of the main outcomes of the doctoral research.

Figure 1. The diversity in the context of socio-spatial research and urban renewal



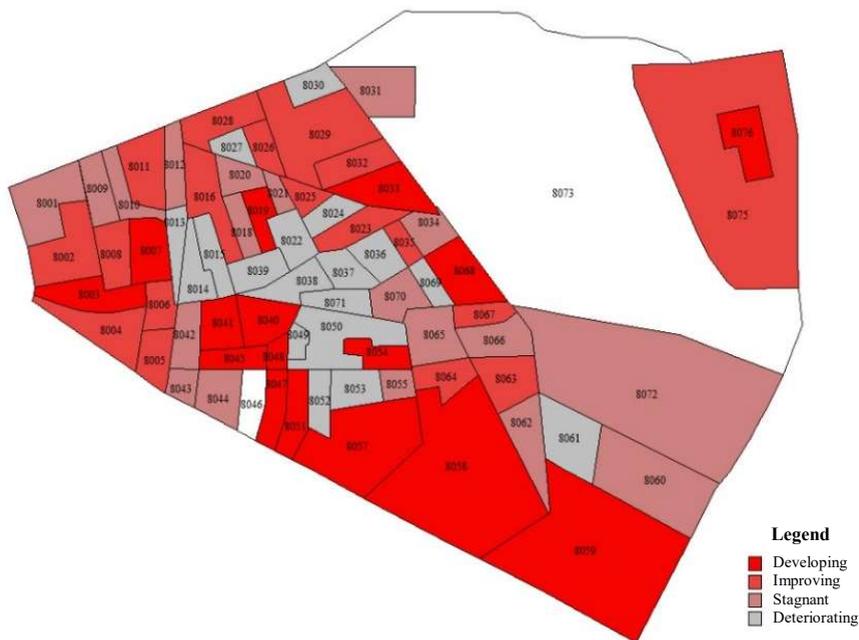
Source: edited by the author

4.2. The investigation of socio-spatial change of Józsefváros

The rising of socio-economic status of local society can be detected based on the quantitative investigation in Józsefváros, which is in line with international and Hungarian trends. The main reasons were the deindustrialisation accompanying the change of economic paradigm, the expansion of jobs in service sector and the significant improvement of the educational level of population as well (KOVÁCS, Z.-SZABÓ, B. 2015). The investigation of labour market segmentation has shown that Józsefváros was a less developed part of the city below Budapest average despite catching up tendency even in 2011. The analyses showed that the rise of socio-economic status has been very unequal on the quarter-level. In some parts, the social status of residents has increased recently due to urban renewal and upgrading (e.g. Corvin Quarter), while other parts (Orczy and Magdolna Quarters) have remained quite deprived.

The shortcomings of urban renewal interventions played a key role in the case of Orczy Quarter. The socially sensitive urban renewal interventions only achieved the reduction of Magdolna Quarter's breakdown. Although the urban renewal has drastically transformed the socio-economic composition of Corvin Quarter. My doctoral investigation showed the different effects of various types of urban renewal programmes on socio-spatial patterns. It can be seen that the upgrading quarters also include deteriorating urban areas as well as the rundown quarters contain developing units (e.g. Orczy square within Orczy Quarter). Although the neighbourhood-level analyses reflected on the results of the quarter-level analyses that the transformation of socio-economic status is positively affected by urban renewal interventions (Figure 2).

Figure 2. The socio-economic change of Józsefváros between 1990 and 2011



Source: calculated and edited by the author based on KSH data

The increasing spatial segregation between different occupational groups was revealed by dissimilarity analyses at neighbourhood level between 1990 and 2001. It can be highlighted that a kind of social homogenization took place this period of time. After that, this trend has turned and the mixing of local society was observed in Józsefváros between 2001 and 2011. It can be noted that these results differ from the outcomes of city-wide research of KOVÁCS Z. and SZABÓ B. (2015). The segregation of occupational groups has been gradually increasing in Budapest between 1990 and 2011. According to the doctoral investigation, it can be highlighted that different socio-spatial processes can be detected at district and at city-level after 2001.

