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**The limits to participation:
Dynamics of state–civil society relationships in Barcelona and Budapest**

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“The ache of given time suggests old wrinkles,
and forges new creases”

In memoriam

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ABSTRACT

With the onset of the global financial and economic crisis in 2008, citizen participation in urban regeneration has once again become a crucial discursive element of struggle over the position of the citizen in organising society. However, inquiry is commonly reduced to the binary debate over whether citizen mobilisation serves ‘neoliberal austerity urbanism’ or provides opportunities for emancipation and insurgent citizenship, which sets the urban level as the centre of focus. Instead, I opt for an analysis wherein the relation between the developments of different spatial scales is considered. To do so, I rely partly on the ‘re-scaling’ literature to explain how state–civil society relationships have been shaped by both global forces and local processes, with a view from the dusk of Atlantic Fordism up until the latest 2008 crisis. Taking the crisis as an analytical focus point, I explore the changing role of the state in capitalist restructuring, the increasing focus on cities and the ‘urban moment’, and how the attention on cities affects citizen subjectivities and the meanings of participation. On the basis of a comparative study of Barcelona and Budapest, I discuss post-crisis rationales in a relational manner, by dealing with the multi-scalar origins of citizen participation and providing an analysis of interactions between actors and processes operating on different scales. Methodologically, this research has emerged from a qualitative study of city council policies implemented after the crisis as part of larger frameworks of underlying rationales, which propose various constellations for the inclusion of citizens in urban regeneration. The two cities provide different contexts for analysis, with Barcelona being a post-austerity Mediterranean, and Budapest a post-socialist Eastern European city, which offers examples outside of the mainstream Anglo-American literature and meta-narratives of neoliberalising cities. Rather than to pose law-like causations or compare Barcelona and Budapest to an (imaginary) Western European norm, the intention of this particular comparison is threefold: to demonstrate (1) how historical-geographical development informs a better understanding of the path-dependency of state–civil society relationships, (2) how the ‘urban moment’ has shaped the politics of urban regeneration policies in the ‘peripheries’ of Europe, and finally, (3) how re-scaling processes of state–civil dialectics alter the perspectives of actors and influence imagined alternatives. This thesis ultimately untangles the material–discursive nature of citizen participation, as well as how these characteristics determine its functions in each city’s political economy and social life.

INTRODUCTION

The global financial and economic of 2008 has considerably shaken society's trust in democratic capitalism, particularly in more peripheral regions that reside on the lower levels of the economic hierarchy. In considering the European layer of the global dimension of the crisis, the present dissertation engages with questions related but not limited to the urban: how the struggle over the position of citizens in organising society occurs in particular localities, and which structural and symbolic factors define their room to manoeuvre. To do so, this dissertation develops a historical perspective on changing state-civil society relationships and relates the post-crisis era to earlier, similar events and their long-lasting effects. This allows the identification of common causes for the current mistrust of contemporary societies in the well-functioning nature of their economies and societies and the proposal of an explanation for the emergence of specific alternative visions.

Although the question raised above is complex and not easy to answer, my aim is to highlight at least some of these common causes, by taking a cultural political economy approach to the role of civil society. To better frame the question, I limit the discussion to three important aspects of the topic of my research: the spatial focus, the scale through which I approach the analysis of state-civil society relationships, and the choice to analyse a specific practice of civil society. With the combination of these, the current dissertation investigates the phenomenon of citizen participation in relation to urban regeneration practices, taking the cases of Barcelona and Budapest. In the following, I briefly highlight the motivation behind these choices by demonstrating their relevance. Then, I introduce the research questions that guide the present dissertation and subsequently the purpose of the study. Following methodological considerations, the structure of the thesis is outlined as a closing to the introduction.

First, spurred by the 2008 global financial and economic crisis, the call for broader citizen participation has once again become a crucial discursive element of the struggle over the position of the citizen in organising society. Since the 1960s, a similar debate has occurred in Europe, where top-down policies and the deficit of representative opportunities in democratic arrangements have resulted in the emergence of the participatory imperative: first as a radical practice, and later, during the 1990s, as a building block of urban governance mechanisms. Through frequently opposing arguments, citizen participation is laden with recurring theorisations: it is regarded either as a panacea for democratic deficit, widening democracy with bottom-up empowering practices, or merely as a tool for political legitimisation and neoliberal policies.

Second, the moment that particularly intensified such debates evolved around the attention given to the changing governance of urban development. Under late capitalism, the shaping of urban policies has been increasingly reliant on the footloose nature of capital. Former urban politics of redistribution and service provision have been gradually replaced by new measures to seek competitiveness and economic development. In other words, the turn from managerialism to entrepreneurialism (Harvey, 1989a) has provided impetus for urban policymaking that successfully accommodates increasingly mobile capital flows. As cities have experienced a growing importance due to entrepreneurial strategies and the ability to attract capital, urban regeneration processes have played a crucial role in managing uneven development and the legitimation or buffering of such tendencies.

Third, in relation to growing intra-urban, as well as inter-urban uneven development, scholarly attempts have focused on particular geo-historical contexts in which these inequalities have emerged. Much attention has been paid to the phenomenon of scalar restructuring in the dusk of Atlantic Fordism: how the position of the nation state has weakened against sub-national and supra-national scales. During the formation of the European Union (EU), similar trends were observed: as nation states lost their power to project control within national borders, the EU as a supranational intergovernmental network gained relevance in managing the uneven development of its territory. With the EU integration project and the enlargement phases aiming towards the Southern and Eastern peripheries, a new hierarchy of the economic space of Europe solidified over the years.

Regardless of the process of Europeanisation pointing towards a more unified Europe in which urban policy choices and institutional models for state–civil society relationships are becoming more alike, the latest crisis has shown how divergent the answers produced by member states have been, particularly in the more peripheral countries. The ideal of Western-type liberal democracy has been questioned by both the left and right through the considerable mobilisation of citizens and changes in local and national governments. For this, Barcelona and Budapest serve as two opposing examples: while the former eventually offered a leftist, emancipatory response to the crisis, Budapest – and Hungary overall – proposed illiberalism as a remedy.

Based on the above, the following questions emerge: despite the efforts of the EU to exert concerted power against political and economic volatility, why have European states proposed such varied answers to the crisis? Furthermore, what can we ascertain regarding the “bitter power struggles” (Hadjimichalis and Hudson, 2014) of nation states and EU institutions, and how grassroots struggles are embedded in them? These questions hold relevance far beyond the analysis of citizen participation and its political economy; but they touch upon problems that have inspired social science to investigate the interplay of the material and symbolic dimensions of the causes of social change. European integration politics provides an interesting and challenging framework to think about theoretical, conceptual and

methodological questions that emerge when we wish to better understand the challenges of the ‘participatory paradigm’.

Thus, the overarching research question of the present dissertation is the following: what material and symbolic factors explain the dynamics of citizen participation in urban regeneration? To guide my empirical investigations, three additional sub-topics are explored. To better comprehend the positions of Barcelona and Budapest in the global political-economic arena, I first explored (1) *what underlying structural and contextual factors shape state–civil society relationships in the peripheries of Europe*. Here, I focus on the process of democratisation in the two countries and on how external forces have shaped the internal trajectories of the institutionalisation of state–civil society relationships.

Second, in relation to the restructuring of the nation state, I am interested in how the ‘urban momentum’ – the increased attention on cities and urban policies – provides insight into these dynamics on the urban level, through questioning (2) *how citizens interact with local governments during the implementation of urban regeneration policies, as well as how local governments target participation, how citizen roles have changed over time, and what characteristics define power relations between local governments and citizens*.

Lastly, to focus on the individual level, I pose the question of (3) *how the social value of citizen participation is conceptualised by the various social agents*. To do so, I explore *who the social agents are and what narratives explain citizen participation in urban regeneration*, which includes the analysis of everyday rationales that drive participatory practices. Furthermore, I ask *how citizens are called upon to engage in these interventions, how the realms of social justice and equity are represented in such practices*, and what the effect of these calls on the *political subjectivity of citizens* is.

Overall, my goal is not to promote participatory practices, nor is it to develop a theorisation of the politics of European integration, or even to criticise the rise of illiberalism – although this could be done in many ways. Citizen participation, as I will argue, has little to do with such changes; rather, it reflects deeper dynamics in material and symbolic needs. With an analytical focal point on the crisis as a path-shaping moment, I situate citizen participation and its conceptualisation within broader spatial and scalar frameworks and the particular historical geographies of Spain and Hungary to be able to develop an analysis that is sensitive to space, scale, and time.

Citizen participation is a complex phenomenon, and it has been studied by several distinct approaches, all of which embrace different angles in their analyses. There are long and inspiring discussions over communicative rationality in comparison to realities of power, as the Habermas-Foucault debate (Flyvbjerg, 1998) advises us. However, whilst it is an important debate, a normative investigation of citizen participation does not concern the current analysis. Instead, I am interested in the more prominent debate across urban studies, wherein citizen participation is often explained as an opportunity – within contemporary urban revitalisation projects – to empower participatory governance (Fung and Wright, 2003), or is simply seen as a tool wherein such

practices fall victim to the co-option of neoliberal urbanism (Brenner and Theodore, 2002).

The puzzle of these inquiries is that they commonly fall into the trap of a binary debate that considers citizen mobilisation as either serving 'neoliberal austerity urbanism' or providing opportunities for emancipation and insurgent citizenship. In reality, these inquiries are both right and wrong. In my point of view, to escape such a debate requires the abandonment of studying strictly urban level phenomena, by paying attention to larger structural changes and how the urban level is embedded in economic and cultural pathways and constraints.

The motivation of this research comes from the too-often-seen reduction of analysis to the urban level. Scales and their interplay are important to acknowledge when it comes to urban processes. National policies and individual perceptions matter as much as the contemporary momentum of the 'urban'. To explore which factors and scales are crucial in the formation of participatory urban regeneration policies, the origins of policy development must be examined through a multi-scalar analysis that scrutinises the relationship between state and civil society. The goal is to build an analytical framework that helps to study the genesis and progress of participatory policies, which provides a schematic account of the relationship between actors and processes on different spatial scales and highlights how these interactions develop into the particular policies that they are.

The problems of cities – whether they are connected to development or decline – are never purely urban and cannot be solved until they have been thoroughly diagnosed. For that matter, social phenomena must not be regarded as part of a law-like diffusion of specific mechanisms and processes, occurring in isolation away from global processes and local articulations. What this dissertation partly seeks to shed light on is how a seemingly small policy intervention can encapsulate an entire history of development, involving series of global forces and local agency that puts a particular locality on a specific path. With the deconstruction of this pathway, I open up the complexity of historical geographical location, urban political trajectories, and the power struggle of discourses in interpreting realities.

In general, a great interest has been directed towards several major areas of change concerning the re-scaling literature on the post-Fordist condition: the reshuffling of state capacities, the understanding of processes of uneven geographical development, and the emergence of new supranational institutions. Originating in these three strands of interest, I opt for an analysis wherein the relation between the developments of different spatial scales is considered. In order to do so, I rely partly on the re-scaling literature to explain how state–civil society relationships have been shaped by both global forces and local processes. The aim is to build upon the combination of political–economic thought while also giving credit to the softer side of macro-structural order, in the form of discourses that shape localities. To summarise, opening up these dualities in a multi-scalar approach that acknowledges both material and

discursive elements can add significant layers to the debate about how the urban form comes about.

Considering the crisis as a turning point, I explore the changing role of the state in capitalist restructuring, the increasing focus on cities and the ‘urban moment’, and how this affects the politics of citizen mobilisation. On the basis of a comparative study in Barcelona and Budapest, I discuss post-crisis rationales in a relational manner that deals with the multi-scalar origins of citizen participation and provides an interpretation of interactions between actors and processes operating on different scales. Methodologically, this research emerged from a qualitative study of city council policies implemented after the crisis as part of larger frameworks of underlying rationales for proposing various constellations for the inclusion of citizens in urban regeneration. Conducting fieldwork in Europe’s peripheries – Barcelona and Budapest – provides different contexts for analysis, the first being a post-austerity Mediterranean, and the latter a post-socialist East European city, and offers examples outside of the mainstream Anglo-American literature and meta-narratives of neoliberalising cities.

This dissertation comprises five main chapters and finishes with a concluding chapter. Chapter 1 introduces the underlying theoretical debate on citizen participation from which this research emerges and highlights the limitations of current scholarship. With a multi-scalar proposition, it follows the foundations of political–economic thought and introduces how it has changed over time in parallel with global capitalist development – sometimes in a more universalising manner, whilst other times in the direction of emphasising particularities. The literature is divided into discussions of conceptual, scalar, and spatial narratives, centring state–civil society relationships and their interpretation.

Chapter 2 guides the reader through the methodological building blocks of this research and explains how political economy can be considered not as a discipline but rather as a methodology to conduct research. The chapter details the choices I made in the path of conducting a comparative analysis and which key concepts were considered for the building of my argument. Afterwards, it justifies the selection of the case studies, and finally, it offers a reflection on the fieldwork.

Based on the theoretical and methodological assumptions, the structure of the empirical chapters reflects the forms of institutionalisation of citizen participation and how it is embedded in the development of state–civil society relationships on various scales. Following the logic of the re-scaling literature, I identify three levels of analysis. National-, urban-, and individual-level analyses encompass a holistic approach for the post-crisis policies of each city. Instead of a linear analysis, I opt for a scalar differentiation to highlight the most important elements in structural and cultural forces that a comparison between Barcelona and Budapest offers. In this way, important historical ruptures are compared, instead of my focussing on a linear chronological narration. However, each empirical chapter does follow a certain linearity, in which the historical development of that specific scale is opened to analysis, before the

crisis is taken as a decisive turning point and, where possible, contingencies are drawn up based on the unfolding of the crisis.

Chapter 3 deals with the changing role of the nation–state and how it draws pathways from supranational changes towards subnational levels. After providing a detailed comparison of the political–economic aspects of the transition – turning from authoritarian rule to a democratic arrangement – is introduced, I follow the period of accession to European integration and show similarities and differences in each country’s integration process. This aims to demonstrate how state functions were Europeanised and under which requirements they were included in the emerging global capitalist order. I subsequently focus on the particular unfolding of the crisis in each case and how the cleavages of the crisis have been interpreted on the national and urban levels, as well as which consequences it produced for the positioning of civil society during this specific historical junction.

Chapter 4 draws on the repositioning of cities and hence the urban level as a scalar dimension of the European integration process. Based on capitalist restructuring, the increased role of cities implied the ‘urban moment’, which entailed the management of urban problems with a new entrepreneurial approach. The problematisation of cities as concentrators of both opportunities and problems of economic development coincided with the unifying role of European urban policies. Through the analysis of the urban, this chapter provides an overarching summary of the development of urban regeneration policies in Barcelona and Budapest, linking the progress and changes of urban regeneration to larger structural changes. The chapter highlights emblematic periods of urban regeneration, followed by the outlining of the responses to the crisis. First I deal with emerging dynamics of formal and informal practices of citizen participation, and then I introduce the post-crisis urban regeneration policies this thesis is concerned with.

Chapter 5 introduces the individual-level analysis of social agents and focuses on the conceptual questions arising regarding the analysed practices. I first describe the types of civil actors who have been incorporated into the carrying out of practices and their reflections on their own position. Second, I explore the differences in post-crisis narratives in relation to the realisation of the programmes and how they might mimic neoliberal mentalities. Finally, I outline the limitations of participatory mechanisms in urban regeneration in relation to questions of empowerment and the posing of radical demands.

CHAPTER 1

Citizen participation: conceptual considerations, scalar interpretations, and spatial perspectives

Citizen participation is an unruly concept related to complex phenomena, embedded in relationships that serve as the basis of policymaking, whilst also relating to concepts of democracy, social solidarity, and equity. Its definition is, for some, considered universal, and for others, context-dependent, characterised by particularity. Yet, in reality, existing participation is fixed in time and space, relating to broader processes that shape societies. To grasp what citizen participation may mean today, we must examine the historical development of the following: how institutions work in a broader set of structures that define the role of citizens, as well as what disruptions of historical patterns define civil society, how these broader structures affect patterns of institutionalisation, and how agents work amidst these institutional settings, either in a cooperative or conflicting manner. These three categories unfold in different scales and relate to challenges in the traditional concepts of democracy, policymaking and institutional capacity, and finally questions of solidarity and equality.

The rise of participation as a concept dates back to the 1960s, when it emerged from radical and emancipatory roots. The first widely discussed phenomenon was related to Paulo Freire's Marxist radical pedagogy, which advanced into the school of participatory action research (PAR). As the movement of PAR gained strength, researchers, activists, and political movements adopted the strategy and associated the method with a form of resistance. In the Third World, PAR activists assisted socialist and leftist governments and helped to create grassroots support for democratic and revolutionary purposes, supporting anti-statist subaltern positions. Whilst in the economically advanced world, it coincided with the human rights movements of the 1960s, claiming more participation in decision-making processes and the nurturing of communities. Participation has been backed by influential political mobilisations that demanded equality and empowerment, claiming more participation in opposition to a centralised welfare state.

As Leal (2007) underlines, as these participatory practices had very radical roots and were not used by policy discourses to gain legitimisation for politicians in neighbourhoods. Instead they held the potential to overcome institutional limitations and force changes in governance. In other words, participation was meant to transform cultural, political, and economic structures that reproduced poverty and marginalisation and were not considered tools to instead alleviate these negative tendencies. Leal emphasises

how power can be so central to the participation paradigm and how it can change in many ways when it comes to institutional understandings of empowerment, where the question is not how to change the existing order but how to grease its wheels more efficiently (ibid.).

Participation became a buzzword in the 1970s–80s in urban development debates, and concepts such as ‘sustainable development’, ‘community building’, and ‘good governance’ have been attached to its significance. Local governments have embraced collaborative planning practices as a solution to overcome democratic deficits in urban planning and revitalisation, welcoming the participation of citizens. These practices greatly vary in goals, focuses, practices, and policy terms but all share the involvement of community groups and residents in revitalisation processes. The redirecting of citizen participation as a discourse that enforces the responsabilisation of citizens with the transfer of welfare duties to the voluntary sector is well illustrated in neo-communitarian strategies (Fyfe, 2005). Hence, in the 1990s, critical literature began to address the discourse on responsabilisation (cf. Rose, 1999), questioning whether community organisations and citizen groups had actually been able to practice increased community control over the policies that affected them. Furthermore, many concerns were raised regarding whether these decentralised forms of service provision by non-governmental organisations, non-profits, or public–private partnerships met the needs of marginalised citizens.

Many argued that participation had lost its radical edge and been turned into a depoliticised addition to the development world (Ferguson, 1994; Cooke and Kothari, 2001) or a third-way politics for neoliberal experimenting that built on communitarian spirit and the voluntarism of the third sector (Marinetto, 2003; Mohan, 2012); others called for the re-politicisation of participatory development (Williams, 2004). Meanwhile, the involvement of local citizens and non-governmental organisations in various urban transformations has gained more attention in recent years amongst policymakers. Blakeley (2010) argues that no inherent link exists between these new modes of governance and democratic opportunities. Similarly, Silver et al. stress that the democratisation of governance through participation is often presented “as an unalloyed good, countering concern about declining social capital, heavy-handed bureaucracy, government inefficiency and social exclusion” (2010, p. 453).

Citizenship practices were becoming part of cultural regeneration and urban revitalisation processes more increasingly at a time when cities experienced greater importance in global capitalist processes. With the mushrooming of experimentation of new governance mechanisms and collaborative practices between the state and civil society, how to counter social exclusion and nurture social cohesion and solidarity has been emphasised, but the reality is that such goals have always been subordinate to neoliberal policies (Atkinson, 2000).

To follow up on how citizen participation came to be such a contested phenomenon, I first elaborate on the conceptualisation of citizen participation

with a focus on urban regeneration policies, and demonstrate how it relates to both the radical 1960s roots of participation and the critical claims on the subordination of participatory practices to neoliberal policies. As I will outline, these considerations fit into the contemporary urban studies debate whether participation represents insurgent emancipatory practices or embodies neoliberal co-optation. To avoid the undivided attention given to the urban scale, I argue throughout the chapter a need to understand the development of such practices in a historical and place-specific process. By doing so, I suggest a scalar, as well as a spatial, interpretation of citizen participation in urban regeneration to attribute importance to institutional settings and contextual matters.

Building on the urban level – but moving beyond it – I use the scalar dimension in explaining how the conceptual dichotomy of participatory practices can be captured through relying on the re-scaling literature, giving depth to the debate through the analysis of different scalar dynamics and explain how it enriches perceptions on state–civil society relationships. I first introduce the theoretical grounding of the emergence of the literature, which emerged parallel to the post-Fordist restructuring of the 1960s–70s, detailing how it was affected by the cultural turn of the 1990s and how these theorisations have interacted with historical junctures. The chapter on scalar interpretations focuses on global economic changes, the growing importance of urban policies as a consequence of these global changes, and the changing role of citizens and new socio-political struggles that restructuration brought to the fore.

Finally, I explain how scalar restructuring complicates spatial uneven development, with an emphasis on European processes, and the crisis of the European integration process. Here, I use the 2008 crisis as an analytical focus point to argue for the need to move beyond universalising theories of European cities coming from the West, as these do not consider the different development paths of more peripheral regions. I briefly outline the literature on Southern and Eastern Europe as peripheries of the European economic area, to capture the different pathways of civil society development compared to its Western counterpart. With a conceptual summary of the existing literature, in the final part I outline the potential of using cultural political economy in deepening the understanding of more peripheral regions of Europe, to counter the ‘provincialising’ of Europe as a categorical given (Chakrabarty, 2000).

1.1 THE CONCEPTUAL DEBATE OVER CITIZEN PARTICIPATION IN URBAN REGENERATION

To revisit the concept of citizen participation in contemporary urban studies literature, we can embed the discussion in a context wherein two ontological framings contrast with each other. Overall, the conceptualisation of citizen participation in urban regeneration can be presented through the differing

interpretations of two broad streams of research, wherein participatory practices are either promoted as a process of emancipatory politics or represented as a technology of neoliberal governance.