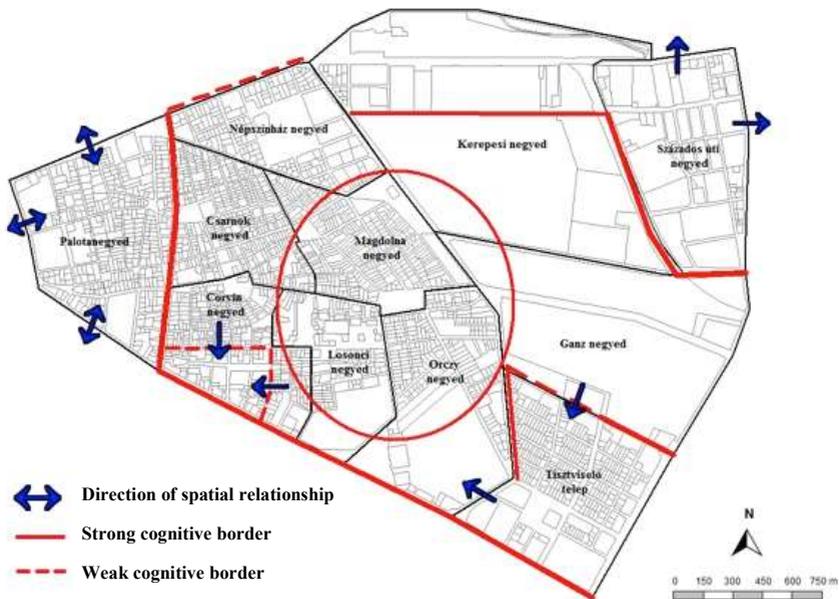
The heterogeneity of population occurred in Józsefváros, while homogenization was dominant on Budapest-level. To conclude, Józsefváros is seen as a rapidly changing part of Budapest affected by urban renewal programmes and new waves of higher status people. This assumption was supported by the segregation analyses of doctoral research as well. According to the calculation of segregation index, it could be emphasized that the level of residential segregation in Józsefváros in 2011 was below the values measured in 2001.

4.3. The residential perception of urban diversity

The importance of district's diversity as well as the heterogeneity of residential neighbourhoods has recently increased in Józsefváros, but diversity has only a limited role in influencing everyday life and decisions according to the opinion of residential interviewees. The majority of respondents had a positive opinion about diversity of Józsefváros and the downtown of Budapest. The respondents emphasized the vibrant lifestyle, the fragmented housing market, the richness of jobs, the wide range of available services and functions within Józsefváros among the positive features. The assessment of diversity has moved on a wide range (e.g. sociocultural characteristics, real estate ownership, built environment).

Diversity has been perceived by most of the interviewees as the main feature of Józsefváros and social diversity has been manifested primarily in ethnic as well as in socio-economic differences. The research confirmed that Józsefváros offers a wide range of housing, services, leisure and jobs as a result of its historical development and the recent urban renewal interventions as well. However, the activity of residents is not limited to the 8th district. Long-term residents usually had extensive local social networks and stronger relationships, while new residents had fewer and weaker local ties. The extension of the perceived neighbourhood strongly depended on the socio-demographic characteristics of respondents, the type of residential area and the length of residence. The outer boundaries of Józsefváros were better perceived by residents living in the inner-part and the outskirts of 8th district (Figure 3). The external borders were faded from the point of view of residents living in the inner part of district which could be explained by a so-called “downtown identity”.