The first case embodies a more agency-orientated approach about the potential for creating alternative social spaces to envision more efficient manners of societal dynamics, as well as to shape urban spaces to create inclusive environments in which more citizens can take part. Moreover, it envisions a reconceptualisation of planning practices, celebrating the innovative character that citizen participation may add to the betterment of urban governance.

On the other hand, the emphasis on austerity urbanism (Peck, 2012; Mayer, 2013; Tonkiss, 2013) has intensified a structural critique – particularly in the post-crisis era – that amplifies the negative tendencies potentially attached to citizen participation. The professionalisation of urban transformation through the inclusion of residents, NGOs, and various community groups is thought to provide a technique for the reproduction of state control over citizens through delivering market principles, consumption-orientated practices, and the privatisation of urban space through the growing commercialisation of culture. These drawbacks involve mechanisms of neoliberalising cities: shrinking social welfare services replaced by the mantra of social exclusion, in which the participation of citizens receives a prominent role. Moreover, local governments reconfigure their institutional infrastructure to allocate space for civic groups and non-governmental organisations to participate in networked forms of governance, delegating former governmental tasks onto voluntary citizen groups. Lastly, neoliberalising cities advocate a re-representation of the city through entrepreneurial discourses, in which participatory practices are encouraged with a focus on urban revitalisation, to gain acceptance and legitimation.

AGENCY AND RESISTANCE THROUGH PARTICIPATORY PRACTICES

The involvement of civil society in urban transformation received attention amidst the increasing commodification of urban space, when scholars focussed on practices that could counter neoliberal urbanisation. Considerable research has been done on initiatives that hold the potential to realise such countertendencies, including community gardening, squatting, temporary uses of public space, do-it-yourself and low-cost urbanism, and lately, vacant space reuse. The essence of these spaces crystallises in visions that regard citizen initiatives in public spaces as laboratories for urban dwellers to assemble and articulate their desires for alternative arrangements of political and social relations.

First, top-down policies, as well as bottom-up practices, are thought to offer alternative social practices in the form of community spaces, which include the vast population of a specific neighbourhood. The interstitial and often informal character of public spaces “provide opportunities for new, transitional re-appropriations that are assumed by civil or ‘informal’ actors

coming from outside the official, institutionalized domain of urban planning and urban politics” (Groth and Corijn, 2005, p. 506), creating both permanent and temporarily existing spaces for cities that suffer the negative effects of increased privatisation and inequality. Many of these interpretations build on the Lefebvrian vision of the right to the city, using David Harvey’s conceptualisation of urban commons as its philosophical principle:

The creation of a new urban commons, a public sphere of active democratic participation, requires that we roll back that huge wave of privatisation that has been the mantra of destructive neoliberalism. We must imagine a more inclusive, even if continuously fractious, city-based not only upon a different ordering of rights but upon different political-economic practices. If our urban world has been imagined and made then it can be re-imagined and remade (2003, p. 941).

The above demand for the greater autonomy of actors and the democratisation of space is voiced through various practices in two major ways: the bottom-up reappropriation of abandoned or underused sites and the fostering of participatory and more democratic planning practices, which affect top-down policymaking. In an increasingly regulated society, scholars argue (Groth and Corijn, 2005; Ghose and Pettygrove, 2014) that these spaces perform as mediators to express the need for alternative social, political, and economic arrangements.

Second, these spaces have the potential to create urban commons, giving new meaning to urban spaces by fostering change in ownership arrangements and augmenting municipal infrastructure in public spaces, as well as responding to the unmet needs of citizens (Finn, 2014; Tardiveau and Mallo, 2014). These collective spaces provide not only a platform for shared interests but also an “ongoing common production, a wealth of everyday, non-monetary exchange and circulation” (Bresnihan and Byrne, 2015, p. 10), which departs from the traditional understanding of what the private and the public comprise. Some define these alternative spaces as “temporary autonomous zones” (Bey, 2003), where norms can be challenged through resistance and the expression of desires. Based on their analysis of European urban social centres, Pickerill and Chatterton claim that autonomous spaces act as non-capitalist, egalitarian, and solidaristic political milieus, as in-between, temporary spaces of contestation, where the everyday social relations can be rethought, and where citizens can develop a “powerful toolkit for social and environmental justice politics” (2006, p. 732). Furthermore, Kurt Iveson elaborates on how practices have the potential to translate as disagreement with current authorities. Through his examples on DIY urbanism, he explores how activist efforts result in a more democratic and accessible production of urban space: billboard hacking is used to create shared participation and collective identity, whilst street art is performed as a tool for collective campaigning. He concludes that declaring public space through political action challenges the “wider politics of the city which challenges existing forms of authority and titles to govern, thereby contesting the very order of the city” (2013, p. 955).

Third, citizen participation is regularly presented as evidence for a paradigm shift in urban planning practices, wherein the rigidity of top-down master plans has been exchanged for the preference for micro-level, small-scale interventions. In relation to this, Andres (2013) stresses the need to change the perception of the state from possessing a regulatory to a more activating role, where bottom-up users act more freely, to let emerging approaches explore the potential of vacant space, nurturing more flexible policies and legal frameworks. Bottom-up citizen practices, in her view, not only advocate for alternative settings of politics and social life but also aim to pinpoint the lack of sensitivity of top-down planning practice towards ordinary, everyday life. Moreover, the power shift that bottom-up practices in urban spaces may bring about is thought to represent an opportunity for citizens to participate better in decision-making processes (Blumner, 2006; Németh and Langhorst, 2014), thus enhancing democratic governance and inclusive planning.

In summary, these presuppositions offer a framing of citizen participation that acknowledges its critical potential. Meanwhile, utilising an agency-driven approach often results in a lack of opportunity for theorisation, as the focus shifts towards practices and social agents. In the following, I briefly outline the other side of the same coin, where political-economic theorisations of citizen participation emphasise the hegemony of neoliberal modes of governance and critically negate the possibilities that come with such initiatives.

NEOLIBERAL URBAN GOVERNANCE TAMING CITIZEN PARTICIPATION

Amongst others, Brenner and Theodore (2002) elaborate on the changing role of the state and the outsourcing of governmental duties towards society. Present-day cities have become targets of various neoliberal experimentation, which primarily pursue the transformation of public urban spaces for the accommodation of economic growth and increased consumption practices (see also Peck and Tickell, 2002), resulting in new governing arrangements beyond the state (Swyngedouw, 2005).

One of the characteristics of neoliberalising cities is the intention to re-regulate urban civil society through substituting social welfare with a focus on avoiding social exclusion. Calling upon the increased necessity of self-reliance, community life has been employed to justify current neoliberal strategies of local governance actors for outsourcing municipal services to civil society organisations. Non-state actors and urban planners, amongst these circumstances, often summon communities to achieve the desired urban revitalisation. Furthermore, practices such as community gardening have “been a response to pronounced and recurring cycles of capitalist restructuring” (Pudup, 2008, p. 1229). Similarly, Mayer (2013, p. 12) claims that “self-realisation and all kinds of unconventional or insurgent creativity have become not only easily feasible but a generative force in today’s neoliberalizing cities. They are designed to encourage activation and self-responsibilization rather than political empowerment”.

In her article on New York community gardens, Eizenberg argues that

community participation can become a counterforce in the empowerment of communities, as “gardens are stripped of their critical potential and become mechanisms for social reproducing rather than transformation” (2012, p. 779). Following this line of reasoning, Rosol (2010) argues that the above-mentioned tendencies highlight a trend in Europe as well: rather than being a critical practice of social movements, community gardening is becoming an expression of voluntarism as part of ‘urban green space governance’. Focussing on the changing relationships between local government and other governance actors, she shows the rise of a new political recognition of autonomously organised garden projects and argues that this new recognition can be understood as an expression of an on-going neoliberalisation of Berlin.

Moreover, a reconfiguration of the institutional infrastructure of local government is increasingly rolled out, in which former government tasks are delegated to voluntary community groups and new, networked forms of local governance. Besides advancing the promotion of neoliberal urban policies, community-based organisations are often included in a consensus-seeking process, wherein local governments aim to gain the acceptance of urban development goals in neighbourhoods. Movements help authorities solve “fiscal as well as legitimation problems, and the movements shifted their strategies ‘from protest to program’ in order to put their alternative practice onto a more stable footing” (Mayer, 2009, p. 364).

One example is the squatter’s movement in Berlin, where after the 1990s, post-Fordist development era squatters themselves “began to make structural improvements and, following their initial renovations and repair work, undertook more comprehensive restructuring, often in the context of public development programmes” (Holm and Kuhn, 2011, p. 651). Rather than having direct control through subsidies, objectives were achieved through cultural resources. The study highlights how the demands of squatters and their participation were included in the renewal processes, but in the end, squatters became “alien elements” in the transformation of neighbourhoods (ibid., p. 652).

Lastly, there is an increasing re-representation of the city, in which the mobilisation of entrepreneurial discourses with a focus on revitalisation is advocated. For many politicians, officials, and planners, abandoned lands without value are regarded as wastelands, as long as no investment or profitable use can be found for them (Colomb, 2012). For this reason, bottom-up citizen initiatives are increasingly absorbed into city marketing techniques. The instrumentalisation of citizen initiatives for policy purposes is noticeable in encouraging the creation of ‘creative spaces’, where vacant spaces can be a key element.

As an example, an explicit linkage can exist between the mobilisation of temporary uses and the creative agenda of the city government. As noted by Peck (2005, p. 763) in his analysis of “creative city strategies”, the creativity of such approaches is that they enlist “some of the few remaining pools of untapped resources” and “previously-marginalised actors”. Krivý (2013) describes cultural governmentality as the employment of culture and creativity

to transform obsolete industrial spaces, through the example of the Suvilahti power plant in Helsinki. The power plant was given different functions after its closedown, and slowly turned into a cultural space around the 2000s, initiating a cultural use as the most desirable strategy, leading to the recognition of 'culture' as an instrument of urban planning and managing, fostering bottom-up citizen practices wherein "the promotion of non-planned practices becomes itself a new form of planning" (ibid., p. 20), gaining cheap legitimisation in the neighbourhood.

To conclude, the political-economic focus on the constraints of neoliberal urbanism provides a more coherent theoretical framing for the analysis of citizen practices in urban regeneration, but it fails to acknowledge its dynamic nature, closing off opportunities for spontaneous mobilisation, whether citizen participation occurs inside or outside of institutional settings, comes from the bottom up, or is planned top down.

MOVING BEYOND THE CONSTRAINTS OF A BINARY DEBATE

The above on-going debate about the role of citizen participation and the theorisation of possibilities and limits it offers for societal change reflects the need to articulate the wider context in which citizen participation occurs. In general, the discussion refers to two major forms: either it complements a certain mode of regulation by enhancing its efficiency, or it represents an intention to change that very same mode of regulation.

Lipietz (1994) argues that since the mode of regulation largely depends on the political sphere, we can translate the possibilities of citizens as two distinct types of struggle in democracy: first as a form of institutional compromise and second as a socio-political struggle. In other words, the former agrees with the hegemonic paradigm being in place but struggles to create a more just distribution of benefits, aiming to improve the mode of regulation but not disagreeing with the paradigmatic vision per se. The second struggle involves disagreement with the hegemonic paradigm and thus intends to change the mode of regulation, favouring alternative identities and interests and serving another social basis than the existing one. As Lipietz explains, the two conflicts translate into "the participation of citizens in the improvement of a paradigm or in arbitration within a paradigm" (ibid., p. 341).

However much these articulations are true, they are also very much attached to the urban level, failing to include scalar and spatial aspects to analyse the emergence of citizen practices within broader structural constraints and pathways, without offering a perspective on how and why these structures affect the ways of institutionalisation and the possibilities of agents to work amongst these limitations. The summary above highlights the duality of participatory citizen practices in urban regeneration by relying on current mainstreams of urban studies literature. The examples show how participatory practices have become part of cultural regeneration and urban revitalisation processes whilst cities have experienced greater importance in global capitalist processes. The culturalisation of entrepreneurial strategies is nevertheless

contested – not only in the implemented actions but also in how they are interpreted.

The debate about these practices revolves around the problematic of structure versus agency, as well as which overcomes the other in such ambiguous practices. While on the one hand, political economists focus on the structural constraints and limitations of the projects, culture and the arts are also considered powerful tools for, on the other hand, providing empowerment for locals and vulnerable groups. In summary, the debate is about whether these spaces serve ‘neoliberal austerity urbanism’ or represent spaces of emancipation and insurgent citizenship. Whilst on the one hand, scholars represent the ‘how-to’ literature on changing urban governance techniques and empowering practices, they remained less critical towards neoliberal co-optation. On the other hand, the ‘critical’, primarily Anglo-American, literature explains only one side of the coin: the meta-narrative of neoliberal urban governance often represents Western capitalist cities as the norm towards which cities are evolving (cf. Bodnár, 2001; Robinson, 2016; Roy, 2016).

In addition, understanding and interpreting individual-level experiences necessitates not only the analysis of discourses and perceptions at the local level but also the seeing and interpreting of them in relation to broader global processes, to gain the relational meanings of specific actions. To do so, two interrelated processes should be further scrutinised: the local government’s ability and will to innovate under changed circumstances, as well as possible critiques towards global changes and how these particular changes define contextual matters and perceived social struggles.

In relation to the first problematic, Staeheli (1999) elaborates on the political economy of citizenship, emphasising how globalisation processes and the restructuring of the state affect conditions under which citizens can participate in decision-making processes. The possibility to jump scales (Smith, 1992), Staeheli argues, is vital in the understanding of how local and global processes interact without the intervention of the nation–state, without sustaining the view that the nation–state level has become irrelevant (undeniably, he highlights that the nation–state implies a set of institutions that are crucial in defining the lives of citizens).

Instead, state re-scaling in this framing means that the national scale as a political community is losing power, through the creation of communities of other scales instead (Purcell, 2003). For this reason, the local level can be fruitful in pointing out how “governing in distance” (Rose, 1999) is exercised and scrutinising how scalar changes form state–civil society relationships. In the following section on scalar narratives (Section 1.2), I argue for the need to move beyond the conceptual duality of urban-level analysis, by exploring beyond the urban scale and considering how larger structural changes have affected the urban level itself.

Regarding the second point, referring to global changes and their effects on contextual development, I wish to emphasise the potential impacts of restructuring processes, not only on political debates or ideas about wealth distribution but also on how politics can affect both higher scales of state and

region and the perceptions of individuals and hence how they are willing to use their powers, as well as how they relate to supra-local levels. Following a Foucauldian explanation, attention must also be redirected towards civil society and away from regular representatives of capital and power, who are thought to be all-encompassing in defining local settings, and scholars must embrace the dynamics and possible effects that civil society can have on the constellations of state and economy. As Uitermark states, we must consider not only “the effects of re-scaling on the balance of power in formal institutional settings” but also “the effects processes of re-scaling can have on institutionalized behaviour – the way actors talk to each other, what options are considered viable, how people interpret particular events, and so on” (Uitermark, 2002, p. 748).

1.2 SCALAR NARRATIVES, URBAN POLICYMAKING, AND THE CHANGING ROLE OF CITIZENS

As the previous section summarises, participatory mechanisms in urban development have experienced both the appreciation and condemnation of urban scholars, policymakers, and ordinary citizens alike, being regarded either as a form of contestation of the dominant hegemony or merely as a practice that develops in harmony with neoliberal policies. In the following section, I expand this binary understanding and demonstrate how the conceptualisation changes over time. To do so, I anchor my analysis of theories and economic restructuring between two occasions of capitalist crisis: the turn to neoliberal policies after the crisis of Fordism in the 1960s–1970s and the latest 2008 global financial and economic crisis. Embedding the debate in a historical analysis of both theories and geopolitical turbulences allows answering the question of how the different understandings of citizen participation are grounded in political and economic restructuring, as well as how they have changed over time.

Although the present section is mostly reserved for Western theories, I do take time to question their adequacy for more peripheral regions in Section 1.3. In the current section, I explore how the restructuring of Atlantic Fordism turned into a new mode of regulation and the post-Fordist period, as well as how theorisations aimed to describe the processes along with it. I detail the development of political–economic thought through mostly relying on the re-scaling literature, but I also incorporate the influence of the cultural turn in urban theorisation and the acceptance of postmodernity in the 1980s–1990s. These theoretical changes hold important implications for the shifting focus on urban policymaking and the ability to link urban-level changes to larger structural transformations in the global arena. Furthermore, the influence of cultural theories allows the examination of the more microscopic effects of state restructuring and the exploration of how identities and everyday rationalities have changed for citizens under such large-scale transformations.

To better approach scholarly discussions on the conceptualisation of citizen participation, a look at the development of theorisations of global economic processes helps us to see why and how the dynamics of research focus was changing over time between structural and cultural approaches (i.e. the question of agency and structure).

In sum, the re-scaling literature can provide a more thorough understanding in connecting scalar unfolding of global political-economic restructuring, and how it restructures lower urban and local levels along and how the different local contexts shape participatory processes. In the next sections I focus on the interaction of political-economic and cultural approaches that aim to explain the relationship of state-civil society interactions and show how a multi-scalar approach can contribute to the analysis of their relationship regarding urban policies.

THEORISING POST-FORDIST CAPITALIST RESTRUCTURING

With the latest restructuring of global capitalism, the Western world has taken a post-Fordist turn from the 1960s–1970s onwards. Along with it, a crucial discursive shift has occurred, which is “an integral part of an intensifying ideological, political, socioeconomic and cultural struggle over the organisation of society and the position of the citizen therein” (Swyngedouw, 2004, p. 26). The crisis of Atlantic Fordism at the time embodied two important and interrelated processes that changed the position of citizens. The first is related to the shrinking capacity of states to regulate the national scale and the second to the fast pace of post-war capital accumulation that was en route to a globalising path. As a consequence, two crucial elements of state-civil society relationship have been radically reorganised in the post-Fordist period: dealing with the wage relation that was previously managed exclusively on a national level and internationally regulated currency and trade (Uitermark, 2002).

The disintegration of the Bretton Woods system in 1973 was the symbolic and, eventually, functional end to both elements. It resulted in the incapacity to negotiate class interests on a national level, as well as the inability to manage policies independently from global competition and financial flows. As a result, citizens faced a new era of three interrelated forces: the emergence of new technologies, internationalisation, and the paradigm shift from a Fordist to a post-Fordist ideological grounding for policymaking (Jessop, 1994). The theoretical confluence of these trends has been what Bob Jessop named a “hollowed-out Schumpeterian workfare state”, of which the essence can be defined by the following summary:

[T]o promote product, process, organisational and market innovation in open economies in order to strengthen as far as possible the structural competitiveness of the national economy by intervening on the supply side; and to subordinate social policy to the needs of labour market flexibility and/or the constraints of international competition (2004, p. 263).

In summary, post-Fordism represents a break from the Fordist practice of favouring domestic employment over competitiveness and redistributive welfare rights over more efficient social policy that can enhance competitiveness, which renders citizens to accommodate themselves in a new and unstable environment.

Another emblematic process of post-Fordism relates to the weakening of the national scale and the subsequent emergence of new power hierarchies between geographical levels, which means that state functions were pushed upward and downward to supranational and subnational levels. As Lipietz phrases it, a “reshuffling of the hierarchy of spaces” occurred, which is one of the most important characteristics of the new, contemporary phase of capitalism (2003, p. 249). Conversely, new regionalists (Scott, 1996; Storper, 1997) argue that the contours of a new era in capitalist accumulation are becoming visible, based on the thrust forward of regions as prime geographical units becoming the motors for global economic growth, where the new “spatial fix” (Harvey, 1982) seeks new geographies of regulation as well. To rephrase, the undermining of the position of the nation–state as a privileged scale for negotiating the mode of regulation implied the return of the regional scale being of prime importance in the new round of capitalist accumulation.

For example, the formation of the EU can be considered an outcome of the development of the post-Fordist turn, with a mixed Schumpeterian workfare state strategy of its own, so far as it holds a single market strategy with a neoliberal approach to competitiveness in creating a liberalised, deregulated Europe-wide market and a supranational coordination of intergovernmental networks working in different levels of different states (see Jessop, 1994). Undeniably, restructuring did not involve the loss of the political importance and sovereignty of the state or its capacity to project power within national borders, but it has been remarkably weakened by international production systems.

Little attention has previously been paid to the politics of scale, to which Neil Smith first called the attention in his seminal paper on gentrification and uneven development (Smith, 1982). Since then, the unfolding reterritorialisation of the state to multiple spatial scales has been the centre of discussion amongst scholars, understood as a process of ‘glocalisation’, a term coined by Swyngedouw (1992) – as well as Peck and Tickell (1994) – acknowledging both the upwards and downwards directions of restructuring.

Consequently, the global unfolding of regulatory transformation from the 1960s–70s onwards has greatly influenced theorisations in the fields of political economy and critical urban and regional studies. Changing governance techniques were critical in developing the literature on the intertwining of post-Fordism, globalisation, and state re-scaling, drawing up relations between global processes and the changing role of the state. This led to the emergence of the ‘re-scaling’ literature, which considers the scalar organisation of society, analysing the relationship between space and social relations.

Overall, there have been two distinct strands of interest in researching re-scaling processes of the state, both relying on political–economic thought but

possessing different ontological backgrounds. The first, known as regulation theory, is more concerned with the new geographies of statehood and how the role of state changes over time (Jessop, 2000). The second line of research, theories of governance, is more reliant on neo-Marxist traditions, interested in re-scaling as a political strategy (Brenner, 1999a, 1999b), rather than treating it as an impartial process. For the analysis of the national-level transformation of state capacities, the first stream provides more insight, whilst the latter better explains the dynamics of politics in urban processes.

First, as Jessop notes in his work, the regulation approach cannot be considered a consistent theory; rather, it is an umbrella term for an on-going research programme based on Marxist political economy that shares the following four characteristics: it works alongside a realist ontology and epistemology, it builds on the method of 'articulation' in developing theories of regulation, its basic interest focuses on the political economy of capitalism, and finally, it is particularly focussed on the forms and mechanisms through which capitalism is socially reproduced (see Jessop, 1990). The British variant, state-theoretical relational approach, which Jessop and his students began to develop, holds the key assumption that the state is a system of "strategic selectivity" (Jessop, 1990, p. 200), where political struggle is an essential part of competition for hegemony. In Jessop's view, the state should be viewed as a social relation, which is "the site, the generator, and the product of strategies" (as cited in MacLeod and Goodwin, 1999, p. 516).

Second, in the stream of theories of governance, Neo-Foucauldian variants, which rely heavily on Gramsci (1971) with respect to how different agents form strategies to acquire power and serve dominant economic interests, maintain the Foucauldian assumption that power ultimately comes from below (Uitermark, 2005). Here, we can observe a difference with the regulation theorists: the state does not form the subject of the individual, but it can be regarded as the result of different conflicting groups aiming for hegemony. Based on the long-standing emphasis of world-system theorists (Amin, 1974; Wallerstein, 1974; Arrighi, 1994), the globalisation of capitalism has been highly articulated by governance theorists as well. One opposition to the regulation school is that the concept of the nation-state has been used interchangeably too often, either as a term for central state apparatuses or as a reference to the different spatial scales in which the nation-state operates – be it national, regional or local. As implied in the argument, next to the national level, regions and the local level receive more attention in this stream of research, which does not hold nation-state restructuring above all else. Thus, state re-scaling is viewed not only as a reshuffling of state-related scale configurations in the post-Fordist era but also as a yet uncoordinated strategy to construct newly scaled geographical areas, where "power over space and scale might be deployed" (Brenner, 1998a, p. 478). Furthermore, governance theorists understand governance in a political sociology sense, as a "process of coordination of actors, social groups and institutions in order to attain appropriate goals that have been discussed and collectively defined in fragmented, uncertain environments" (Le Galès, 1998, p. 495).

All in all, the state–theoretical relational approach takes the national or supranational level as a focus of analysis, suggesting that the subjectification of citizens derives from this level to the local level (i.e. subjectification is happening from above) (Uitermark, 2005). On the other hand, Anglo-Foucauldian studies are interested more in “micro-social relations at the expense of broader macro-social issues” (Jessop, 2010), not in considering how power scales up to the macro level.

These theorisations gained importance as scholarly focus shifted towards the understanding of structural changes that shape the organisation of society during capitalist restructuring and the entry phase of neoliberalisation. During the Fordist era, local states were the extensions of the central Keynesian welfare state and provided infrastructure to support Fordist mass production and local welfare policies and to attract new jobs or prevent the loss of existing ones. In post-Fordism, on the contrary, local policies instead targeted economic regeneration with a focus on becoming competitive in the world economy. We can see this trend in the “Reagan–Thatcher counter-revolutions” (Brenner, 1998b, p. 16) of the 1980s, wherein states re-scaling promoting their cities and regions can be viewed as an attempt of neoliberal accumulation strategy targeting the influx of transnational capital investment. In the following, I further outline how cities became so central to the discourse of global competitiveness and how this discourse shaped urban policymaking that ultimately reorganised the role of citizens and consequently the struggle over social justice and equality.

THE SHIFT OF FOCUS TOWARDS URBAN POLICYMAKING

The reorganisation of state power has been an essential part of the circuit of capital and the competition of cities, regions, and states in the world economy, wherein social relations have become the target of renewed socio-political contestation: the object of nation–states in intervening in economic and social processes has shifted from balanced domestic performance to an international competitiveness approach, fostering entrepreneurial cities to emerge (MacLeod and Goodwin, 1999). The promotion of innovation and technological advancement, coupled with a productive reordering of social policy, became the basis of urban policy formation, which fundamentally changed the role of citizens.

Cities have fulfilled two duties simultaneously during the post-Fordist transition: as ‘nodes’ of global flows of capital and ‘coordinates’ of state territorial power (Brenner, 1998b). As nodes, cities participate in global capital accumulation processes, as sites for local, regional, national, and global processes of market exchange. As coordinates, they function as a regulatory level for state power within each state’s hierarchical structure. Furthermore, as the national scale has been fundamentally rearticulated towards supranational and local scales, this has re-territorialised urban processes as well. As a consequence, cities are inserted no longer into relatively autonomous national economies but rather into inter-urban networks and transnational hierarchies of

urban areas. Thus, as subjects of a “double-edged struggle” (ibid., p. 20), cities are becoming both new industrial spaces for post-Fordist production and capital accumulation and new state spaces, which increases the influence of the local level to be able to coordinate transnational capital.

For this reason, a more focussed shift occurred towards the theorisation of urban policies and the celebration of “entrepreneurialism”, as noted in the seminal work of Harvey (1989a). The analysis of entrepreneurialism was linked to the rise of new urban politics (NUP), and the two have been used interchangeably to refer to place marketing, flagship projects, and downtown development districts as umbrellas term to cover investments that intended to enhance economic growth (Hall and Hubbard, 1996). The interest in globalisation processes pushed towards a new wave of urban theories that was reserved with the realignment of politics and the market (Cox, 1993). The two most influential approaches have been “urban regime analysis” (DiGaetano, 1989; Stoker, 1989) and urban “growth machines” or “growth coalitions” (Molotch, 1976; Logan and Molotch, 1987; Harding, 1994). The goal of these approaches has been to unravel how various public officials and business elites cooperate to deliver resources and negotiate which actors have access to them. Although NUP was not explicitly concerned with the role of citizens in relation to the post-Fordist reshuffling, in comparison with state-theoretical approaches of the regulation school and theories of governance, NUP represented three important shifts in urban studies that relate to the position of citizens: first, urban policies gained much more attention as a new phenomenon. Second, urban politics were considered less independent from broader economic forces targeting urban spaces, which shaped their development path. Third, it shifted the analytical category from nation-states to the urban level (Ribera-Fumaz, 2009).

Nevertheless, as the analysis of coalitions and policies is restricted to the urban scale, NUP theories initially excluded the culturalisation of entrepreneurial strategies from their analyses, not giving space to soft explanatory factors beyond economic trends and constraints. With the growing importance of considering the role of culture in urban studies, entrepreneurial strategies were more carefully considered Schumpeterian in their nature: creating profit through new combinations of innovation, depending on the cultural factors of urban strategies. Culture in politics has been rethought as a vehicle – in Don Mitchell’s words – for “strategising in the realm of practice and meaning to create new worlds, new histories, new ways to live. Or conversely, strategising to preserve the old” (as cited in McCann, 2002, p. 389).

The entrepreneurial turn has arguably brought closer together other urban policymaking across left- and right-wing thinkers and practitioners. Interpreting the phenomenon of globalisation as a neutral process that *happens* to cities allowed the legitimisation of the subordination of social redistribution for the sake of competitiveness to attract international capital. Here, I must agree with Swyngedouw’s point of view, that the discourse on globalisation should instead be understood as a disguise for the inadequacy of linking political programmes with “an increasingly disenfranchised and disempowered

civil society” (2004, p. 28), having an excuse both on the left and right political spectrum of national political elites to deal with social problems.

In a more nuanced manner, as Hubbard and Hall (1998) note, on the left, the entrepreneurial turn offered a way to enhance local cooperation and the promotion of local identity, whilst on the right, it supported neoliberal policies and the promotion of the enterprise, building on the belief that the private sector can deliver the desired benefits to both society and economy. As a consequence, cities are fuelled more than ever by business and competition but are also becoming increasingly networked, which opens up possibilities to use public policies for both left- and right-wing interests and ideals through the outsourcing of governmental duties. Similarly, Mayer notes that the entrepreneurial state is a favoured constellation for several political sides, inasmuch as “the Right finds it attractive because it involves voluntary action and workfare, allowing state shrinkage; the Left because it is ‘enabling’ people to exercise power for themselves; and the liberals because it emphasizes local community action” (Mayer, 1994, p. 330). Overall, what the above quotes capture is the tendency that neoliberalism as a political project have been quite successful in bringing together centre-left and centre-right political action, following similar imaginaries in urban policymaking.

So far a historical material perspective dominated political-economic theorisations in seeking answers for the post-Fordist change of society, not leaving any room to account for the role of discourse in shaping urban policies. As we move closer to the micro level of urban policies, fewer explanatory factors stem from the re-scaling literature in clarifying the everyday rationalities of individuals. Underlining the above, scholars stress that although the re-scaling literature was very much focussed on scalar changes and their effects on nation-states and regions, the level of individuals remained yet unexplored, suggesting that “microphysics of governmentality” and “questions around subjectivity” stayed out of the orbit of the scholarly works of the regulationist approach overall (MacLeod, 2001, p. 822 note 22).

As a counter-tendency to the domination of urban political economy approaches, the ‘cultural turn’ of the 1980s and 1990s affected urban political economists, who seriously considered the role of culture and discourses. The impact of the Los Angeles School advocated for the claimed condition of postmodernity that characterises today’s cities. New strategies in economic restructuring favoured culture as a means in many Western cities and elsewhere, challenging the pure material viewpoint of political economy and offering new subjects of inquiry. According to Ribera-Fumaz (2009), the cultural turn abandoned the question of uneven development, which has been so central to urban political economy, but also opened new ways of conceptualising the relation between the material and the cultural and the question of which one drives the other, in particular (Shields, 1999).

In urban political economy, the first reaction was defensive, in not incorporating cultural aspects in the analysis of turning from managerialism to entrepreneurialism (Harvey, 1989a) but yet again accepting the role of culture and accounting for its influence, as David Harvey did in *The Condition of*

Postmodernity (1989b). Harvey's former student, Neil Smith, later acknowledged the role played by culture as well: "it is important to realise that the production of scale is also a cultural event. Individual and group identities are heavily tintured by attachments to place at different scales" (Smith, 2003, p. 230). As culture has become a significant element of urban economic policies, urban political economists have also begun to more thoroughly consider the role of culture and discourses and how they take part in the promotion of urban strategies (Ribera-Fumaz, 2009).

The study of urban politics, although not as dominant as it had previously been, continued to dominate research in the 1990s and beyond; however, the reductionism of urban processes to economic materialism has been widely questioned with the arrival of the cultural turn (ibid.). Cultural actions have been placed in the centre of social science research, for example, as symbolic forms of resistance (de Certeau, 1984), or in questioning whether culture or economy drive the other (Shields, 1999). These critical considerations of the cultural turn helped to pave the way for a cultural political economy that attempts to find synergies rather than one-sidedly incorporating either the cultural in the economic or the economic in the cultural. Scholars who situated within cultural political economy hence reject both the universalistic attitude of political economy and the relativism of the cultural turn, through the acknowledgements of reality, with the limitation of our knowledge being situated and that social processes are inherently built up from material and semiotic practices (for a compelling overview, see Ribera-Fumaz, 2009, p. 458 Figure 1).

In addition, Jessop and Sum highlight similar concerns: in their quest for a theory that explores individual-level experiences of state re-scaling, they state that "political economy has an impoverished notion of how subjects and subjectivities are formed and how different modes of calculation emerge and become institutionalised" and call for an approach that "articulates the micro-foundations of political economy with its macro-structuring principles in an overall material-discursive analysis" (2001, p. 97). One reason for this growing interest towards softer explanatory research and the interest in scrutinising the role of individual actors originates in the transition from a Fordist and 'social' government towards a Schumpeterian 'work' government and the growing concern regarding subnational communities (Rose, 1996).

ENTREPRENEURIAL URBAN POLICIES AND CITIZEN SUBJECTIVITIES

Amongst the few who have touched upon the relationship between re-scaling and issues of perception, Swyngedouw (2005) draws attention not only to the 'hard' side of power but to all of its subtlety as well. With restructuring, the neoliberal agenda to withdraw the state can be considered a technique of government, but instead of the state losing powers, it simply reorganises its regulatory techniques outside of the state and onto 'responsible' individuals, expecting citizens themselves to become entrepreneurial. This process leads towards a state that is deprived of its former functions, whilst these functions

are transferred onto citizens and civil society organisations, thus redefining state–civil society relationships through new forms of ‘governance-beyond-the-state’ (ibid.).

In contrast to the Fordist period, subsidies that target economically backward areas do not necessarily deal with social problems anymore, but rather, they face pressure to make the most out of their market potential, to become more competitive and attractive, to be able to allocate more capital (Uitermark, 2002). Meanwhile, municipalities must face shrinking resources for public expenditure and thus became interested in innovative solutions in working together with social movements to solve neighbourhood problems of decay and housing needs. This was the era when the antagonistic relationship between local governments and citizen groups became more cooperative in nature, which revitalised the city through development programmes, wherein movements switched their approach “from protest to program” (Mayer, 2009, p. 364).

As a consequence, the 1990s welcomed a generous number of economic development policies based on the cooperation of community groups and neighbourhood residents, which pushed responsibility further down to deal with welfare-related struggles. The delivery of social services was coupled with integrated development programmes and public–private partnerships in urban revitalisation, all through legitimation via the involvement of civic groups.

The expansion of local political action called for a renewed role of voluntary groups, community organisations, and citizens alike. As partnerships between local governments and non-state actors flourished, this provided a continuous political and economic renegotiation of the future organisation of the public sector, through processes of bargaining, which attempted to affect objectives based on the ideas of each group and organisation (Mayer, 1994) and understand social change as not just coming from structural constraints and from above but from a competition below, from the local level, as well.

Third-sector organisations mushroomed in the post-Fordist period, carving out space to be included in municipal programmes and balancing profit orientation with survival whilst simultaneously aiming for the provision of alternative economies. As a consequence, the “role of the municipality has changed from being the (more or less redistributive) local ‘arm’ of the welfare state to acting as the catalyst of processes of innovation and cooperation” (ibid., p. 326), and it is engaging in various fields of public policy – ranging from infrastructural to cultural policies. Such urban interventions were built on emblematic discourses of city utopias where the citizen subject has taken a central position: popular academic books on the Creative Class paradigm (Florida, 2002; for a critical read, see Peck, 2005), or Smart City visions (March and Ribera-Fumaz, 2016; Cardullo and Kitchin, 2018) promoting neoliberal citizenship.

McQuarrie (2013, p. 76) highlights how civil society has gradually turned into a “political technology”, rather than being a “diverse and voluntaristic expression of noninstrumental values and altruism”. In other words, the usage of the third sector can be regarded as a possible substitute for

failing market mechanisms. As a consequence, blame often shifts from neoliberal governance towards members of civil society, who must compete for decreasing funding to tackle urban problems, create social cohesion, develop social capital in deprived urban areas, and so on (Somers, 2005). The most pessimistic views insist on the risks supposed by network governance for the functioning of representative democracy, as it empowers certain groups whilst disempowers others (Swyngedouw, 2005).

In the case of Europe, since the end of the 1990s, both academics and political actors have presented 'governance' instead of 'government' as an answer to the EU's democratic deficit. As a result of the emergence of a desired international norm, a 2001 white paper from the European Commission fostered good governance through greater participation, introducing the 'community method' and culminating in Article 8b on participatory democracy in the Lisbon Treaty. However, even if the construction of the participatory imperative became fact in the EU, its implementation remains quite vague (Saurugger, 2010). These network-based forms of governance are not strictly outlined regulations that define power relations and specific domains of participation (Hajer, 2003), but rather, they represent a scholarly understanding of a normative definition of 'civil society'.

Citizens (along with private companies or public-private partnerships) received the responsibility to act as prolonged arms of local governments, fulfilling an essential role in urban development. As multilevel governance arrangements spread across Europe (Tasan-Kok and Vranken, 2011) between organisational bodies such as the EU, nation-states, regions, or local governments, these new arrangements have been praised for their potential to counter top-down bureaucratic decision-making through more participatory and inclusive networks of various stakeholders via a more horizontal organisational structure, but they have received much criticism regarding implementation.

In this context, social cohesion became a key policy concern of European urban policies relating to inclusion, participation, and belonging and also served as a remedy to the destructive forces of capitalism, as market forces were proven inefficient to tackle regional inequalities induced by the increased competition amongst economic regions (Novy, Swiatek and Moolaert, 2012). The emphasis on citizen participation and the salience of community as a major concept (cf. Rose, 1999) in urban policy strategies marked the new era of combining bottom-up initiatives with top-down policies (Eizaguirre *et al.*, 2012), which introduced new institutional practices. Meanwhile, scholars argued that in the policy discourse of local governments, "concepts such as equality or social justice are replaced by an emphasis on belonging, inclusion, participation, recognition, legitimacy, governance, absence of conflict or co-responsibility" (*ibid.*, p. 2007). As Atkinson argues, nevertheless, "there is a great deal of talk about countering (urban) social exclusion and achieving social cohesion and solidarity", and the reality is that such goals have been an expression of neoliberal policies (Atkinson, 2000, p. 1039).

Contemporary European urban policies are thus shaped by many forces, such as the restructuring of the nation-state, globalisation – or the

neoliberalisation of public policies – and the unfolding of the “urban moment” (Beauregard and Body-Gendrot, 1999; Le Galès, 2005). The 2000s saw a deepening of polarisation amongst spatial scales, and reforms replaced welfare programmes with workfare policies, enabling economic solution as means to solve social problems and leaving movements to fight neoliberalisation alone (Mayer, 2013).

Even if the construction of the participatory imperative became a fact in the European Union, its implementation remains quite vague (Saurugger, 2010). These network-based forms of governance are not strictly defined regulations that clarify power relations and specific domains of participation (Hajer, 2003), but rather represents a scholarly understanding of a normative definition of ‘civil society’. Although the ‘urban moment’, with the focus on urban policymaking, enabled local actors to strengthen their positions against national politics, urban policies possess only limited capacities, as they mostly operate along a path-dependent line, wherein institutional norms and priorities are set by the nation–state (Marshall, 2005). In the final part of the theoretical chapter, I expand upon how this path-dependency can be better understood in the context of the EU and what consequences it holds for the constraints and possibilities of the organisation of state–civil society relationships in the peripheral regions of Europe, which have followed different development paths than their Western counterparts.

1.3 CAPTURING SPATIAL COMPLEXITIES: EUROPEAN PERIPHERIES AND THE QUESTION OF INTEGRATION

Exploring the particularities of how restructuring occurred in the advanced capitalist world allows us to better understand how more economically peripheral areas are shaped over time by scalar changes. Uneven geographical development has been a specific component to this – and is particularly vivid in the EU, where the 2008 global financial and economic crisis unfolded as a combination of the failing of the real estate sector along with the banking system, aggravated by increasing public–private debt. We have seen how the crisis took various forms; depending on the constellation of geopolitical integration and local characteristics, each particular country has experienced its own version of it, which exemplifies the context-specific traits of uneven development.

Despite the efforts of integration, the crisis has shown how divided the EU still is, with different traditions of civil society embedded within it. To better understand local state–civil society dialectics, the literature on social innovation (see Moulaert *et al.*, 2013) – similarly to cultural political economic approaches – aims to draw attention to individual-level experiences of state re-scaling. The literature builds significantly on the work of scholars dealing with re-scaling processes from a political–economic perspectives I outline above (cf. Oosterlynck *et al.*, 2013). The social innovation literature has been proliferating

in an effort to provide a critique to post-Fordist capitalist development and its negative tendencies towards increasingly market-orientated economic development, by calling for the revival of socially innovative action against exclusion and poverty (see for example Kazepov, 2005). Furthermore, the concept has been significantly scaled up to the EU level to reframe policies (European Commission, 2011). From 2010 onwards, the European Commission has initiated several actions to fund and build capacity for social innovation, by testing new policy approaches, sharing information, and supporting new initiatives and social agents through the European Social Fund and the European Research and Development Fund for the programming period of 2014–2020.

Even though significant interest has been focussed on social innovation in recent years, in my point of view, this is mostly useful as a semantical tool to point out two issues: the need to direct attention back to social inequalities at the expense of market-orientated development and second, to emphasise individual-level experiences and bottom-up civic initiatives, which the re-scaling literature lately has been relatively less successful in doing. Despite that the focus on agency-orientated endeavours is a welcomed and necessary effort from social science researchers, I consider it less fruitful to engage more deeply with the literature on social innovation for the comparative research I am conducting¹. The reason for this, which I outline below, is the sharp difference of the tradition of civil society development in Southern and Eastern Europe, both in comparison to the core countries of Europe and also regarding the difference between them. Employing the crisis as an analytical focus point, first I argue for a cultural political economy perspective to approach the different pathways of European states after the crisis. Then, by showing the different development paths of civil societies in Southern and Eastern Europe, I highlight why the normative understanding of EU policies on civil society (including social innovation policies) is insufficient to grasp post-crisis citizen mobilisation.

THE EUROPEAN INTEGRATION PROJECT IN LIGHT OF THE CRISIS

In Europe, Spain was one of the first nations to show signs of the latest crisis, with the burst of its housing bubble, followed by Central Eastern Europe, with a fiscal and private debt crisis. Hadjimichalis and Hudson (2014, p. 215) suggest that the crisis highlighted the need to go back to political–economic thought that considers the role of national states and EU institutions as “multi-scalar arenas of bitter power struggles” whilst also acknowledging emancipatory grassroots struggles across Europe as an element of looking forward. On a European level, top-down policies and bottom-up movements demonstrated an inability to reach a common solution to the crisis highlights a fundamental, but often unspoken, reality: namely, how global urbanism differentiates urbanisation processes from one place to another and how it relates to uneven

¹ For example, in Hungary there is little policy attention on social innovation, and the concept itself does not fit very well the structure of civil society. Participatory forms of service provision and the encouragement of grassroots initiatives furthermore receive barely any attention.

development. Seeing that the crisis evolved in such varied ways in the European core (Western Europe) and peripheries (Southern and Eastern Europe), a need exists to reconsider the position of European peripheries in the world economy, to be able to realistically interpret economic, political, and social turbulence occurring after the outburst of the crisis.