Figure 3 The quarters and the perceived borders of Józsefváros



Source: elaborated by the author based on interviews

The Grand Boulevard was the most significant internal boundary within Józsefváros separating the Quarter of Palotanegyed from the rest of district. Respondents believed that the Grand Boulevard is not only a functional and morphological boundary within Józsefváros, but also a socio-economic dividing line. A similar internal socio-spatial and mental border could be detected in the case of the Quarter of Tisztviselőtelep and its surroundings. The perception of dividing lines also strongly depended on the respondents' place of residence. Clearer perceived borders could be identified in the case of historical and transforming neighbourhoods. It could be explained by the fact that urban renewal programmes have resulted distinct borders among different quarters, because urban renewal interventions could be contributed to building identities and to creating benchmarks in urban space, which resulted more accurate perceived boundaries.

4.4. The impact of urban diversity on social cohesion

Based on doctoral investigation, it can not be clearly stated whether diversity is an advantage or disadvantage for social cohesion in Józsefváros. The diversity has usually appeared in negative context in the interviews and policy documents focused on the inclusion of disadvantaged social groups. The recognition of diversity as a positive phenomenon has occurred in local urban development concepts (e.g. Magdolna Quarter) and most frequently among non-profit actors, who have paid attention to community building and social issues.

Józsefváros is a traditionally inclusive district within Budapest, where poverty has always been existed, so the social cohesion as well as the solidarity has always been stronger among lower status and long-term inhabitants. The intensification of gentrification and studentification caused by urban renewal programmes have produced stronger social diversification but weaker social cohesion, since the population change has contributed to the impairment and sometimes the disappearance of former social relationships. The different types of urban renewal interventions have contributed to population exchange and lowering social cohesion to a varying degree.

The socially sensitive urban renewal programme intended to keep the present population, so there has been less chance of breaking social relations and several good examples proved that some elements of this kind of urban renewal activities contributed to the strengthening of social cohesion (e.g. implementation of community planning events, establishment of civil organizations, programs provided by the community centre). The Corvin Quarter and in many respects the Quarter of Palotanegyed experienced a high degree of social mixing and one of the main challenges has been the weakening of social cohesion (e.g. linkages between inhabitants with lower and higher incomes).

Apart from this perception, many interviewees have expressed positive and future-oriented opinions on diversity. These attitudes were primarily consistent with the ideas for Budapest as a meeting place for cultures. The 8th district receives continuously higher status people, and experiences an increasing social mixity. It became also clear that the social relationships and networks of newcomers are mostly related to other parts of Budapest. This trend has a positive impact on social cohesion at the Budapest-level. Thereby, the separation of Józsefváros within Budapest is loosening. Many respondents also stressed the negative aspects of diversity (e.g. antisocial behaviour, crime), therefore, it cannot be clearly stated whether diversity is an advantage or disadvantage for social cohesion.

4.5. The impact of urban diversity on social mobility

Based on the doctoral research, the positive effect of the diversity on the social mobility of the people of Józsefváros could not be clearly confirmed. Respondents generally did not consider the social heterogeneity of the district as an important factor in social mobility. The inhabitants usually used their personal networks (e.g. relatives, friends) instead of the relationships within their own neighbourhoods during job search. These relationships were often linked to other parts of Budapest or other settlements outside Budapest. In particular, in the case of low-status interviewees, relations within the district played an important role in social mobility.

The proportion of substandard housing units is high in the district, but as a result of ongoing urban renewal activities many new or renewed dwellings are available on the local housing market. Several people moving to Budapest choose Józsefváros as an entry point due to the local characteristics of the housing market (e.g. high proportion of public housing, affordable rents, relatively cheap dwelling prices). Additionally, the 8th district offers various educational and job opportunities for newcomers, which results a “springboard” function (MUSTERD, S.-VAN KEMPEN, R. 2007) for Józsefváros within Budapest.

The conclusion of my research concerning social mobility is similar to social cohesion. The link between social mobility and urban diversity was not clear in Józsefváros. The results of my research are in harmony with previous analyses (GALSTER, G. *et al.*, 2008, BRÄNNSTRÖM, L.-ROJAS, Y. 2012), which highlighted the greater importance of personal characteristics than those of the neighbourhood.