A fair amount of knowledge exists on how the crisis unfolded in the EU (Streeck and Schäfer, 2013; Jessop, 2015). Oosterlynck and González (2013) show that no evidence exists of rethinking urban development policies on a discursive level by analysing OECD and URBACT disseminations of knowledge about the crisis. Entrepreneurial strategies have been adopted since the crisis as well, although they do not show a change in direction, as the authors display in the cases of four European cities and their respective key decision-makers. The neoliberal European integration project, ending in the euro crisis, has cut back democracy's space significantly. In the name of common economic benefits, nations have sacrificed economic sovereignty and paved the way for a technocratic control, which reduces the opportunity for political parties, public opinion, and civil society to intervene in these processes. The crisis highlighted Europe's democratic deficit when European leaders tried to balance out the effects of the crisis with actions that targeted the protection of the euro, by protecting big banks or taking measures through the European Central Bank. Along with austerity measures of public expenditure cuts, raising taxes, or putting high interest rates on debt. The policy debate on solving the crisis became fragmented along national lines, unable to devise a common answer from European civil society (Pianta, 2013).

However, the crisis has also seen progressive movements and ways of vocalising struggles and provided solutions beyond formal institutions, capitalist logic, or antagonistic relationships of capital and labour. The state of social movements after the crisis shows a similarly uncertain direction regarding what to do and how to do it, fragmented along ideological lines. As Mayer (2013) observes, the fragmentation of movements stemmed from a particular intensifying trend. Polarisation and displacement were already quite divisive within cities, but this did not affect only the previously disadvantaged; youth, students, and middle-class segments have also been burdened by neoliberal measures, which results in diverse social groupings of radical autonomous leftist organisations, middle-class urbanites, precarious groups, artists and creative professionals, local environmental groups, and also the rarely present marginalised people of colour, who all occupy very different positions in the neoliberal city. Hence, these diverse groups were divided between being absorbed into creative and smart city policies, wherein responsabilisation was emphasised above political empowerment, and on the other side, urban outcasts, who were completely locked out of neoliberal crisis management. The crisis induced civil protests and a critique of capitalist arrangements all across Europe, although this critique has been varied and come from very different ideological lines.

Crises can be considered "real-time laboratories" (Jessop, 2015, p. 97) focussing on the variegated structuration of capitalism and how narratives and

discourses shape future urban developments when hegemonic understandings of political–economic operation are coming into question. As capitalist restructuring experiences path-shaping moments, discourses play a crucial role in mediating between material conditions and multiple interests: identities and institutions experience a re-politicisation, which opens up narratives of causes and solutions. Certain narratives are selected, whilst others rejected (cf. Jessop and Oosterlynck, 2008).

To capture the weight of these narratives, political–economic theories must be amended with the inclusion of topics on discourse and meaning-making (Sayer, 2001; Jessop, 2004; Jessop and Oosterlynck, 2008; Sum and Jessop, 2013) – to understand how economy and culture relates to each other, as well as why the crisis evolved in such varied ways in European states. The Marxist tradition of urban political economy did not leave much space for the analysis of ‘symbols’ and ‘culture’ (Le Galès, 1999), whilst several European scholars have further questioned whether urban political–economic perspectives can explain everything, as “cities change for many reasons, neoliberalism being only one of them” (Le Galès, 2016, p. 4).

Here, I do not refer to the negation of neoliberal urban development itself but rather counter the acknowledging of a narrow-minded view that neoliberalism is all-encompassing in explaining urban processes. Thus, the critical issue is to find ways to analyse changes and turbulence that occur during capitalist crises, to be able to better understand how political economy relates to discourse and identity formation and how they bring up new possible (either preferred or unwanted) horizons. Considering the above, the opening up of geographical uneven development with a focus on European processes allows a more thorough analysis of how the role of citizens in urban processes has changed: under what structural constraints and which narrative guidance. To do so, in the following, the positions of Southern and Eastern European societies are discussed in relation to larger European processes and the formation of the EU.

CIVIL SOCIETY DEVELOPMENT ON THE SOUTHERN AND EASTERN PERIPHERIES

In the 1990s, with the collapse of the communist East, the international geopolitical order experienced the repositioning of Europe as a whole (Jones, 2006), which gained even more momentum with Southern and Eastern European integration. From the very beginning, the European community aimed to achieve political integration through the reduction of economic disparities between the richest and poorest regions. The European Regional and Development Fund as created in 1975 to redistribute part of the budget to the most impoverished regions, which set the basis of EU Regional Policy and initially comprised less than 5% of the budget; today, it comprises nearly one-third (Parkinson, 2005; van den Berg, Braun and van der Meer, 2007).

Cities increasingly carved out their shares to challenge national urban policies and demand resources to deal with social problems as well as manage

new economic and cultural roles (Le Galès, 2005). The attention on cities grew over the years under the umbrella of regional policy, in parallel with the unfolding of post-Fordist restructuring. However, it was only in the 1990s that the EU began to frame cities as the concentration of both opportunities and problems of economic development, moving social polarisation and segregation to the forefront of debates on urban areas (Atkinson, 2000).

The new world order, after the hegemony of America, wherein Europe experienced a repositioning, resulted not in the disappearance of the borders but in the opposite: a similarly rigid structure formed from these changes. “As soon as the curtain was lifted between West and East, the borderline was hardened elsewhere: Europe was rebordered as ‘Fortress Europe’” (Leontidou, 2004, p. 607), which created a new narrative of the post-national European political culture. The dominant image of Europe today is very much based on the formation of the EU and its economic and cultural integration through institutional structures (Paasi, 2001). As Wolfgang Streeck defines it, the new polity of developing European nation-states resembles an “international order, controlled by intergovernmental relations between sovereign nation-states, that serves as a domestic order for a transnational economy” (Streeck, 1995, p. 31). The creation of the European economic space and the accession of Southern, and later Central and Eastern, economies were considered a resolution to the crisis of Fordism experienced within Europe, which enabled the core states to moderate their own crises by deepening the division of labour and relying on credit extension to the peripheral countries (Jessop, 2014).

Since the 1990s, European integration has targeted the enhancement of competitiveness in all European countries. Partly through Europeanising state functions, such as monetary policy, the EU “has developed into an interface that enhances regime competition between different national systems of governance” (Bohle, 2006, p. 65), which have been required to adopt all kinds of neoliberal measures, ranging from privatisation to cuts in welfare, to qualify for EU membership (Uitermark, 2002). One defining characteristic of this shift was the rationality of governments to place the responsibility of service provision onto organisations and communities, families, and individuals (Isin, 2013) rather than the state. With the 2004 European enlargement by the inclusion of Central and Eastern Europe, the regions of Southern Europe faced a low-cost, highly productive, and well-educated labour force (Hadjimichalis, 1994), and the two peripheries of Europe had to compete for their fair share in the emerging global capitalist order.

Furthermore, the EU conditionality significantly influenced policy choices and the facilitation of institutional models for the interaction of public sphere and civil society. Whilst the emergence of NGOs was a clear effect of Europeanisation², they represent not necessarily alternative cultures but rather a way to fund participation and social cohesion, by aiming to prevent conflict (Leontidou, 2010). The Western European answer to its democratic deficit

² Europeanisation is a rather contested phenomenon, without having a definite interpretation (Carpenter, 2013). Throughout the dissertation, I use the term to broadly describe the change in domestic policies and practices, reflecting the influence of EU institutions and actors. Furthermore, I consider it as an outcome of the post-Fordist turn (Jessop, 1994) and a by-product of state restructuring.

through participatory mechanisms and projects had unintended effects in its peripheries, with the development of ‘project societies’, wherein global discourses are utilised in local power struggles through the growing number of NGOs (cf. Sampson, 2003), in an environment where ‘weak civil society’ prevails – according to Western standards. Development via EU funds has created a divided society of “professionals paid at Western levels and accountable to Western funders on the one hand, and a public that neither understands the logic of projects nor cares for their goals” (Gille, 2010, p. 22), as Zsuzsa Gille eloquently explains in the case post-socialist societies.

Grassroots concerns in Southern Europe traditionally invented alternative strategies more from the bottom up, such as squatting and social centres, which spread beyond the Mediterranean as well. Early theorisations of civil society action therefore focussed more on radical and political mobilisations. Manuel Castells, having experience with the post-dictatorial Mediterranean, proposed a categorisation for citizen action that spread from “participation” to “protest”, with “urban social movements” as the highest possible action (1977). Similarly, Lefebvre adopted a normative approach to civil society action, introducing the slogan of the ‘right to the city’ in his seminal book. Theorisations rooted in these authors’ concepts of social movements have been partially replaced since EU integration with research that focuses on top-down decision-making, NGOs, and how social movements are connected to them, which describes how organised forms of a traditionally ‘strong’ and contentious civil society are marginalised in exchange for “stressing competitiveness and social cohesion rather than conflictual cultures and oppositional social movements” (Leontidou, 2010, p. 1181). Unsurprisingly, in the beginning of European integration, Southern European civil society has been notoriously considered as ‘weak’ and ‘underorganised’ (Hamann, 2003).

In the case of Central Eastern Europe, ‘weak civil society’ has been central to scholarly debate focussing on low levels of engagement, general passivity, and distrust of citizens. The Central East European region is characterised by a low level of participatory activism, which has alarming consequences for the advocacy potential of NGOs, interest groups, and social movements to be taken seriously (Petrova and Tarrow, 2007; Guasti, 2016). The reasons for this can be found in the European conceptualisation of civil society around the time of the fall of the socialist bloc. The victory of Western liberal democracies in the Cold War and the following European integration occurred in a neoliberalising policy environment, wherein NGOs had to fill gaps in diminishing welfare provision (Gagyi and Ivancheva, 2014). The professionalised, depoliticised, and external dependency of NGOs in the initial period of political and economic transformation contributed to the interpretation of civil society from a ‘Western lens’, through which it can only be regarded as weak and passive towards social grievances. Meanwhile, Gille (2010) argues that post-socialist cities experienced a ‘tyranny’ of participation, where “obligatory political correctness has eerie echoes of the communist past for most Eastern Europeans” (Gille, 2010, p. 22). Furthermore, the participation of citizens comes with high costs of invested time, education, and money and

hence is often regarded as an empty concept, as well as pressure to catch up with Western European ideals (cf. Melegh, 2006). Instead, some scholars highlight the strength of recent grassroots mobilisations happening from below, where ‘uneventful’ activism raises collaborative processes between activist groups and local authorities (Jacobsson and Korolczuk, 2019), creating trust amongst traditionally conflictive actors.

Therefore, the peripheral societies of the EU bear different traditions of citizen mobilisation over time, which do not necessarily fit the conceptualisation of a liberal democratic, Western ideal type of civil society, on which EU policies are majorly based. The analysis of the relationship between the state and civil society must be cleared from this Western lens and treated in their own contextual environments to produce research that can more realistically grasp the value of citizen participation.

TOWARDS A CULTURAL POLITICAL ECONOMY OF CITIZEN PARTICIPATION

Since the turn of the millennium, we have seen a countermovement against the hegemony of the Global North in academic endeavours. Beginning in the early 2000s, attention turned towards the rapid urbanisation processes of the Global South, as a response to the prior interest in world city theories and Sassen’s *The Global City* (1991). The postcolonial critique of urban theory called into question its universality, through significant contributions from the cities of Global South (Robinson, 2006; Roy and Ong, 2011). Roy (2009) argues for considering new geographies of the South and incorporating them into the production of urban theory, whilst Robinson (2011) offers a ‘comparative gesture’ to avoid a priori theorisation based on cities of the Global North. However, the manifesto for breaking the hegemony of Western theory does not include Southern and Eastern Europe, which are nevertheless similar victims of universalistic theorisation. Much too often, the Global North functions as a vantage point from which to theorise cities from elsewhere, which causes the failure to comprehend the linkage of urban processes with broader global economic developments and restructuration that lead to core–periphery relations and uneven development within the world economy.

Regarding Southern and Eastern European cities, two problematic areas emerge from these current theorisations. The first considers the common misconception that the EU comprises a unified whole, wherein the integration of Southern and Eastern peripheries ended with their accession and subsequent years of economic adjustment, and second, in relation to mainstream understandings, the role of theorising global urbanism, where much too often, Western theory guides the framework for these diverse, more peripheral regions. My understanding of cultural political economy as a theoretical and methodological tool aims to counter these arguments in particular by considering the combination of structural constraints and dependencies, together with local specificities of the cultural production of narratives.

Bruszt and Vukov (2015) contribute much to this argument in investigating how the peripheries of Europe have experienced a different

developmental path, not just from the core European countries but also from each other. They explore state restructuring and the different underlying developmental paths that have caused diverging patterns for both Southern and Eastern European countries. Considering the role of EU in steering these paths, the authors suggest that “rather than assessing these strategies and their divergent outcomes simply as a success or failure we suggest that each of these pathways thus far represents different developmental dilemmas and poses different challenges to further state restructuring in Europe’s peripheries” (ibid., p. 86).

Closely related to the above, it is important to assess how the enlargement of the EU has affected processes of urban policymaking and what divergences can be drawn from the understanding of development paths in Southern and Eastern cities. Thus, the question is not only how the integration process has affected state–civil society relationships and the process of institutionalisation but also how it has permeated the possibilities for countering such processes. In other words, although the primary scale of inquiry may have shifted to the urban level in urban studies endeavours, it is important to consider how other scales exert a structuring effect on what essentially becomes the urban, and vice versa.

Finally, to revisit the conceptual debate on citizen participation, material and symbolic factors are decisive in interpreting the boundaries within which these debates occur, as well as which meanings are attached to different practices, both morally and politically. In the following chapter, I outline my approach towards doing cultural political economy as a methodology to investigate the ontological and epistemological questions about citizen participation in urban regeneration.

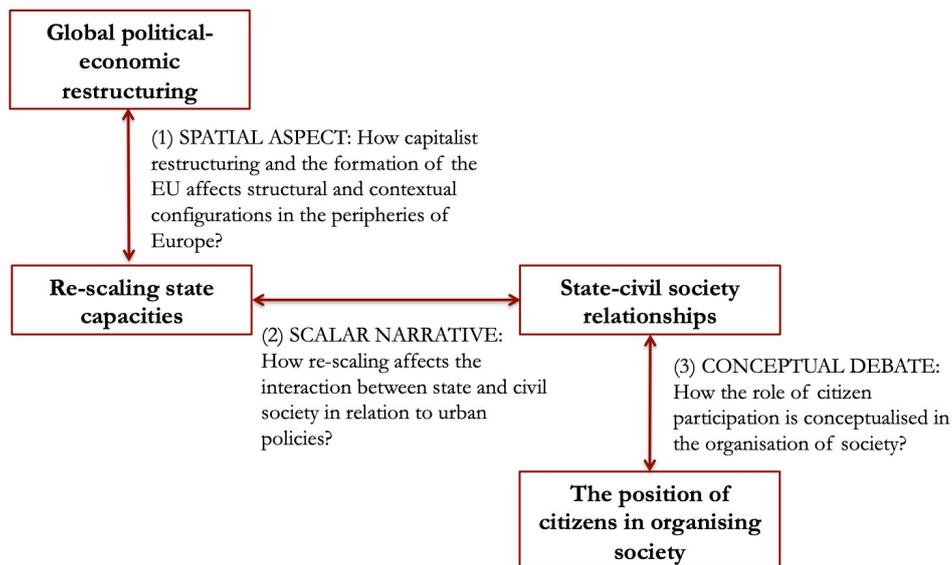


FIGURE 1 – Outline of the conceptual framework. Source: author

CHAPTER 2

DOING COMPARISON. POLITICAL ECONOMY AS METHODOLOGY

Critical methodologies can be considered peculiar from one specific point of view: to advance knowledge presupposes the inclusion of a particular set of values in the research. In critical social research, “knowledge is a process of moving towards an understanding of the world and of the knowledge which structures our perceptions of that world” (Montgomerie, 2017 Chapter 1), knowing that a neutral, or value-free, and unbiased analysis is not possible; nevertheless, this is equally challenging. According to Montgomerie, exercising political economy as a methodology lies somewhere at the intercept of choosing a particular method, theory, and epistemology (ibid.) that consider a holistic understanding of social processes.

Although my research is anchored in the urban level, it complements the importance of acknowledging a multi-scalar understanding of social change. Taking the case of citizen participation as form of social practice in urban regeneration, the research goes beyond the unearthing of urban interactions and aims to follow these practices in time and space, by connecting with both structural constraints and cultural traits that shape the conditions, processes, and outcomes of such practices. In doing so, a comparative analysis can accentuate these structural and cultural cleavages, evaluating their dynamic and relational nature. Barcelona and Budapest provide rich empirical examples for pointing out the above, whilst taking the crises of capitalism as points of departure in coming up with common solutions serves the aim of the inquiry.

First, I underline why I chose to do a comparative study and how this relates to the balance between creating generalisable theories and capturing the individuality of cases, followed by the explanation of my choice to base the research on the combined analysis of material and cultural phenomena in the development of the fieldwork, by adopting a reflexive strategy and breaking the duality of material and cultural ontological debates, and how my theoretical considerations led to the choice of method. Furthermore, I open up the concepts of state–civil society relations, scales, and the crisis as a turning point, as these three aspects are the building blocks for interpreting my findings. Moreover, I explain my choices on the selection of case studies for the research and close this chapter with a reflection on the fieldwork experiences.

2.1 THE GENERALISABILITY AND INDIVIDUALITY OF CASES IN COMPARATIVE RESEARCH

Recent years have witnessed an emerging call for a comparative turn in urban studies (Ward, 2010; Robinson, 2016) to explain and develop theories on sociocultural phenomena occurring across various levels of analysis, be they global, national, or urban. This emergence can also be considered a quest for combining different ontologies that focus on either material or cultural aspects of social change. Since comparative analysis disappeared more or less amidst the cultural turn of the 1990s – or at least was lost from significance – the current return of comparison as method in my point of view translates into the resurfacing aim of focussing attention on structural conditions that define social processes similarly all over the world (aiming for generalisations), but nevertheless without losing the subjective approach to meaning-making and discourses (emphasising individuality). The “intellectual zenith” of comparative studies occurred during the 1970s–1980s, when Marxist social science provided overarching interpretations of changing global processes, giving way to theories of urban political economy, in addition to new schools of urban social sciences (Ward, 2008). Thus, the current resurgence of comparative approaches recognises the need to both return to the purpose of creating generalisable observations, pointing outward from the postmodern individuality of cases, and be able to produce narratives that explain the connectedness of social processes along spatial and temporal fault lines. As such, globalisation has brought the topic of uneven development into focus, wherein the changing nature of cities has been accelerated by “time-space compression” (Harvey, 1989b), making the many cultural milieus layer over each other in one place.

Now, it is important to mention that despite the generalisability of all-encompassing political–economic theories, places bear particularities which must be acknowledged by a relational approach to global processes. As Massey argues on the power-geometries of place, “contra some of the debate within cultural studies, globalisation does not entail simply homogenization. Indeed, the globalisation of social relations is yet another source of (the reproduction of) geographical uneven development, and thus of the specificity of place” (1993, p. 69). In concrete terms, urban political economy dealing with uneven development and cultural approaches exposing the particularity and individuality of cities actually represent two sides of the same coin, wherein cities are nodes of both global and local processes. The individuality of cases nevertheless is important in pointing out how the structuring effects of global processes produce different pathways of localities through comparative case studies. An individualising comparison (Tilly, 1984) can thus find variation and expose particular outcomes of the intertwinement of economic processes and political decisions, without the aim of building universalising theorisations.

From a methodological point of view, there are two relevant issues to add here about the generalisability and individuality of cases. Amongst the first scholars dealing with the methodological considerations of comparative social sciences, Bendix argues that doing comparison is “an attempt to develop

concepts and generalization at a level between what is true of all societies and what is true of one society at one point in time and space” (1963, p. 532), referring to the possibility to develop meso-level theories. Second, comparison must consider context specificity, accepting that the objects of analysis are “strongly path-dependent insofar as many of its characteristics may be reproduced, reinforced and even locked in through the process of historical development” (Brenner, 2004, p. 455).

Following the path of such individualising comparison (Tilly, 1984), my aim is to propose a contrast of a specific phenomenon in two cities to grasp the particularities of each case, namely, to explore the distinct effects of global processes in particular places. Therefore, the current comparison focuses on historical development that can explain the emergence and favouring of citizen participation in urban regeneration practices, by limiting the analysis to the European scale, to unfold how the varying contextual characteristics and pathways of development imbue the meaning-making of such practices. Without the aim of posing law-like causations or comparing cases to an (imaginary) Western European norm, I focus on certain conceptual tools: state–civil society relationships affected by global processes, the various scales in which these relationships unfold, and the crisis as a path-shaping moment to catalyse change in these relationships. These certain spatial and temporal characteristics may influence the capability to form a critique towards capitalist development, the promotion of specific practices, and the way and type of interaction between actors. For these reasons, the research is designed not to examine precisely the same elements of case studies but rather to adjust the research questions to what makes sense, adopting a relational comparative approach that can ‘theorise back’ to the “increasingly neoliberalizing interconnected and interdependent world” (Ward, 2010, p. 482).

2.2 COMBINING MATERIAL AND CULTURAL APPROACHES

For following a combination of material and cultural approaches, I rely upon Montgomerie’s book *Critical Methods in Political and Cultural Economy* (2017), which is based on the principle of understanding political economy as methodology, not merely as discipline. I found the book greatly useful for reflecting on how my method has manifested, as it expresses the particular approach I intended to adopt for my research. Political economy as methodology provides the opportunity to treat macro-economic processes as structural forces whilst also interacting with micro-level identity formation and meaning-making of everyday practices. The methodology advocates for the foundations of a thorough comparative analysis, by (1) emphasising a reflexive strategy by the researcher, (2) resolving the material–cultural ontological duality problematic, and (3) opening ways for theoretical and methodological

considerations. In the following, I briefly outline the importance of these three aspects in forming a methodological approach.

Adopting an iterative reflexive strategy (Montgomerie, 2017 Chapter 4) for research helps to take advantage of the narration of key moments that inform the argument of gained knowledge as well as point out defining elements and how these emerged from the fieldwork. During my investigation of post-crisis urban policies targeting citizen participation, I was interested in the economic and political contexts in which these practices were situated. Epistemologically, I consider these policies to be outcomes of specific structural issues that are translated into political problems, as well as results of how the state narrates these problems and how their solutions are mediated. In this way, micro-level discourses and narratives can be linked with macro processes and be able to offer a historically sensitive framework in analysing both the concrete and its narration.