The mobility of the inhabitants has increased significantly in Budapest over the past three decades. This is especially relevant in the case study area, where the process of gentrification and studentification resulted in significant population change as well as weakening social relationships. Supporting local community initiatives to involve the inhabitants might provide a solution for strengthening social relations within neighbourhoods.

4.6. The entrepreneurial perception of urban diversity

An important finding of my doctoral investigations is that urban diversity can be a potential source of economic performance in cities. The cultural and creative economy as well as tourism are primarily considered in policy strategies as the most relevant economic activities from the aspect of diversity. The relationship between diversity and economic performance was less visible in the decision-making process on the city as well as district-level.

The diversity of Józsefváros did not play a key role in the establishment of businesses, but its neighbourhoods offer many favourable opportunities for entrepreneurs (e.g. central location, affordable rentals, relative low price of properties, varied demand). Several factors outweigh the importance of diversity in starting a business (e.g. family traditions, skills, labour supply), but it can be highlighted that diversity had a key role in terms of economic performance according to the respondents.

One of the main outcomes of the doctoral investigation is that the population change has generated new functions and services in the district, a mix of traditional and innovative firms as well as a great variety of small businesses and large companies. These trends resulted an increasing diversity of businesses which is a positive phenomenon considering the creation of diverse residential services as well as the strengthening external economic relations. Forced entrepreneurs were overrepresented in our sample covering the local business sector as lower-status inhabitants are highly concentrated in Józsefváros. However, several prosperous businesses settled down first of all in the Corvin Quarter and nearby which showed the positive impact of urban renewal on the local economy. Urban renewal was rarely mentioned by traditional craftsmen and retailers among the causes of their stagnating or worsening situation. They were rather negatively affected by macroeconomic, structural, and technological factors.

The study also found that the diversification of Józsefváros has resulted the rejuvenation and modernization of local business sector and urban renewal had many positive effects on the local economy. The new businesses benefited a lot from the transformation of the urban fabric and the arrival of new functions. The interviews revealed that cooperation and cohesion among local entrepreneurs is poor, so businesses do not benefit from local networks in Józsefváros. However, due to some local features (e.g. low-level of rents, high concentration of ethnic entrepreneurs) the district could be the first entry point for many non-Hungarian entrepreneurs, too.

5. SUMMARY

- Nowadays there is an overlap of different periods of urban renewal in Budapest. One of the main findings of the doctoral research that parallel with the socio-economic differentiation of residential neighbourhoods in Budapest the diversification of urban renewal activities (environmentally, economic, and socially oriented) took place. A new era of urban development could be identified including several new features (e.g. increasing role of the central government, centralization) since 2010.
- The diversified urban renewal has had a strong impact on urban diversity including the society, the economy and the built environment. The urban renewal interventions have resulted a rise of the socio-economic status in some parts of the district and the heterogeneity of local society has also increased.
- As many of the researches, I can also emphasize that the urban renewal interventions strengthen the urban diversity in its initial stages, but it leads to homogenization long-term. It can be concluded on the basis of diversity research that it is necessary to consider the diversification of urban renewal practices.
- The doctoral investigations showed that different types of urban renewal interventions have different impacts on urban diversity. It was demonstrated by the dissertation that the socially sensitive concept of diversity studies is a useful tool to observe the social effects of different urban renewal. Based on my doctoral research it can be stated that urban renewal has a strong impact on urban diversity, it has less impact on social mobility, and somewhat more impact on social cohesion (negative) and economic performance (positive).
- The doctoral research highlighted that social and community improvements, which contribute in particular to strengthening social cohesion, should be an integral part of interventions to counteract the negative social effects of urban renewal activities.

- The diversity could not be regarded as the primary attractive factor in terms of social mobility, but the “gateway” as well as the “springboard” function of Józsefváros has clearly been detected in my doctoral research.
- The mobility of population has increased significantly over the past three decades, but gentrification and studentification have resulted weaker social relationships within Józsefváros at the same time.
- The study also found that the diversification of Józsefváros has resulted the rejuvenation and modernization of local business sector and urban renewal had many positive effects on the local economy. The new businesses benefited a lot from the transformation of the urban fabric and the arrival of new functions.
- Decision-makers should pay more attention to the social and community development elements of urban renewal programs. In order to strengthen local society, preserve and enhance social diversity, the involvement of different actors in the implementation of urban renewal programmes is recommended through ensuring publicity, with organizational techniques, applying community planning methods, social programs and community actions.
- It can be stressed that the flow of information as well as the interaction between different actors has a positive impact on strengthening social cohesion, social mobility and economic performance.
- The doctoral research also showed that stimulating bottom-up initiatives and channelling them into urban renewal programmes can strengthen urban diversity, and it can lead to the development of socially sustainable cities.
- The main result of my doctoral research is that integrated and socially sensitive urban renewal can challenge the widely accepted statement that urban renewal interventions necessarily strengthen the homogenisation of local society in long-term.

6. LIST OF PUBLICATIONS RELATED TO THE THESES

- Horváth D.-Keresztes-Sipos A.-Lukácsházi G.-Avar Z.-Virág D. B.-Hámori P. 2018. *Navigátor – Kézikönyv a társadalmi bevonáshoz*. Budapest, Budapest Főváros Önkormányzata Főpolgármesteri Hivatala, 40 p.
- Fabula, Sz.-Boros, L.-Horváth, D.-Kovács, Z. 2017. *DIVERCITIES: dealing with urban diversity: the case of Budapest*. Utrecht University, Utrecht, 172 p.
- Fabula, Sz.-Boros, L.-Kovács, Z.-Horváth, D.-Pál, V. 2017. Studentification, diversity and social cohesion in post-socialist Budapest. *Hungarian Geographical Bulletin*, 66 (2): 157-173.
- Boros, L.-Fabula, Sz.-Horváth, D.-Kovács, Z. 2016. Urban diversity and the production of public space in Budapest. *Hungarian Geographical Bulletin*, 65 (3): 209-224.
- Horváth D. 2009. Egy új városrehabilitációs gyakorlat első tapasztalatai. In *Falu-Város-Régió* 11 (2): 81-83.
- Alföldi Gy.-Horváth D. 2009. Hogyan tovább? Egy részvételi folyamat fenntarthatóságának kérdései: Tapasztalatok Budapest-Józsefvárosból. *Földrajzi Közlemények*, 133 (4): 510-515.
- Alföldi Gy.-Czeglédy Á.-Horváth D. 2007. Egy ébredő városrész – részvételi típusú városmegújítás a Józsefvárosban. In: Kondor A. Cs.-Egedy T. (szerk.) *Városfejlődés és városrehabilitáció: budapesti és lipcsei tapasztalatok*, Magyar Földrajzi Társaság, Budapest, 101-110.
- Horváth, D.-Teller, N. 2008. An urban regeneration modell: Local Community Participation in Neighbourhood Rehabilitation, Planning, and Implementation in Budapest's Eighth District Magdolna Quarter. *Local Governance Brief*, 9 (1): 47-52.
- Horváth D.-Teller N. 2008. Egy városmegújítási modell tapasztalatai. In: Alföldi Gy.-Kovács Z. (szerk.) *Városi Zöld Könyv - kulcs a fenntartható városhoz*, Építésügyi Tájékoztató Központ, MTA Földrajztudományi Kutatóintézet, Rév8 Zrt, Budapest, 51-57.
- Kondor, A. Cs.-Horváth, D. 2008. Challenges and experiences of a participative green space development in Budapest-Józsefváros. *Urbani Izziv*, 19 (2): 174-182.