In my understanding, the first steps in research are locating the subjects of analysis and then exploring how their environment constraints or shapes the possible articulation of solutions to that matter. Bob Jessop (2004) offers a research strategy, upon which I have also based my approach: in cultural political economy, he suggests moving beyond the subject/object dichotomy and, instead of separating meaning-making and social relations, considering them co-constitutive. As my theoretical grounding has already articulated (see Chapter 1), I aim to follow this epistemological quest throughout the whole research. By examining different scales, I locate how structural forces constrain the possibility of pathways and how the meaning-making of turning points such as the financial and economic crisis of 2008 can be considered a path-shaping moment in a narrative sense. Therefore, the object of my research is to understand the consequences of the intertwinement of these two processes. Whilst structure matters for identifying the material conditions of a given subject of analysis, cultural aspects such as discourse and narratives prove useful for pinpointing the desired directions towards or away from these structural realities.

To do so, maintaining critical reflexivity is essential to find synergies in materialist and postmodern ontologies, by adopting a pluralist methodology (Montgomerie, 2017) wherein the task is to comprehend the puzzles of contemporary global processes. Cultural political economists aim to reintroduce topics of discourse and identity formation to enrich political economy, without reducing everything to discourse, by acknowledging the co-constitutive nature of the two. Furthermore, it represents a critical self-reflexive approach that always considers the historicity and contextuality of knowledge, meaning that “political economy should continue to emphasise the materiality of social relations and the constraints involved in processes that also operate ‘behind the backs’ of the relevant agents” (Jessop and Sum, 2001, p. 94). In summary, the research agenda of cultural political economy addresses several questions around how certain means of economic regulation become hegemonic despite instability, how actors and their modes of calculation are constituted, how actors interact to produce these means, what discursive practices affect the

hierarchisation, whether consolidating narratives are excluded or included, how counterhegemonic forces create new subject positions and strategies, and finally, how discourses remain balanced despite unstable spatio-temporal fixes (ibid.).

In summary, a pluralist, critical self-reflective approach takes its ontological building blocks from both the cultural turn and political economy. It understands the world from a pluralist perspective (as opposed to the universalising nature of political economy) and states that knowledge is situated, which breaks the dichotomy of whether knowledge cannot be, or is inherently, universal (Ribera-Fumaz, 2009). As a post-disciplinary approach, cultural political economy's borders are not clearly defined. Nevertheless, it can demonstrate how to transcend the currently antagonist ontological approaches with the aim to adopt a new perspective on contemporary social processes.

Finally, a pluralist approach suggests that sociocultural phenomena embedded in capitalism are constantly shaped or remade by institutions, structures, ideas, and cultural practices, with which we must engage empirically, and it thus offers a "human-centred ontology (the social world is made of human understandings of it) and epistemology (knowledge is structured by existing sets of social relations) in which methods provide the evidence that makes visible these prevailing social processes" (Montgomerie, 2017 Chapter 1). To grasp how the relationship of state and civil society to each other – and also to global processes – has changed, I aim to consider three different scales of analysis. As the subject of my analysis focuses on post-crisis urban regeneration policies combined with participatory practices, wherein citizens are invited to cooperate and which occur on an urban level, I aim to understand both more micro and macro processes relating to their emergence. For that reason, I first examine macro-level structures and economic and political embeddedness in global capitalism from a relational spatial perspective and next, individual-level realities and interpretations.

With respect to the above, in the next section, I expand upon the key concepts that facilitate the empirical investigation process of the movement of the research, namely, citizen participation in light of state–civil society relationships, the importance of scales, and the crisis as a framework of turning point for conducting empirical fieldwork.

2.3 KEY CONCEPTS: STATE-CIVIL SOCIETY RELATIONSHIPS, THE MATTER OF SCALES, AND THE CRISIS

In seeking to interpret the relationship between the state and civil society, we must acknowledge how modes of regulation (institutionalised processes of norms and habits) intricately relate to capitalism and its tendency towards crises. In the present section, I solidify the definitions of key concepts I used

during the empirical fieldwork to guide my attention towards important aspects of understanding participatory practices in the post-crisis period in Barcelona and Budapest.

First, I discuss (1) how citizen participation fits into conceptualisations of state and civil society relationships. Second, I further examine (2) the question of scales and how this gives depth to the analysis by providing a framework for urban phenomenon. Lastly, I express the importance of (3) the crisis as a path-shaping moment in interpreting capitalist development and the root causes of grievances, as well as how it signals an important event that can function as an event for analysing state–civil society relationships.

Starting with citizen participation, I first offer a short explanation of how I define the concept. In my understanding, it broadly relates to containing every action wherein members of civil society (civic groups, communities, neighbourhood associations, NGOs, non-profit organisations) aim to influence public decisions or can be considered an element of the decision-making process, whether from a grassroots or top-down direction. This also implies that civil society has a certain relationship with the representatives of the state, either consensual or conflictual.

Civil society is a more problematic concept, and I dedicate some explanation to my understanding of it and how it relates to the state. The meaning of civil society has a long tradition and has changed considerably since its initial European Enlightenment understanding, when it was more about private interests, something independent from the state, and signified a self-conscious social group whose influence was slowly rising. Whilst one stream of research understands civil society in this manner even today, another stream developed that frames civil society as an emancipatory social force, distinct from the state and capital as well. Antonio Gramsci defines civil society as a container of both, leaving the question open whether it serves the sustainment of the ruling classes' hegemony or withholds the possibility of counterhegemonic action.

In the *Prison Notebooks* (Gramsci, 1971), civil society sometimes refers to the famous equation that the state is constituted of political society and civil society, yet in another part, it appears as the basis upon which a new order can be built (Cox, 1999). To stretch that thought, the concept of civil society was, and is, torn between its top-down nature, wherein dominant economic forces create a stable hegemony, and its other vision, offering bottom-up mobilisation that can displace this specific hegemonic order.

Today, civil society is instead understood as an autonomous group independent from both corporate powers and the state, which appropriates the definition by the group of scholars who consider it as an emancipatory power (ibid.), either rightly or wrongly. Nevertheless, it can still be regarded as a reflection of the dominance of the state and economic power as well, making agency for stabilising the social, political, and economic status quo. Thus, civil society is understood as “an arena of (at least potential) freedom outside the state, a space for autonomy, voluntary association and plurality or even conflict, guaranteed by the kind of ‘formal democracy’ which has evolved in the West”

(Wood, 1990, p. 63). This formal democracy that Wood discusses provides the source of legitimation for state–citizen relationships, wherein legitimacy, according to Purcell (2002), comes from “mutual expectations”; analysing this political relationship helps us better understand the state’s expected and fulfilled roles in regulating the market. In today’s growing inequalities between the rich and poor and recurring crises of capitalism, legitimacy can become unstable, or even reach a breakdown, when it must be renewed on different foundations.

In summary, I understand the relation between the state and civil society in a Gramscian sense, wherein citizen participation can both act as a political tool for state repression and also maintain the possibility to act as an emancipatory power. It would make no use to reduce it to one or the other on a conceptual level, but analysing different scales and how this relationship functions at each level helps us unravel which mutual contracts bind both the state and its citizens.

In terms of scale, the state and civil society both represent themselves through complex spatial configurations and intersections, meaning that the national, urban, and local levels all relate to each other and influence perceptions and encounters. However, as my interest resides in policies implemented at an urban scale, I focus on the broader and narrower contexts as well, as I find it impossible to detach urban processes from other scales (cf. Swyngedouw, 2004).

Therefore, I follow the connections with these policies on different scales: a supra-urban level, regarding how changes in the world economy have influenced national policies, and how state restructuring since the transition process in both Spain and Hungary have contributed to the current contextual characteristics of state–civil society dialectics. States play a key role in the global economy as agents of adjusting national economic policies to fit the rules of the game for global processes. As Cox (1999, p. 12) argues, “competitiveness in the world market has become the ultimate criterion of state policy which justifies the gradual removal of the measures of social protection built up in the era of the welfare state”, following neoliberal hegemony’s pressures.

On the urban level, my aim was to explore the development of citizen inclusion in urban regeneration policies since the transition period of the 1980s and 1990s in Spain and Hungary, respectively. Akhil Gupta (2006, p. 214) brightly details the nuances of the interaction of local state and citizens in a small village of North India, noting that “everyday interactions with state bureaucracies are to my way of thinking the most important ingredient in constructions of ‘the state’”, which does not treat the local level as a coherent, unproblematic unit and instead emphasises that the ‘state’ comes to be constructed through these encounters as well.

Lastly, on an individual level, I attempted to treat everyday experiences as reflections on global processes, by stating not that they have direct linkages to global processes but instead that identities and perceptions of the world do have a structuring effect on the context in which practices are conducted. It is difficult to identify these everyday identities based on a ‘class’ perspective, as it

becomes fragmented through different identities of race, religion, gender, and so on, but the problem remains whether these fragmented social groups can form a counterhegemonic force by their mutual understanding of grievances and finding ways of cooperation (Cox, 1999).

Turning to my final guiding concept, crises are important elements of political–economic analysis of change and the subsequent possible restructuration as path-shaping instances. Many scholars have previously dealt with questions of social change under the cycles of capitalism and Western domination (Wallerstein, 1976; Arrighi, 1978; Harvey, 1982), reminding us that crises are inherent elements of capitalist development. I consider crises a momentous temporal occasion that opens up discussions of possible future scenarios, first making a cacophony of interpretations, then acting as a catalyst to alternative political aspirations.

As the crisis in 2008 spread across the globe, debates focussed on how and if capitalism had been questioned, transformed, or become immune to criticism. As a corollary of the crisis, citizen participation has become a visible and politically significant issue, key in determining how cities respond to local problems and wider global challenges, both on a temporary and more permanent basis. Therefore, it is necessary to focus research on how different actors mobilise, whether they provide criticisms of capitalism, and in what ways. Nevertheless, as Le Galès (1998) notes, a comparison that wishes to focus on political aspects must attribute lesser importance to the issue of the economy if the analysed cases are both capitalist societies. Therefore, the focus should be on not the economy itself but the mode of regulating the economy, with an emphasis on the states, institutions, and interest groups' involvement, to better grasp how these societies are run.

2.4 JUSTIFYING THE SELECTION OF CASES

The choice to study Barcelona and Budapest for my fieldwork was a combination of accidental and planned decisions. The choices we make as researchers are influenced by bias (whether conscious or unconscious) that serves as the basis of intellectual work. This bias involves our interest in social phenomenon and a particular perception of the surrounding context of that phenomenon. My selection of case studies became part of this iterative process.

In the first place, my decision to explore the Southern and Eastern European contexts stems from a timely problematisation of Anglo-American literature on the theorisation of cities, which I briefly explain above in the theoretical outline of the dissertation, namely, that neoliberalism has become an omnipresent notion to explain urban change and development. Nevertheless, Le Galès (2016) raises the valid question of how much the neoliberalisation of cities can answer the development of urban policies, and to what extent. The crisis showed the different paths European states chose, which necessitates

attention to the details of uneven development and development trajectories other than tradition liberal democracies.

Following this line of thought, I decided to focus on one city from Southern Europe and one from Eastern Europe – each country representing the EU enlargement process of the 1980s and later on 1990s respectively – to compare their responses to the crisis and how capitalist restructuring affected these two peripheries of Europe differently from the core countries, along with the analysis of their different responses compared to each other. I find it very fruitful to compare cases that are similar in their positions relating to the core countries of the EU but have been part of different enlargement phases and thus carry different historical contexts and political pathways.

Finally, the empirical fieldwork has been conducting in two European cities, Barcelona and Budapest, for three reasons. First, the research attempts to understand how the inclusion of civil society is enacted through various programmes and policies in different contexts and determine whether a similar pattern in discourses and practices, compared to Western-generated social theories and examples, exists.

Second, although institutionalised practices of citizen participation in Europe have been described before regarding more elaborate policies – mainly in the UK, the Netherlands, and Germany, and particularly on vacant space reuses (Haydn and Temel, 2006; Bishop and Williams, 2012; Oswalt et al., 2013) – little exploration of the processes has occurred in more peripheral contexts, such as Barcelona and Budapest. I aimed to extend the literature with examples of the first experiences of policy formation on the reuse of municipal vacant and underused sites in these more ‘marginal’ cities in terms of the European debate.

Third, the two cities provide different contexts for analysis, both being relatively young democracies – Barcelona as a post-authoritarian Mediterranean, and Budapest as a post-socialist Eastern European, city – which greatly differ from the mainstream Anglo-American literatures and meta-narratives of neoliberalising cities.

The empirical outline for the study of Barcelona and Budapest has been divided into three primary chapters that respond to my theoretical conceptual framework explained in Chapter 1. My scope of analysis began in both countries from the system change period, when Spain turned from Francoism to democracy, and Hungary from state socialism to democratic capitalism. I intended to grasp the effects of embedding into the global economy and to the EU, to see how structural and cultural forces shaped the position of civil society, and what constellations set the pathways of post-crisis directions.

Here one note must be given in relation to the analysis of scales: since Barcelona and Budapest are differently embedded in governance hierarchies, on certain occasions, I emphasise the national level, and in other cases, the urban level of governance, as logic dictates. For example, as the regional government of Catalonia acts as an intermittent level between the national and local governance, I refer to policies made on that level as well. On the other hand, in Hungary, national-scale politics are much more decisive in explaining urban-

level phenomena, due to the lesser independence of local levels from the central government's decisions.

On the urban level, I follow these dialectics of state and civil society, with a focus on urban regeneration policies. I was interested whether citizen participation in urban regeneration resembles similar patterns to the restructuring of state–civil society relationships, and how different answer has been given to the crisis considering urban development. The projects and practices of my fieldwork cover different timelines of when the analysed policies were implemented, in the period from 2012 in Barcelona, and 2013 in Budapest onwards.

Finally, on the individual level I explored social agents related to the analysed policies and their political subjectivities to better grasp the power hierarchies and post-crisis rationales over the value of citizen participation. The crisis as a turning point here supported my empirical questions on everyday rationales and identity formation in relation to global processes, and the translation of possible pathways under given circumstances.

TABLE 1 – Outline of the analytical framework.

	CHAPTER 3: Peripheries of Europe in transition	CHAPTER 4: Dialectics of citizen participation in urban regeneration policies	CHAPTER 5: The manifold meanings of participation
Scale	National	Urban	Individual
Main focus	Position of civil society	Balance of power between public sector and civil society	Political subjectivities and social agents of participatory practices
Subject/object of analysis	How the restructuring of the state affected the role of civil society in decision-making processes in Spain and Hungary	The role of citizens in urban regeneration policies, the dialectic of local governments and citizens	The conceptualisation of the social value of citizen participation by the various social agents
Crisis as a focus point	What were the underlying structural and contextual factors directing the pathways of Barcelona and Budapest	The implementation of participatory vacant space reuse policies initiated by the city council after the crisis in Barcelona and Budapest	How post-crisis rationales and everyday identities relate to global processes and the effects of restructuring
Data sources	Literature review of macro-structural changes, government documents, statistical data, semi-structured interviews with experts	Policy reports, documentation and websites of projects, press articles, blogs, interviews with local government employees and participating citizens	Semi-structured interviews with local government employees and participating citizens

2.5 REFLECTION ON THE FIELDWORK

Methodologically, this study emerged from a qualitative approach based on semi-structured interviews and non-participatory observation of city council policies that offer a public competition for citizen initiatives to reuse municipally owned sites. Besides the interviews, I relied on an extensive literature review to build my conceptualisation of the research and counted on numerous governmental documents, newspaper articles, and statistical data to develop my empirical arguments.

In Barcelona, I was conducting interviews for a project even before my research outline reached a final form. This project was Pla BUIITS (BUIITS is the acronym for Vacant Urban Spaces with Territorial and Social Involvement), the public competition for the reuse of vacant and underused urban sites in Barcelona. The research was exploring practices that provided alternative approaches to post-crisis resilience in the Catalan capital, and Pla BUIITS was one of the analysed policy initiatives. This work eventually emerged in a book chapter (Bródy et al., 2018), and the project ultimately became a part of my dissertation as well. The research stay offered me a unique opportunity to get in touch with the Urban Planning Department of Barcelona and get to know some key actors who could inform my future path in developing the research. I had the opportunity to analyse 15 additional interviews due to the Pla BUIITS research, which were conducted at an earlier stage of the same project. Hence, I gained some insight into the changes that also developed throughout the years.

After the non-participatory observations and field visits to the projects, I started conducting interviews, and in the end, I collected 20 interviews with various actors: experts inside and outside of the government or those who had been included in the implementation of the projects, municipal employees at different levels, citizens, NGOs, and activists who either participated in or opposed the implemented practices.

Apart from the conducted interviews, I set meetings with scholars and researchers to gain a more analytical view of the city, with which I was not previously familiar; hence, I was very aware that I needed to be conscious about what I would write in the dissertation and my level of bias, based on this brief encounter with the city and its citizens, compared to other scholars more embedded in the context and possessing greater knowledge on the city, considering especially linguistic barriers that narrowed my accession to the field.

Interestingly, I felt as if I arrived in a similar situation in Budapest when I began to conduct my research. I had already not been living in the city for a couple of years, and since my studies in urban sociology and an analytical view of the city were developing during my years abroad, after all that time, I experienced a detachment from being involved in the everyday dynamics of Budapest. Although I was very much aware of the context and more sensitive to nuances than in Barcelona, I felt I could have an 'outsider's view', as I was not part of the academic environment and everyday debates in Budapest.

Other than that, my method was similar to the one in Barcelona. I managed to get in touch with the municipal employees responsible for the implementation of the programmes, and I was introduced to the topic in much more depth after I met some of the managers of the projects through an informal workshop in the Urban Planning Department of the city relating to the topic I was working on. I received 15 secondary interviews here, as well as in Barcelona, which were done at an earlier period as a follow-up of the project development. Besides these interviews, I conducted another 20 main interviews with various actors: experts, municipal employees, and formal or informal citizen groups.

In total, I conducted 70 interviews, of which 40 served as primary source for analysis and an additional 30 were provided by the city councils, which contributed to finding further layers for my understanding of the policies. The main interviews were conducted between May 2017 and March 2018, and each interview consisted of a semi-structured informal talk lasting between one to two hours.

A notable experience emerged in the two cities during my interviewing period. Because in Barcelona I was not considered a local, my interviewees usually began their explanations from the very beginning, by describing Catalan culture and habits, as well as the city developed, and explaining mundane everyday identities and perceptions to help my understanding, even though I was familiarised with many of these issues during the months I stayed there. I believe this affected the interpretations I received, as my interview subjects might not have gone into as much in depth of the problematic in some cases as I would have liked them to do. On the contrary, in Budapest, all of my interviewees treated me as I had never left the city and had always worked in the field with them. Usually, interviewees in Budapest started in the middle of the problems they experienced, and sometimes I had to follow up on conflicts or occasions that were considered crucial in their perspective but of whose nuances I was unaware of, as I have been absent.

To conclude, the interviews provided in-depth insights and important considerations to reflect upon in the empirical chapters. As usually occurs, we find theory and reality mismatched. Consequently, the development of the thesis was part of an iterative process of adjusting the theory and empirical research to each other.

CHAPTER 3

PERIPHERIES OF EUROPE IN TRANSITION

In this chapter I turn to the analysis of the underlying macro-structural and contextual factors that have shaped state–civil society relationships in the development of urban processes in Barcelona and Budapest. To understand which external forces shaped internal dynamics, the chapter examines the period stretching from democratisation to the latest financial crisis and its immediate aftermath. To reveal patterns of path-dependency, political–economic configurations are explained in relation to the position of civil society in decision-making processes, which aims for an explanatory link between structural forces and cultural traits.

Belonging to the EU has a specific normative role in managing the involvement of citizens in urban public affairs. However, Barcelona and Budapest bear their own traditions and historical development, which advanced previous to their accession, and to which EU membership either complemented former regulations or provided new ways of institutional settings (regarding the specificities of inclusive processes of citizen participation in urban regeneration, turn to Chapter 4).

Whilst the first years of democratisation can be regarded as the deep-rooted origin of the ‘new normal’ for the position of citizens in the organisation of society, the changes in global processes bore just as much weight in the shaping of that very same position. The treatment of Southern and Eastern peripheries of Europe as the backyards (Jacoby, 2010) of the EU’s economic space caused considerable constraints in policy choices for the states. This ultimately created a context in which neoliberalisation accelerated through uneven development, the culturalisation of economic policies, and entrepreneurial strategies of political–economic elites.

I argue that although the EU played a unifying role in Spain and Hungary in expectations of economic transformation and adjusting to international competition, the narratives attached to Europeanisation, as much as the development of state–civil society relationships, have followed opposing paths in the two cases, leading to different institutional arrangements. These differences came to the fore with the arrival of the crisis, bringing particular grievances to the surface, which consequently resulted in distinctive answers to the crisis. In both cities, political turmoil invoked a popular backlash against neoliberal capitalism and called for a profound reorganisation of society.

To unfold the specificities of such diverse outcomes, I highlight similarities and variances in the transition period from authoritarian rule to market principles and configuring democratisation, with a focus on institutionalising state–civil society relationships and traditional characteristics

of civil mobilisation. In both Spain and Hungary, the role of the European integration project is analysed to grasp how the two countries had been developing up until the 2008 crisis and how an increasingly neoliberalising global economy affected the arrangements and policies of the transformation period. Furthermore, I aim to draw attention to the outbreak of the crisis and its consequences – how it rolled out and what changes it implied in terms of political discourses and narratives in national and local politics – by examining the role that civil society played in dealing with the effects of the crisis. Moreover, I unfold how it corresponded with the trajectories of the period of democratic institution-building processes.

3.1 DEMOCRATISATION AND THE EUROPEAN INTEGRATION PROJECT IN SPAIN AND HUNGARY

The change to democratic arrangements was undoubtedly a tumultuous period for both Spain and Hungary. Within the context of a generally optimistic mood, the countries experienced critical transitions in several sectors, and the vision of liberal democracy silenced the warnings of the possible losers of the game. Although both Spain and Hungary embody the periphery of Europe, Bruszt and Vukov (2017) argue that the formation of the EU did not have a unitary effect in the development of state capacities.

In the South, the emphasis was on setting incentives by central governments to adjust to the rules of the common market and the increased competition that occurred with the free movement of capital and labour. Whilst for the South, participation in the European Monetary Union (EMU) required institutional and economic policy adjustment, for the Eastern states, state-building capacities were top priority; the EU directly monitored the keeping of the requirements of a liberal developmental state that could regulate market order and maintain the economy by the regulations of the EU. Therefore, state restructuring in the East concerned building the right institutions rather than focussing on incentives. Moreover, the EMU shielded Southern Europe from the pressures of opening for the international market to a greater degree, contrary to the East, where states had to develop policies that increased competitiveness in transnational markets to ensure that the economy would not collapse after the accession to the EU market (Bruszt and Vukov, 2015).

After the first decade of shared pro-European atmosphere, discontent gradually grew over accelerated liberalisation and neoliberalisation, particularly amongst the new Southern and Eastern member states of the EU. Neoliberalisation implied the introduction of market models and regulation and intensified commodification “in all realms of social life” (Brenner et al., 2010, p. 330). It is a matter of debate whether neoliberalism has become hegemonic and how much it permeates the EU (see Streeck and Mertens, 2013), but certainly, the weakening of national capacities to control domestic economic policies occurred due to the embedding of national governments in transnational

markets and supranational rules (Bruszt and Vukov, 2015). As this section shall summarise, neoliberal considerations increasingly conquered decisions over economic and social policies in both states. While this may be true, a distinct development of state-citizen dialectics emerged from the democratic transition, having long-lasting effects on future passages.

RESTRUCTURING STATE–CIVIL SOCIETY RELATIONSHIPS

The years between 1979–1985 brought political and economic changes in Spain’s transition. After the death of General Franco, a gradual shift occurred in the subsequent years, when the country turned from dictatorship to a two-tier system of national and regional governance. The Statute of Autonomy that granted autonomy for Catalonia in October 1979 comprised the division of national and regional control over the territory. The central government was in charge of economic and monetary policy, foreign trade, labour, and social security, whilst the Government of Catalonia (*Generalitat de Catalunya*) held decision-making power over housing, planning, and public investments, as well as economic development, agriculture, fishing, and mining, along with domestic trade (Julier, 1996). Overall, it was a separation of macro- and microeconomic decisions over the region.

The national elections held in 1977 and 1979 divided votes between the Socialist Worker’s Party (PSOE – *Partido Socialista Obrero Español*) and the centre-right Union of the Democratic Centre (UCD – *Unión de Centro Democrático*), both earning around one-third’s support in each election. The 1982 election finally achieved democratic stability via the landslide victory of the PSOE, led by Felipe González. Following a ‘dual strategy’ of bureaucratic clientelism (see Holman, 1996), PSOE secured a strong institutional presence that balanced out the lack of wide social presence throughout the country. Intense debates followed regarding the North Atlantic Treaty Organisation (NATO) and European Economic Community (EEC) membership, which involved more general ideas on how the ‘New Spain’ should be constructed from the 1980s onwards (Julier, 1996). Whilst the NATO referendum of 1982 was preceded by heated arguments, greater consensus was reached on the formal Europeanisation of Spain, which eventually began in 1986.

Meanwhile, Catalonia achieved regional autonomy in October 1979, and in May 1980, the centre-right wing party (CiU – *Convergència i Unió*) won the first regional elections, setting in motion the Government of Catalonia by Jordi Pujol’s presidency (1980–2003). In the case of the Catalan capital, the years between 1979–85 were focussed on the formation of the rules and regulations of participatory democracy, and as a result, over the ten-year period after 1985, the city was divided into ten districts. The decentralisation of decision-making amended the distribution of power at the local level, leading to a “consensual political culture” (Degen and García, 2012, p. 5). The Spanish situation was unique, as this collaborative process was generated during the construction of democracy, not as a way of improving democracy (Blanco,

Bonet and Walliser, 2011). This was the context in which movements had the greatest impact on urban policy.

The so-called 'Barcelona model' (cf. Casellas and Pallares-Barbera, 2009) emerged from a context wherein two challenges were concurrent: after authoritarian rule until 1975, the transition to democracy needed to first deal with the strengthening of local governments and second find the means to deliver social welfare and key public services. To fulfil such expectations, the welfare budget of the city doubled between 1979–1996 (Degen and García, 2012). Meanwhile, the political elite realised that these complex challenges could be faced only through co-governance with civil society (Blakeley, 2005). The emphasis on the development of public spaces proposed two simultaneous lines of development: the “promotion of social cohesion, and to answer civic groups’ demands that spaces should be created for civic and political participation” (Degen and García, 2012, p. 1025). According to Balibrea (2001), this was an exemplary period, as grassroots concerns coincided not only with aspirations of the political class but also with business and financial groups in necessitating improvements in public space and quality of living. Hence, the participation of civil society concentrated on the co-creation of public spaces and the improvement of urban environments in particular.

Hungary, following a different path, had experienced a transformation from state socialism to liberal democracy in the early 1990s. However, gradual market reform had already begun in 1968, with the reform socialist experimentation of marketising the economy by the 'New Economic Mechanism' by transforming the institutions of economic governance. In the 1980s, works by Hayek and Friedman began to appear in translation, in parallel with the country's IMF association, from 1982 onwards (Phillips *et al.*, 2006). Between 1989–1994, during the first democratically elected government (and also further onwards), many welfare provisions in Hungary were retrenched. Despite this, Hungarian intellectuals still held a 'Western' ideal of the economy. The structural reforms and the political and social changes pushed the economy into recession, with a drastic fall of productivity, which eventually stopped in 1994 but stagnated for another two years (Földi, 2006). In parallel, public spending was increasingly growing, reaching 40% of GDP by 1991 (Phillips *et al.*, 2006).

A multi-party election first occurred in 1990 in Hungary, forming a freely elected conservative–nationalist government, led by the centre-right Hungarian Democratic Forum (MDF – *Magyar Demokrata Fórum*) with József Antall's prime ministry. The task of the government was to deal with pressing social and economic issues: fiscal crisis, growing unemployment, and worsening household income levels. In addition, poverty (which was also present but unacknowledged during state socialist times) became a much more central issue in the first years of transition. Similar to the devolution of power to the local level in Barcelona, in 1990, the Municipality of Budapest was divided into 22 districts (it has had 23 since 1994), separating the City of Budapest and the districts as equal entities in a two-tier system, although in a fragmented manner. For example, public transportation and infrastructure remained

centralised by the Municipality of Budapest, but the distribution of resources became decentralised (Enyedi and Pálné Kovács, 2008).

Despite the intention of decentralised local governance, the inclusion of civil society in decision-making processes was not a priority or perceived necessity amongst political actors. Traditionally, during the state socialist period, Hungarian society participated widely in informal practices – regarding economic, cultural, or social needs – that the socialist economy was unable to fulfil. These informal groups also functioned as an oppositional power towards the system, adopting a more conflictual approach to the government. Due to the system change, new regulation legalised previously informal practices. The 1989 Act on the Right for Associating allowed the formerly informal independent organisations and associations to be rightfully formed and acknowledged (Vincze, Szalai and Svensson, 2017). The number of organisations started to multiply. However, usurping political influence over NGOs played a key role as well. Böröcz (2000) argues that the formation of associations resulted in an ambiguous organisational structure of civil society, due first to lacking state financial capacities, and second, to the missed opportunity to democratise representative and decision-making procedures early on in the transition period.

For these reasons, after the system change, the cooperation between the public sector and civil society was characterised by spontaneous collaborations, without a strategic vision or a stable institutional background. The new elite usually held an informal, but close, relationship with the local civil society initiatives that formed after democratisation, but institutional experiences remained scarce. This led to rhapsodic relationships and ad hoc partnerships, as well as to a certain level of competitiveness, wherein civil society organisations have been included in the political exercise of power on a clientelist basis.

MERGING WITH EUROPE: FOREIGN ORIENTED PRIVATE INVESTMENTS

The economic growth of Spain after the transition was closely linked to the processes of globalisation and Europeanisation. It received its membership of the EEC in 1986 as part of the Southern expansion and later entered the EMU in 1994, which meant the eventual arrival of EU funds. Spain's full membership in the EEC generated the internationalisation of the economy, reindustrialisation, and a greater competitiveness of prices, as protective import duties were gradually cut until 1992, when they barely existed anymore (Julier, 1996). This resulted in competition of domestic products with foreign goods of equal or better quality and often included lower prices in addition.

The arrival of foreign investment in the late 1970s and early 1980s led to industrial restructuring and the fragmentation of the working class. Flexible work conditions took the control away from trade unions, weakening the working class' position, by privatising industries and segmenting the labour market (Charnock, Purcell and Ribera-Fumaz, 2015), in accordance with the global post-Fordist turn. Parallel to the internationalisation and accumulation of capital, uneven development marked its effect on the domestic manufacturing

sector, with lingering low productivity at the level of the 1980s and high dependence on foreign capital (ibid.), and wherein foreign direct investment experienced a fourfold increase between 1986 and 1990.

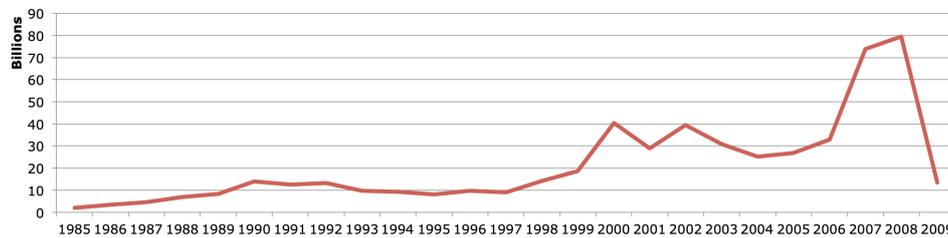


FIGURE 2 – Foreign direct investment, net inflows, Spain (BoP, current US\$). Source: World Bank

Whilst economic development was highly influenced by both the Italian and ‘European’ economic models, Jordi Pujol often criticised the number of small and medium enterprises that were typical of the economy, as he held a more global vision, which he identified with the ‘European’ model of development. The Italian model seemed like a just comparison; as both countries built upon the similar distribution of businesses and demographics, Catalonia and Barcelona could be regarded as a reflection of Lombardy and Milan, both being close to the European core and having the highest shares of national production (ibid.). The idea was to create a ‘Third Spain’, resembling the alternative of ‘Third Italy’, that differed from the highly industrialised and richer North but also from the agricultural, poorer Southern regions. However, Jordi Pujol was more attached to the ‘European’ model that entailed the internationalisation of the Catalan economy, thus advancing foreign investment, and a switch from the dominance of manufacturing to services, paving the way for the game-changing Olympic investments for 1992. He motivated the expansion of large-scale urban developments, “replacing the popular life of working-class districts with a gentrified and sanitised street life geared towards yuppies and tourists”, to borrow Donald McNeill’s words (McNeill, 2003, p. 83).

During this period, Barcelona envisioned itself becoming a strong pillar for the network of European cities, shaping significantly the directions of Europeanisation. The city’s influential, long-serving mayor, Pasqual Maragall (in office between 1982–1997), promoted the EUROCITIES network during his mandate, whilst also serving as president of the Council of European Municipalities and Regions, between 1991–1997, and the Chairman of the Committee of Regions of the EU from 1996 to 1998. During his political career, he became a type of a role model for the municipal left in Europe, promoting urban policies in the European agenda (McNeill, 2003). He firmly believed in making Barcelona an example of what a European city should look like. As Maragall himself described, “Catalonia is the heart and soul of our European character” (Maragall, 2004, p. 72). This European character referred to the characteristics of urban development from the 1980s onwards, when Barcelona experienced three intertwined processes: the democratisation of the municipal government, the physical renewal of the city, and the formulation of a vision of

urban governance which relies on the broad approval of its citizens (Borja, 2004).

However, it has been argued that eventually, the political elite began to abandon their loyalty towards grassroots citizen groups, as policies often failed to involve the most vulnerable groups (Parés, Martínez and Blanco, 2014), or in other cases, developments did not focus on the benefit of local citizens and instead triggered gentrification processes (Balibrea, 2001). The emerging new discourses on urban planning included the importance of the historic city, the reclaiming of public spaces, the integration of urban planning with architecture, and the idea of tackling urban problems through regeneration and community facilities (Monclús, 2003), all as part of a new governance approach that unfolded between the mid-1980s and mid-1990s. With the beginning of large-scale developments from 1986, when the city was nominated for hosting the Olympic Games, onwards, ‘consensus’ with citizens became a key element of the new narrative of strategic plans (Degen and García, 2012), rather than keeping a more open relationship.

Similarly, the arrival and steady increase of foreign direct investment (FDI) in Hungary signalled a new phase of the Europeanisation process. The second round of economic reforms occurred between 1995–1998 regarding banking, enterprise, and the public sector. This led to the growth of the economy from 1996 onwards, despite its being considered to be weakening, particularly in the early 2000s (Földi, 2006). Relatively high social expenditures made it a test-bed for neoliberal experimentation to reform the welfare state (see Phillips *et al.*, 2006). The leftist–liberal coalition in the mid-1990s engaged in a mass privatisation process that involved most state-owned assets, and the sale attracted a massive inflow of FDI, “one of the highest rates in all ‘post-communist’ countries” (Stanojević, 2014, p. 6).

Despite foreign capital flowing in, even before the system change, the liberalisation of the economy and the growth of the real estate market provided the economy intense momentum, albeit a geographically quite unequal one: Budapest attracted more than half of all the national incoming foreign capital (see Kovács, 2009). Mass privatisation helped to repay almost all of Hungary’s debts by the end of the 1990s, but at the price of selling most state-owned assets, including large companies – as well as infrastructural ones. Furthermore, the transformation involved the slow disintegration of social safety nets, which gradually became subordinated to neoliberal competitiveness (Bohle and Greskovits, 2007).

The first conservative–nationalist government was followed by a Hungarian Socialist Party (MSZP – *Magyar Szocialista Párt*) coalition in 1994–1998, which governed with the Alliance of Free Democrats (SZDSZ – *Szabad Demokraták Szövetsége*). During their mandate, in 1995, the infamous Bokros package was implemented (named after Lajos Bokros, finance minister at the time), based on two austerity pillars: increasing privatisation and ending universal welfare (Phillips *et al.*, 2006), which led to severe cuts in welfare expenditure. The reasons for mass privatisation date back to the early 1990s, with a worsening household income situation coupled with a growing demand

for housing. State-owned banks lost their capital by the end of 1992 and were unable to offer loans. Therefore, the bank consolidation programme of 1993–94 provided state-injected capital and cleared portfolios of bad loans. By the end of 1997, the privatisation of banks decreased the share of state property within banking by 21%, and foreign capital reached 60% (Hegedüs and Várhegyi, 2000). As a consequence of privatisation, an increase in loans to firms and households has occurred.

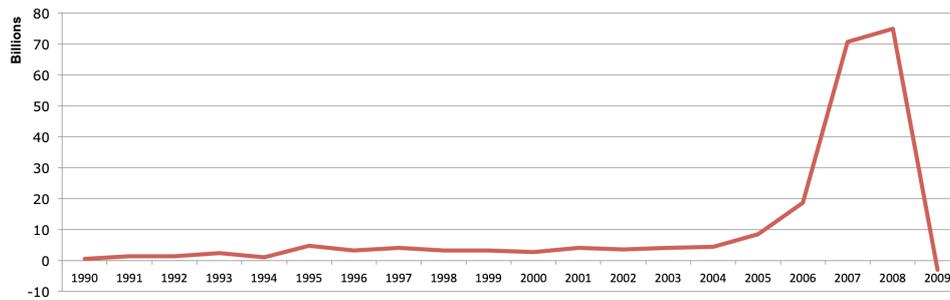


FIGURE 3 – Foreign direct investment, net inflows, Hungary (BoP, current US\$). Source: World Bank

In 1998, conservative forces re-emerged, with the leadership of the Alliance of Young Democrats (*Fidesz – Fiatal Demokraták Szövetsége*), Viktor Orbán’s first prime ministerial period. Mortgage lending further increased during the Fidesz government (1998–2002), as they launched a housing subsidy to make mortgages more accessible. In 2004, foreign exchange loans were introduced, mostly denominated in the Swiss franc, as it had a much lower interest rate than the local Hungarian forint. By 2008, foreign exchange loans increased from 16% to 75% in a mere four years³ (Csizmady and Hegedüs, 2016), causing considerable indebtedness amongst the population and the eventual eruption of the crisis.

Welfare expenditures in Hungary were spiralling out of control in the 2000s as well, putting the state budget under pressure to introduce austerity measures, but the interchanging governments dealt with the conundrum of competing for their electoral votes based on welfare retrenchment decisions, and instead of implementing austerity measures, they tried to out-promise each other during elections. The party system evolved into two major camps, the leftist-liberals, led by MSZP, and the right-wing conservatives, with Fidesz at the forefront. Indecision over retrenchments was eventually faced, with the pressure from the European Commission.

In terms of civil society development, the mid-1990s was the era when local governmental non-profit organisations were extensively created due to the 1993 amendment of the Civil Code. During the first Fidesz-led Orbán government, between 1998–2002, the prime minister’s office created the Civil

³ As the accession to the European Monetary Union seemed close at that time, the risk of the fluctuation of the currency of the Swiss Franc was much underestimated.

Relations Department⁴. The ‘rural’ civil infrastructure was also created during this cycle, at the initiative of the government, which provided financial support schemes. In the county seats, ‘Non-profit Service Centres’ were set up, which determined the duality of Hungarian civil society’s identity, being closely linked to political interests and alliances. Nevertheless, efforts to regain public involvement in the governance of Budapest received much criticism for being either too weak or too corrupt (Tosics, 2006). As the system of decision-making was fairly closed, the only way to influence decisions was to be part of the body of representatives, the assembly in municipalities (Földi, 2006), rendering civil society capacities quite limited in exerting effective political action.

ACCELERATED NEOLIBERALISM AND PRECURSORS OF THE CRISIS

After the 1992 Olympic Games, Spain’s economy experienced a recession, and it was forced to devalue the peseta to meet the convergence criteria for EMU membership. Despite the recession experienced after 1992, Barcelona continued to enjoy the perks of being an international model for urban development. From the end of the 1990s until 2008, Spain performed well in economic terms: low interest rates and steady immigration flow guaranteed constant economic growth, whilst European integration acted as a catalyst in turning the Spanish economy into a Western-type one (Royo, 2009). In 1999, Spain qualified for the EMU based on the terms of the Maastricht Treaty, and the country became globally competitive in sectors such as banking, telecommunications, fashion, and energy production, further boosting its economy, a time period characterised by “euphoric politics” and cosmopolitan citizenship (Illas, 2012).

Between 2000–2007, the massive amount of immigration continued, with around 5 million people settling in the country, making Spain the largest receiver of immigrants in the EU (Royo, 2010). At that time, investing in infrastructure and the real estate market was highly profitable. More ambiguous development trends marked this period, some considered positive, whilst others highlighted the dangerous trends that spiralled towards the crisis of 2008. For example, the construction sector experienced overproduction between 2001 and 2011, with a 24% increase in the housing stock throughout Spain, compared to a mere 5% increase in population, which eventually led to the overaccumulation of capital via speculation and growing household indebtedness (Charnock, Purcell and Ribera-Fumaz, 2015). However, on the other side, productivity rates fell in all Mediterranean countries, with Spain well below the EU average, with only Italy and Greece faring worse (Royo, 2009).

Whilst the 13 years of PSOE national electoral victories in Spain ended in 1996, and People’s Party (PP – *Partido Popular*) leader José Maria Aznar gained the majority, in the Catalan capital, Joan Clos (1997–2006), Pasqual Maragall’s successor as Mayor of Barcelona, continued boosting of the economy through the culturalisation of economic policies. In the 2000s, Barcelona City

⁴ Up until this cycle of government, the Prime Minister’s Office only fulfilled secretarial duties, but from 1998 onwards, it took the form of a chancellery, being responsible also for managing sectoral tasks of major importance for governance.

Council employed 'entrepreneurial' strategies (Harvey, 1989) to join the inter-urban competition of cities by boosting accumulation and social consumption. The Forum of Cultures occurred in 2004 (a global event to promote dialogue between people and cultures), along with the building of the high-speed rail link with France and a mix of policies targeting cultural, knowledge-based, and creative industries, but Clos also inherited high unemployment rates and growing public dissatisfaction with large-scale urban developments. Furthermore, persistent criticism was aimed towards the city council for being unable to tackle housing needs or offer solutions for increasing mortgages and rents (Marshall, 2004).

Social movements gradually grew critical of the type of competitive urban development that was unfolding during the 1990s in Barcelona, with their thinking in line with alterglobalisation movements that gained momentum in these years on a global level: protests against the Iraq war, the 'pink tide' in Latin America, and environmental and global justice movements (cf. Karamichas, 2007; Martínez, 2007). However, during the second half of the 1990s, urban social movements somewhat lost their momentum after the basis of democratic arrangements were conducted in Barcelona.

The Federation of Neighbourhood Associations of Barcelona (FAVB – *Federació d'Associacions de Veïns i Veïnes de Barcelona*) had strong ties with the socialist government, but the opposition eventually fragmented and anchored in the different neighbourhoods, although it remained critical towards the government (Calavita and Ferrer, 2000). The creation of the Municipal Charter in 1994 institutionalised various forms of citizen participation and flexible cooperation amongst citizens and local governments, handing over the provision of education, economic development, and housing programmes to the local governments and signalling the managerial turn of the city council between 1994–1997 (Eizaguirre, Pradel-Miquel and García, 2017). Barcelona entered into the global arena, and private actors received more influence on policies; meanwhile, neighbourhood associations became increasingly detached from political decisions.

In Hungary, expansionary policies and a growing budget deficit and government debt preceded the EU accession of 2004. Hungary's transition to market economy in the early 1990s was already a neoliberal 'shock therapy' (Sokol, 2001), and preparations for the EU membership can be regarded as a second one (Varró, 2010). The leftist-liberal coalition after the 2002 elections was warned to reduce deficit and debt by the EC, as this was a breach of the 1997 Stability and Growth Pact. To overcome this deficit, the Convergence Programme of 2006 proposed the downsizing of the government along with the reorganisation of public services.

In 2006, the re-elected leftist-liberal government implemented harsh austerity policies, coupled with a deep political crisis that was ignited by the leaking of a closed socialist party meeting where the prime minister at the time admitted that they had tried to hide the unfavourable conditions of the national economy before the elections. Mass protests erupted as the talk reached the public and the weakened government led the country to a debt exceeding 60%

of GDP by 2008 (Bohle and Greskovits, 2007). The formerly less visible demographic and employment crisis erupted, and the social market economy and a universal welfare state, a road that Hungary had been on since the 1990s, were called into question.

The interchanging of left and right coalitions continued until the elections of 2006, when the leftist-liberal coalition barely won for a second run. Until this time, one side could not retain a leading position for more than one term. For that reason, besides the unquestioned gearing of foreign-orientated privatisation and liberalisation – what Europeanisation meant at that time – the direction of Hungary was not on a steady track. Growing concerns expressed by Offe and Adler (1991) already pictured a stark future for Hungary and Eastern Europe in general, as these countries faced a ‘triple transformation’ of the nation-state, capitalism, and democracy. They foresaw that the most likely scenario was the formation of exploitative coalitions between the state and market elites, coupled with a breakdown of democracy. As a consequence, by the late 2000s, political discourse characterised Hungary with the victimisation of the country by neoliberal austerity connected to global financial capital and foreign investors. With cheap money flowing in and the unmet promise of the transfer of the ‘European Social Model’, this led to a highly marketised and unequal regime, causing mass disillusionment in the promised quality of European life, which eventually manifested in the rise of populist right-wing discourses (Stanojević, 2014).

Nevertheless, right-wing sentiments and anti-EU voices were already becoming louder amongst civil protests during the first Orbán government between 1998–2002, as a sign of the unmet desirable outcomes of the system change. As a consequence, a crisis of trust was unfolding towards the civil sphere, but this period also witnessed growing distrust towards the leftist-liberal government in power between 2002–2010. However, this distrust always came from the right and far-right social groups, growing particularly after 2003, when the leftist-liberals barely defeated Orbán’s party in the 2002 elections (Greskovits and Wittenberg, 2016).

As a matter of fact, leftist-liberal groups never explicitly criticised the process of ‘Europeanisation’ – and the implementation of neoliberal policies – still today, a more-or-less solid ideological overlap between EU bureaucrats and the leftist-liberal governments exists, particularly if we acknowledge that today’s Hungarian ‘left’ played a crucial role in the spread of neoliberal urban policies. Protests gradually grew more violent, and the 2006 civil unrest was a tipping point, when the leaking of leftist-liberal prime minister Ferenc Gyurcsány’s speech about lying to the people caused public anger that had not been witnessed since the revolution of 1956. These social mobilisations were linked not exclusively to Fidesz but also extreme nationalists, in the period when the far-right nationalist Jobbik party (*Movement for a Better Hungary*, founded in 2003) emerged on the political palette.

Whilst growing dissatisfaction was apparent in Hungary, in 2003, the leftist-liberal MSZP–SZDSZ government introduced the Civil Strategy to work towards a more independent civil society. The strategy underlined the principle

that the state must acknowledge an autonomous civil society as its partner (i.e. recognising the abolition of political dependence), at least officially (Brachinger, 2008). The Law on the National Civil Base Programme was approved during the same year as well, defining what a ‘civil initiative’ comprises, not just socio-politically but also in legal terms; this also served as a starting point for the NGO-isation of politics.

In March 2004, an international conference held in Budapest prepared the accession of the ten new countries to the EU, focussing on the building of civil society and community development. The key objective was the creation of the Budapest declaration, directed to the EU, national governments, and key stakeholders, to support the development of a ‘European’ civil society and involve communities in development strategies (Craig, Gorman and Vercseg, 2004), whilst recognising the importance of including NGOs and communities in the coordination of the 2007–2013 Structural Fund phase.

After the stabilisation of the NGO sector, when the funds of the European Structural and Cohesion Funds became available, national and regional NGOs increased in number. However, they functioned under tight control by the funding authorities, serving as more efficient distributors of targeted welfare and community funding, but in a severely ambiguous manner: the sector significantly lost much of its independence and was directly controlled through political interests on both the central and local governmental levels (Vincze, Szalai and Svensson, 2017). In other words, citizen-founded NGOs were replaced by authority-led control, causing blurred lines between civil society and the administrative sphere and leading to the spread of corrupt practices, the lowered transparency of fund distribution, and heavy political pressure.

3.2 (NEO)LIBERAL CAPITALISM IN CRISIS? DIVERGING EMANCIPATORY AND ANTI-EGALITARIAN ANSWERS

Before the global economic crisis, all of Europe was exposed to an accelerated liberalisation, and competitive pressures intensified in both the EU and international markets (Sokol, 2001). The financialisation of the economy and uneven development marked its way, particularly in the Southern and Eastern European regions, which caused severe debt and housing crisis both in Spain and Hungary. Following my outlines of the economic and social impact of the 2008 crisis in the compared two countries, I argue that the change in political dynamics can be considered a result of the reordering of the global economy and the changed positions of the countries within it. Although similar processes of privatisation, Europeanisation, and internationalisation occurred at different times in Spain and Hungary, the political responses have been divergent yet nevertheless deeply rooted in global processes.

The aftermath of the crisis led to new political discourses and citizen mobilisations and gave way to a divorce with status quo politics on both sides.

The European integration project was called into question as a hegemonic understanding of politics and method of doing economics (Oosterlynck and González, 2013). Whilst European states responded with neoliberalism – the bail-out of the financial sector, austerity measures, and favouring middle-income groups at the expense of lower classes (Aalbers, 2013) – political dynamics culminated in the revival of grassroots mobilisation and the reshuffling of state–civil society relationships.

THE UNFOLDING OF THE FINANCIAL AND ECONOMIC CRISIS

Beginning in 1998, Spain was en route to a housing property boom that lasted until 2007, involving three intertwined processes: the reform of land use policies, monetary integration with the introduction of the euro, and the financialisation of assets as part of the broader global trend. The final cycle of the housing boom in the 1990s was characterised by low interest rates, foreign investment, and high demand stemming from immigration (De Weerd and Garcia, 2016). As the crisis began, many people were unable to pay their bills, and household indebtedness grew rapidly during the crisis years. Throughout the country, more than 400,000 mortgages were foreclosed upon during 2008–2012 (ibid.), which affected many households. Although the burst of the housing bubble was much more visible on the family and individual levels, the bankruptcy of real estate companies left a bigger impact on the losses of the banking sector.

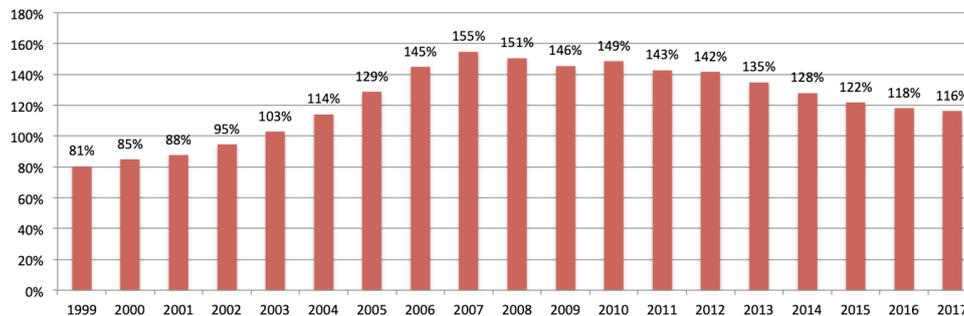


FIGURE 4 – Household debt Total, % of net disposable income, Spain, 1999 – 2017. Source: OECD

In Spain, German and French banks began to redirect funds to cover their own national liabilities, and the savings bank system (*cajas*) began to collapse, as savings banks channelled European-covered mortgage bonds. The restructuring of the banking system occurred under the right-wing People’s Party from 2011 onwards, accompanied by severe austerity measures. Meanwhile, the Spanish central government asked for a rescue package of 100,000 million euros from the EU to bail out Spanish banks, which turned a private debt into a public one and covered the responsibility of citizens, who suffered from austerity programmes of lower wages, cutback of welfare programmes, and job reduction (ibid.).

As part of the austerity, Spain centralised fiscal measures to meet EU requirements, making it impossible for municipalities to maintain control over their welfare policies, due to the top-down control of healthcare, education, and social services (Davies and Blanco, 2017). The impacts of the economic crisis have been most significant on unemployment, poverty, and socio-spatial inequalities. When the crisis arrived, more than half of the jobs lost throughout Spain were related to the construction industry, and whilst developers and builders were unable to repay their loans, banks became the largest real estate managers after the burst of the bubble (ibid.). Unemployment rose from 8.4% in 2008 to 16.3% in 2014; however, in Catalonia, it was much higher: 24.1% (Blanco, Martínez and Parés, 2016).

As for Barcelona, the Socialists' Party of Catalonia (PSC – *Partit dels Socialistes de Catalunya*), amidst rising discontent, lost power in 2011 after 32 years, and the nationalist-conservative Xavier Trias took the lead in governing the city by the coalition of CiU. In accordance with the national right-wing People's Party government, he reduced municipal spending through raising taxes and lowering wages, whilst also selling municipal assets and privatising services (Davies and Blanco, 2017), such as the municipal parking company and the public water company providing for the metropolitan area of Barcelona. Catalonia overall suffered several cuts in education, health, employment, and housing, which fostered a neoliberal approach to the management of the crisis (Pradel-Miquel, 2017). Meanwhile, an interesting aspect in the interpretation of the crisis was that local elites in Barcelona perceived the causes of the crisis to come from the national level and the failure of the Spanish economy, and hence did not accept the negative effects potentially caused by large-scale developments of the 'Barcelona model' in previous years (González *et al.*, 2017). Amongst others, these interpretations implied that Trias continued to conduct the digitalisation of urban services under the umbrella of Barcelona's Smart City strategy (March and Ribera-Fumaz, 2016; Martí-Costa and Tomàs Forné, 2016).

The crisis in Hungary similarly centred around issues of housing and a debt crisis, with the worsening exchange rate of the Swiss franc and HUF, increasing interest rates, and lowering incomes (Csizmady and Hegedüs, 2016). In October 2008, Hungarian currency and stock markets fell, and the government had to turn to the IMF, as HUF–CHF rates rose from a level of 145–165 to around 240, which burdened indebted households particularly severely (Bohle, 2013), since Swiss franc and euro loans accounted for around 70% of all household loans (Fabry, 2019). Therefore, as the forint depreciated, many borrowers were forced to sell their homes and cars, the two most common types of ownership based on mortgages.

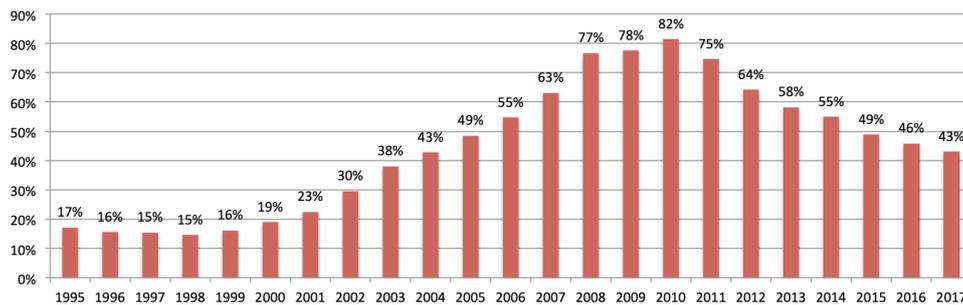


FIGURE 5 – Household debt Total, % of net disposable income, Hungary, 1995 – 2017. Source: OECD

Despite alarming voices warning about the long-term effects of the crisis, the government remained relatively optimistic about the future. In 2007, Prime Minister Ferenc Gyurcsány calmed the press by claiming that Hungary was expecting a more relaxed year and later also affirming that he saw no obstacles to introduce the euro in 2009 and meeting the Maastricht criteria (see Fabry, 2019). The leftist–liberal coalition attempted to solve the crisis up until 2009, through several reforms of the state and the increase of competitiveness, although these never coalesced into a coherent strategy (Pogátsa, 2009). When the crisis reached Hungary after the resignation of the prime minister, the following interim government of 2009–2010 introduced austerity measures in several sectors. In the public sector, it lowered subsidies and wage benefits and reformed the pension system, whilst further compensation reductions were introduced into the agrarian sector, public media, and public transport. Subsequently, the government was not prioritising solving the debt problems of its citizens and was instead attempting to fulfil IMF demands to bring public debts and deficit to a halt.

The stabilisation package contained several important austerity measures, amongst which the most important were the freezing of public-sector wages for two years, the elimination of 13th month pension and wages, the decrease of maternity leave from three to two years, and the awaited introduction of the real estate tax (ibid.). Around the end of 2010, unemployment reached 11.4%, the highest rate since 1994 (Fabry, 2019). To stop the outflow of capital from the country, the loss of commitment of Austrian and Italian banks in Eastern Europe needed to be negotiated: the Vienna Initiative by the IMF and EBRD served to maintain the presence of exposed banks (Bohle, 2013). Furthermore, based on its position in the European market, Hungary was highly vulnerable for its dependence on exports to German markets, in the automobile industry in particular.

In summary, even if Hungary emerged as the rising star of neoliberal transformation in the pre-crisis years amongst the Central Eastern European countries (for an extensive analysis see Fabry, 2019), its high dependence on foreign capital and export-led growth became visible during the gradual deepening of the crisis. The very same factors that made Hungary a good example were the causes of social costs and a general public anger towards the neoliberal economic path and liberal democratic institutions, which eventually

led to a right-wing critique of neoliberalism to capitalise on the disappointment of citizens. As it turned out, Viktor Orbán, now prime minister of Hungary, has been one of the most vocal critiques against free market and speculative capitalism.

POLITICAL TURBULENCES PUSHING NEW NARRATIVES TO THE FORE

Politics took a new turn in both countries after the crisis. In January 2014, a tipping point in politics occurred as a consequence of harsh austerity measures and the multiple crises in Barcelona. Podemos (*We Can*) – founded by political scientist Pablo Iglesias in 2014 as a left-wing populist party – stirred the national-level political dynamic by presenting a list for the European elections in May. The discourse of Podemos focussed on shifting the responsibility of stark circumstances onto current political-economic classes and introduced new terms into the political debate, such as ‘caste’, blaming the political-economic elite who had played a key role in the transition to democracy by establishing the still reigning ‘78 Regime’ (Franzé, 2018).

Alongside their appearance, several examples occurred wherein bottom-up mobilisation and grassroots participation served as the basis of new forms of political organisation and took control of municipal governments. Another political alternative emerged in the same period: Ciudadanos (*Citizens*), a centre-right party defending territorial centralisation and promoting political renewal. Ciudadanos made it to the Spanish general elections from its roots as a regional Catalan party. The party’s ideology is similar to that of Podemos, in the sense that they both claim to be beyond the left-right divide and demonstrate a general distrust towards traditional parties. Shortened as ‘Cs’, the party of the citizenry positioned itself against Catalan nationalism, claiming to be a post-nationalist party and favour an individualistic approach to society (Rodríguez Teruel and Barrio, 2016). Whilst Podemos primarily challenged the socialist PSOE on the national level, Ciudadanos (although initially positioning itself to the left) gained voters away primarily from the right-wing PP, which signified the end of the Spanish two-party system (Orriols and Cordero, 2016; Rodon and Hierro, 2016).

In the same year, the Platform for People Affected by Mortgages (PAH, *Plataforma de Afectados por la Hipoteca*), a housing activist group, along with other leftist and social movements formed the platform Guanyem Barcelona (*Let's win Barcelona*) to prepare the Barcelona in Common (BeC – *Barcelona en Comú*) programme for the upcoming municipal elections in 2015. The electoral programme was based on thematic and territorial commissions targeting citizen participation that later became the Decidim Barcelona (*We decide Barcelona*) platform, designed for citizen input in urban policymaking and development and signalling the citizenist turn of participatory democracy on a municipal scale. Initiatives included issues of developing housing, providing energy and basic resources, funding special investment for deprived neighbourhoods, granting human rights to refugees and immigrants, promoting the social

economy and cooperativism, and fostering transparency through new forms of democratic participation (Eizaguirre, Pradel-Miquel and García, 2017).

The BeC government stood for a renewed form of democratic governance, wherein citizens are in focus, offering a leftist answer to social justice ideals whilst despising corrupt political classes and promoting high levels of transparency (Charnock and Ribera-Fumaz, 2017). Being part of the global network of ‘rebel cities’, Ada Colau has been referred to as the “most radical mayor of Europe” by several media outlets for her commitment to resisting right-populist agendas and a strong mandate for participatory democracy.

In the summer of 2017, the city of Barcelona hosted a three-day summit entitled ‘Fearless Cities’, a public programme organised by the city council to reinforce and celebrate ‘international municipalism’⁵. The event included mayors, city officials, and activists from cities across Europe, Latin America, and the United States, “building on the principle that ‘democracy was born at the local level, and that’s where we can win it back’” (ibid., p. 188). In addition, the radical difference between the Catalan and Spanish central governments further sharpened during this period, culminating in the referendum on Catalan independence on 28 October 2017, which morphed into a constitutional crisis that lasted until 2018.

In Budapest, towards the end of the 1990s the political-economic elite became alienated from the internationalised economy, as their domestic weight decreased compared to other international actors. Initial optimism amongst countries in the Eastern peripheries in general started to turn into anger and feelings of being left behind as a consequence of uneven development, which led to the rise of anti-Europe discourses and a turn towards nationalist models. According to Stanojević (2014), it was only a matter of time for the Hungarian economic elite to envisage a new approach. However, it was more a long-term task that eventually started to build up in the late 2000s.

The global crisis in 2008 has been followed by the breakdown of the pro-Europe leftist-liberal governance, whose collapse began in 2006 with the leaking of the prime minister’s speech, discussed above, and continued with the following protests. For example, in 2008, during the ‘social referendum’, Fidesz successfully advocated for the abolishment of hospital fees and higher-education tuition, further undermining the legitimacy of the leftist-liberal coalition and suggesting a false promise of departing from neoliberal policies.

Elections in 2010 brought right-wing populist Fidesz to power, pushing through a conservative reconceptualisation of public policy. In 2010, Fidesz took power and Viktor Orbán pronounced a ‘freedom fight’ against the EU and IMF to preserve national sovereignty and a declaration of war against ‘debt slavery’, at least on a narrative level. In reality, some legislation was implemented that helped more affluent debtors to repay their mortgages with

⁵ Among the aims of the current global municipalist movement is to challenge the dominance of nation-states and capitalist markets, to offer a counter-power from the bottom-up, with grassroots and social movement alliances, and to promote democracy, solidarity and human rights against the rise of the far right. Further details at: <http://fearlesscities.com/en/about-fearless-cities>.

one-time payments, and Fidesz used the emergency situation to increase nationalistic sentiments and pave the way for regime change.

The government started to restructure the Hungarian system through a series of radical legislative changes culminating in the adoption of a new constitution in 2011. The new developmental model focussed on improving the position of the Hungarian political–economic elite. Despite Orbán’s vocal critique towards previous neoliberal measures, austerity accelerated under his mandate, with significant cutbacks in public education, public health, and pensions. Meanwhile, these measures favoured the wealthiest strata of society at the expense of the lower classes by introducing a new family-based housing policy that supported the upper- and middle-income groups (Pósfai and Jelinek, 2019) and simultaneously switching the welfare system to a workfare regime by creating a public work scheme as the basis of receiving social benefits.

In 2014, the parliamentary election resulted in another two-thirds majority, after which prime minister Viktor Orbán declared himself the leader of the ‘most unified nation in Europe’ (Orbán, 2014) and promised to institutionalise an illiberal state, turning away from Western European ideals such as liberalism whilst strengthening conservative morals and entrepreneurial values of the middle classes (Akçalı and Korkut, 2015; Fabry, 2019). Illiberalism entails a disenchantment with ‘liberalism’, which Orbán interpreted as placing too much emphasis on individual interest whilst simultaneously placing these interests above the benefit of the nation (Csillag and Szélényi, 2015). In addition, in Orbán’s view, the break with liberalism is a necessary move, considering the inability of Western-type liberal democracies to face the conundrums of today’s globalised challenges, for which the only remedy is a strong and centralised political party (Orbán, 2010). To put it in context, whilst the era after the transition to a market economy was characterised by a significant ideological overlap between the official narratives of the EU and the Hungarian government, the second period of Orbán from 2010 onwards represents a more hostile relationship and introduces an illiberal state, further sharpening the East–West divide in Europe (cf. Melegh, 2006).

CITIZEN MOBILISATION IN THE POST-CRISIS ERA

Even though participatory mechanisms diverged from political decision-making in Barcelona under Xavier Trias (Davies and Blanco, 2017), contentious politics increased outside of institutional frameworks amongst activists and citizens. In the outbreak of the crisis, amongst worsening social conditions between 2008–2011, family and neighbourhood level solidarity re-emerged amongst the population, with the help of civil society groups and NGOs such as Caritas. What was less predictable, according to Eizaguirre et al. (2017), was the emergence of a new type of urban social movement, such as PAH, which surfaced in 2009 and spread from Barcelona to other cities as well. The general idea of PAH was to conduct collective action against financial institutions to arrange housing debts. The movement grew out of pre-existing social platforms

on housing: in PAH's case, it was the V de Vivienda platform. The other paradigmatic event was on 15 May 2011 (hence the common name '15M'), when the Indignados movement started a protest wave on the public squares of Spanish cities, demanding 'real democracy', rejecting austerity measures pressured by supranational institutions and corrupt political-economic elites, and standing up for the defence of social rights.

These two platforms offered a new definition for a type of alternative citizenship which reinforces non-state actors' roles in the defence of social rights and increased democratic control (Eizaguirre, Pradel-Miquel and García, 2017). For this reason, citizen participation has experienced a controversial effect in Barcelona: formal arrangements have lost their strength, but the crisis and the 15M movement from 2011 onwards have strengthened participative dynamics and begun to counter the implemented austerity measures in the city.

The most important conflicts in the pre-crisis years revolved around developments regarding infrastructure, motorways, and airports. What changed with the global economic crisis and the burst of the real estate bubble in 2008 was that all housing developments stopped in the city, and a new landscape of ruins has drawn attention to conflicts at the urban scale. As a Catalan social movement researcher explained to me, before 2008, social movements were mostly linked to big scale projects of urban transformation and were not from Barcelona city, but Sabadell, Terrassa, Girona, or Costa Brava, operating on the regional level (Interview 16, Barcelona), emphasising how movements experienced a change in scalar focus during the crisis years.

Another important factor that has driven attention to the urban again is the Indignados movement itself, wherein small initiatives in different neighbourhoods were organised around issues of housing, poverty, or cooperatives of consumption, focussing on small-scale problems. The alterglobalisation movements of the 1990s that were connected to the city and urban struggles – resisting gentrification, privatisation, and the neoliberalisation of the city – had a new wave of mobilisation in the 2000s, connected to austerity measures, public cuts, and housing struggles. These movements have become very strong in cities in recent years. Therefore, the participatory democracy that is connected to post-crisis Barcelona stems less from formal arrangements and instead builds on ways of co-producing public policies with the involvement of social movements, citizens, and public institutions, to increase accountability (Blanco, Martínez and Parés, 2016). This type of 'new urban activism' (Walliser, 2013) has contributed to debates on the emergence of social economy, the community management of municipal assets, and citizen initiatives for basic goods, such as food provision or housing.

In Budapest, self-organised groups during the crisis years arranged several demonstrations, which can be divided into two primary camps, to better understand the changes that civil society experienced in the post-crisis years. The first group consists of citizens who were the most deeply affected by the negative effects of the crisis in general – foreign exchange loan holders in particular – and the solidarity groups around them. General attempts were made to incorporate their grievances into a pro-government civil mobilisation,

even on institutional levels. The other group of protesters were critical towards the government and mostly consisted of middle-class citizens with high socioeconomic status who supported the opposition of the Fidesz regime.

The foreign exchange loan holders held several demonstrations against banks⁶, sometimes with the support of extreme right-wing parties. The Fidesz government did not try to soothe their anger but instead exploited debtors and the 'Occupy Wall Street' sentiment spreading across the globe as an effect of the crisis and used the momentum to pronounce a 'freedom fight' against EU and multinational companies. By this time, right-wing radicalism was practically already in full swing (Molnár, 2016; Greskovits, 2017), of which the crisis just added fuel to the fire. One turning point for the rise of right-wing sentiments in the country dates to 2002, when Fidesz founded the Civic Circles movement after the lost parliamentary elections (to the ex-communists), to attempt to conduct politics outside of the parliament through the organisation of civil society. These circles comprised informal meetings to discuss the future of Hungary and spread across the country to promote Fidesz propaganda⁷.

Even more so, Fidesz eventually tried to incorporate civil movements into the administration by giving a position to one of the leading figures of the foreign exchange loan-holder demonstrators, György Dubrovsky. He was appointed during the negotiations as Commissioner for Financial Rights in the government, but his 'alternative bank' proposal did not succeed and he was discharged in 2014 (Csizmady and Hegedüs, 2016). Later, the Fidesz-sponsored pseudo-civil movement Civil Unity Forum (CÖF – *Civil Összefogás Fórum*) unsuccessfully tried to combine the movements under its umbrella and, as a consequence, eventually stood up against the demonstrators in a public announcement in 2014.

To worsen the situation, civil society independence became highly politicised, as Fidesz had been continuously feeding the political discourse that national sovereignty is under attack by foreign agents (such as George Soros and international capitalists) and their domestic alliance impersonated by the left-liberal political-economic elite and foreign-funded civic organisations and NGOs (Gagy, 2016). Considerable changes occurred in the legislation of civil society initiatives after the adoption of the new constitution in 2011, which constrained citizen mobilisation in several ways. The illiberal measures of the government made this possible through building ambiguity and otherness (Majtényi, Kopper and Susánszky, 2018) and by dividing society into friends and enemies via the centralisation of power and thus disrespecting autonomous institutions and divergent voices.

⁶ There was a case when an FX loan holder sued Hungary's biggest bank, OTP, as it did not display the exchange rate on the loan contract. The demonstrating crowd was following the litigation, demanding the cancellation of FX loans which pushed many citizens into deep indebtedness due to the rapid increase of exchange rate.

⁷ Although the civic circles were fading out in the coming years after their foundation, it contributed to two important realities in relation to Hungarian right-wing radicalism. First, the circles managed to bring together unconnected and like-minded radical groups. Second, the far-right Jobbik party became more grounded and gained voice during the Fidesz-led revival of civic associationalism.

Meanwhile, civic mobilisation amongst the critics of the Fidesz takeover brought the revival of grassroots activism. Student demonstrations, groups against the curtailing of civic and constitutional rights, and civic protests, against the backdrop of democratic governance, became more frequent during the 2010s. Nevertheless, the various forms of protests often consisted of a rather thin stratum of middle-class citizens who primarily lived in Budapest and held higher-education degrees. The primary criticism until today regarding these mobilisations has been the inability to stand up for lower-class grievances as well, such as the indebted foreign exchange loan holders, the victims of austerity policies, and worsening life conditions with growing inequalities (Éber, 2018).

Overall, the rise in civic mobilisation after the crisis represented nothing but the growing bifurcation between the leftist–liberal defence of the status quo and right-wing nationalist party politics and their belief in differently envisioned political–economic recipes on the ground level: whilst the former stood up for a prospective more democratic governance, the latter took position in lower-class grievances, such as household indebtedness and the need to regulate international banks’ excessive power.

3.3 DISCUSSION

This chapter has analysed the dynamics of the position of civil society in Spain and Hungary that occurred from the period of democratisation until the post-crisis years. It has demonstrated how the crisis fuelled different political and economic solutions to neoliberal capitalism and what changes it brought to civil society mobilisation. Furthermore, it has revealed how the combination of structural constraints and cultural pathways has shaped the relationship between the state and civil society over time.

Throughout the democratisation period, each country occupied a particular role in the formation of the new European economic space. Core countries eased their own crises that occurred from the late 1960s towards the 1980s with the promotion of peripheral Fordism and the extension of credit to Southern and Eastern states (Jessop, 2014). Even though the embedding into the EU required similar structural changes and political–economic policies in the two peripheral regions, the years of building democracy resulted in different arrangements for the power hierarchies of states and civil society. Whilst both Spain and Hungary were experiencing a gradually increasing inflow of FDI during the period of democratisation, as Bruszt and Vukov (2015) have already demonstrated, the economic incentives have focussed on different aspects of transformation. Even though in both cases, the neoliberalisation of policies eventually occurred, the process of democratisation meant different directions in the case of welfare services.

During this era, Spain needed to deal with political legitimacy as a top priority, and Hungary with economic restructuring. In Barcelona, the end of the

Franco era brought attention to lacking welfare services, and with pressure from social movements, the public sector had to occupy a leading position in providing these services. Whilst in the first years of transition, Catalonia reached an autonomous position, it had to deal with microeconomic processes delegated to the regional level, such as housing and public investment. During this time, the formal channels of collaboration with citizens were founded, giving birth to an essential element of the 'Barcelona model'. The decentralisation of decision-making processes went hand in hand with the creation of citizen platforms and the inclusion of citizens in defining the direction of urban policies. This collaborative process was generated as the construction of democracy, not as a way of improving it (Blanco, 2015). It was a unique period, when social movements could work in agreement with the political class, both aiming for the improvement of public space and the creation of a better quality of life.

Whilst governance in Barcelona focussed on the provision of welfare services, with heavy public-sector involvement, Budapest solved its transitional crisis with mass privatisation, liquidating most of its public assets by the 2000s, which it already coupled with welfare retrenchments early in the 1990s. In the meantime, the informal state socialist practices of civil society have been formalised and legally acknowledged, but without the opportunity to democratise representative and decision-making procedures, which results in a highly ambiguous civil society dependent upon political networks and influence. With scarce institutional forms of collaboration, the relationship between the public and civic sector was rather spontaneous and institutionally unstable. Overall, the transformation process lacked a presence of strong presence of local governments, and urban development was left to a rather powerless civil society against an expanding private sector.

In the next phase, each country intensified its own variety of neoliberalism and Europeanisation, engaging in the 'race to the bottom' seeking competitiveness on the expense of welfare services. Spain experienced the internationalisation of the economy by joining the EEC in 1986 and the EMU in 1994. The accession catalysed the Spanish government to turn the economy into a 'Western' type, in targeting the global competitiveness of the service sector. In Hungary, the privatisation of banking contributed to the growth of the economy after an initial recession, and foreign direct investment flowed in, mostly at the beginning of the 2000s, which built on the lending of loans to firms and households. The pre-accession years placed high pressure on the government to satisfy the convergence criteria: austerity measures needed to be implemented, which resulted in the ending of universal welfare.

Although Spain and Hungary can be considered to occupy economically peripheral positions compared to the European core, both examined cities stand out in their respective countries: Barcelona held the highest share of national production (Charnock, Purcell and Ribera-Fumaz, 2015), whilst Budapest, as the capital of Hungary, absorbed around half of incoming foreign investments (Kovács, 2009). These circumstances made it possible to create strong coalitions between the state and market elites and to further advance the strength of

private sector actors. The post-1992 Olympic Games period in Barcelona caused a change in the relationship of the public sector and civil society: as large-scale urban developments grew and priority was given to private actors, the traditional neighbourhood associations started to become disenfranchised from urban political decisions. With the further neoliberalisation in the pre-crisis years, civil society became more confrontational regarding urban processes. The City Council of Barcelona adopted entrepreneurial strategies after the Olympic Games, and the construction and real estate sectors were becoming prey to speculative capitalism and growing external dependence, whilst household loans and credit spiralled further. Nevertheless, Barcelona followed a type of 'social neoliberalism' (Guarneros-Meza and Geddes, 2010), especially during the mandate of Pasqual Maragall, when welfare has not been rolled back, but instead restructured and marketised in various ways.

Hungary, on the other hand, followed a more enthusiastic conversion to neoliberalism, at least in the initial period. Growing fiscal pressures constrained governments to continue with austerity measures, and dissatisfaction gradually grew with the 'European' vision of market economy and cuts in welfare, which called into question the 'Westernising' road and its failed promises. Civil society continued to have a dependent relationship with the political elite, but the former optimism towards liberal democratic arrangements was diminishing, and society became increasingly disenchanted with the West. Citizen protests grew in parallel over the pre-crisis years, particularly in Budapest. This period was a coupling of growing distrust towards leftist-liberal governments, together with a crisis of trust in the NGO-ised civil society, which led to an eventual reconceptualisation of the Hungarian path by the right-wing government.

As a consequence of EU conditionality, the NGO-isation of civil society facilitated a version of citizen inclusion that is most representative for Western-type liberal democracies, which fulfilled a legitimising role for prevailing governments (Leontidou, 2010) whilst also silencing more conflictive social groups. Under this definition, Southern and Eastern civil societies were considered weak and in desperate need of development, which resulted in the growth of 'project societies' (Sampson, 2003), an alien element to both the Spanish and Hungarian traditional development of state-civil society collaborations.

The Europeanisation of civil society had much greater impact in Hungary, where formal arrangements were lacking, adding to the divided development of "professionals paid at Western levels and accountable to Western funders on the one hand, and a public that neither understands the logic of projects nor cares for their goals" (Gille, 2010, p. 22). In Barcelona, the Municipal Charta of 1994 summarised the practices of pre-existing forms of collaboration, grounding traditional practices that existed before the EU enlargement, but the Charta of Budapest in 2004 was heavily based on EU guidelines on how to democratise the cooperation between the public and civic sector through participation and building social cohesion. Since the leftist-liberal coalition was in mandate during the development of the NGO sector and the entering of the EU membership phase, Fidesz, in opposition, continued with

the strengthening of a ‘counterhegemonic’ civil society based on the Civic Circles movement. It stood up against a Westernised type of civil society, wherein “obligatory political correctness has eerie echoes of the communist past” (Gille, 2010, p. 22), which nurtured the emergence of right-wing populist narratives.

TABLE 2 – Transformation processes in Barcelona and Budapest. Source: author

	Barcelona		Budapest	
	Political-economic configurations	Position of civil society	Political-economic configurations	Position of civil society
Democratic transition	Social democratisation, FDI inflow, lead of public sector	Strong cooperation with public sector	Liberal democratisation, FDI inflow, mass privatisation	Spontaneous collaborations
Process of EU integration	Incentivising private sector participation, credit and mortgage boom	Consensus-based decision-making	Bank privatisation, ending universal welfare	NGO-isation, closed decision-making processes
Pre-crisis years	Entrepreneurial strategies, overproduction of construction sector	Conflictive and critical towards urban processes	Financialisation, credit and mortgage boom, growing indebtedness	High political dependence and growing divide along political lines

The crisis hit both countries with severe effects, with housing and public debt being the epicentre of failing market mechanisms, and the uneven development of European integration came to the fore as foreign direct investments started rechanneling to cover their domestic markets (mainly French and German banks in the case of Spain, and Italian and Austrian banks in the case of Hungary). In Spain, the rechanneling caused the crisis of the construction sector first, whilst Hungary fell into a fiscal crisis. Both countries needed to apply for rescue packages from the IMF and EU and announce austerity measures to overcome economic instability.

Whilst scholars alarmed over the “strange non-death” of neoliberalism (Crouch, 2011), on a European level, there were neither any signs of changing the neoliberal direction (Oosterlynck and González, 2013). States responded with austerity and re-centralisation as a panacea for the problems of the crisis. Spain recentralised welfare policies, which caused the loss of autonomy of regional territories, who were unable to implement their policies in healthcare, education, and social services. Hungary responded to the crisis in a similar fashion, despite deepening political crisis and social instability between 2007–2010. The government remained committed to austerity policies as a condition of the IMF loan, leaving the foreign exchange mortgage crisis of secondary importance, although it was a primary existential issue for citizens, as many homes and automobiles were financed through Swiss franc and euro loans.

Based on the varieties of neoliberalism and process of Europeanisation, re-scaling shaped significantly the patterns of democracy and citizenship. As a consequence, the crisis resulted in different political mobilisations, which offers

general insight to processes across Europe: left- and right-wing narratives both targeted the shortcomings of the status quo, giving space to more radical voices. Even though citizen mobilisations grew significantly, European civil society remained divided regarding how to construct a counter-narrative for more democratic governance (Pianta, 2013).

In terms of political dynamics, significant changes occurred after the first years of social unrest and political turmoil. Both Barcelona and Budapest saw the arrival of radical political actors: Barcelona in the persona of Ada Colau, whilst Viktor Orbán took position on the other side of the political spectrum. Spain had a tumultuous year in 2014, when Podemos entered national-level politics, applying for the EU elections, and Barcelona welcomed the campaign of Ada Colau, who promoted emancipatory politics, despised corrupt political classes, and called for a citizenist democracy wherein transparency and participation were the watchwords of radical politics. In Hungary, Orbán won with a landslide two-thirds of the electorate by building on the anger and feelings of being left behind in the European integration and bringing back a nationalist and illiberal model of governance. The Fidesz narrative further built on the popular disdain of multinational companies and banks, formulating a discourse that is highly critical towards the EU and situating the government as a ‘freedom fighter’ against oppressive power. In a narrative sense, representing the EU as a foreign hegemony over Hungary played on the disturbing resonance with state socialist times and the role of the Soviet Union in defining the principles of political-economic directions and aspects of social life.

What we can decipher from the above is that the crisis was capitalised upon by different counter-narratives against neoliberal capitalist development and the attached ideologies around it. In my point of view, on a narrative level, there has been a strong linkage of demands in both Barcelona and Budapest in relation to the politics of the era of democratisation, when the countries progressively immersed in Europeanisation and neoliberalisation. However, the questioning of the development trajectories of the last decades has meant very different articulations in the two cases.

In Spain, a revival of politics occurred that emphasised the need to include radical movements in urban processes, as was the consensus in the early years of democratisation and the initial years of EU membership. Similarly, as the Indignados movement gained momentum, it demanded ‘real democracy’ and standing up for social rights. Resembling post-Franco social movement demands, citizens refused the mantra of austerity measures and disappearing welfare services, as well as the corrupt political–economic elites of recent decades. Movements reinforced by path-dependent cultural features of neighbourhood solidarity and familialism (García, 2010) criticised the loss of the concept of a ‘social Europe’ that was initially emerging during the democratic transformation. Hence, the crisis can be partially interpreted as a crisis of welfare, opposing the gradual erosion over the years of competitive growth, the arrival of FDI, and entrepreneurial policies. International events

and the touristification of the city spurred additional social unrest, similar to in other cities across the globe (Colomb and Novy, 2016).

Hungary, on the other hand, criticised the vision of a 'liberal Europe' for sparking the current crisis: the Western-orientated elite, the unregulated arrival of foreign capital in excess of domestic stakeholders, and the whole ideal of liberal democracy that was associated with the process of Europeanisation. Whilst the 15M movement in Barcelona was critical towards capitalist processes and the ruling classes altogether, in Hungary, the initial anti-bank and anti-multinational sentiments criticising Western neoliberalism turned into a right-wing takeover, wherein discourse soaked in nationalist reactions gained strength over the critique of uneven capitalist development. Here, not the corrupt political-economic elite suffered the blame, but the Fidesz narrative created an opposition between Western and domestic elites, creating a peculiar argument where not neoliberalism per se was criticised, but the way it unfolded – with the dominance of foreign stakeholders on the expense of domestic ones.

As a result of populist notions, civil society suffered a major attack, as it has been divided along political-economic class interests, with one side acknowledged as serving Orbán's nationalist 'protective' agenda, whilst the leftist-liberal political block made a scapegoat for serving international interests through the network of Soros institutions, which are singled out as collaborators of the Western elite threatening the independence of the country. The reason for the success of such narrative relies on the already contemplated fact that Europeanisation from the very beginning showed neoliberal traits and diminishing welfare services, coupled with austerity measures that already characterised national politics after the transition years, giving ample reason for disillusionment with the process of Europeanisation.

To conclude, the major differences in Spain and Hungary over the dense period of system change up until the crisis were twofold. First, the concept of Europeanisation held different associations in the two countries, and second, civil society faced different democratisation and collaborative practices. Barcelona connected Westernisation with the expansion of the welfare state and the close collaboration between the public sector and civil society in the early years of democratisation, whilst in Hungary, it has been associated with the concept of liberalism and the expansion of the private sector but also coupled with the arrival of growing inequality and worsening standards of living. Based on the different periods in which they entered the European economic space, Spain developed a late-Fordist social concept of Europeanisation, whilst Hungary has followed an experimental neoliberal definition of it. Furthermore, the supposed 'third transition' of democratisation was never really realised in Hungary in terms of civic involvement in public decision-making processes, as the transition of the economy and political system received a privileged position in the transformation period over the strengthening of either civil society or the role of local governments.

The crisis highlighted these cleavages, and post-crisis narratives have built upon these vital transformational traces. These two primary differences have also permeated the growing momentum of the 'urban era' in the EU,

reproducing these externalities in urban policy development. In the following chapter, I demonstrate how the political economies of Spain and Hungary have affected urban regeneration policies in Barcelona and Budapest, further entangling the different development paths of the two cities, and I show how cultural path-dependency has played a part in the management of state–civil society relationships in urban policymaking.

CHAPTER 4

DIALECTICS OF CITIZEN PARTICIPATION IN URBAN REGENERATION POLICIES

After the first years of transition to democracy, both Spain and Hungary were influenced by the process of ‘soft Europeanisation’ (Atkinson and Rossignolo, 2010) in terms of urban policies and the creation of common cultural values. Urban regeneration became a powerful concept associated with neoliberalisation and globalisation, intersecting with the formation of the European Union. Of course, each city and nation-state have their own institutional structures, policy traditions, and political colours in which these practices are translated to the local context.

The European project in Spain has been part of its transition processes since it joined the EU in 1986. The first ten years were characterised by a pro-European attitude, with support for initiatives coming from the supranational institution. The Convergence Programme was first judged negatively during the 1990s, as the costs of Spain’s participation with the EU and its policies seemed to outweigh the benefits that arrived primarily through the Structural Funds. As Oriol Nel·lo writes, “it was commonly felt that the effort made by Spain to modernise and adapt to the new European framework should have been compensated by the Community in the form of aid, ensuring not only political but also economic integration into Europe” (Nel·lo, 2007, p. 351). Therefore, the Cohesion Fund was created in order to compensate the less wealthy member states and help convergence with core countries of the European Union.

A series of programmes have been developed on the EU level to ensure compensation for economic disparities in this period. The importance given to the urban scale was highlighted by the discussion paper *Towards a European Urban Agenda* in 1997, and later in 1998 the paper entitled *Sustainable Urban Development in the European Union: a framework for action* set the foundations of the EU’s approach to urban policymaking. In 1994, when the URBAN programme (1994-1998) began to be developed, policy actions to improve urban areas were characterised more by physical urban renewal rather than social and economic transformation, the lack of integration of non-institutional actors, or non-collaborative multilevel governance; hence, the most important addition of the URBAN programmes was the integrated approach in urban regeneration (De Gregorio Hurtado, 2017). The programmes have stimulated the inclusion of civil society actors but have not necessarily provided efficient participatory schemes (Walliser, 2013).

Similar to in Spain, physical urban renewal was the dominant practice in Hungary after the transition in 1989. The first document on integrated urban development in Hungary was produced in 2007, for the 2007–2013 programming period, and provided a manual for the use of EU funds. The Leipzig Charter of 2007 on Sustainable European Cities proposed not small changes but a major switch in Hungarian planning, turning inside out previous practices, rendering traditional processes obsolete, and placing local governments at the centre of these developments – even though their position has been quite weak due to the democratic period’s mass privatisation and the abandonment of urban regeneration as a local responsibility. This was when participation became a prerequisite for financing urban regeneration, which hence influenced the capacity to apply for EU and national funds. Earlier in the transitional period, the central government was overseeing the management of the integrated urban regeneration projects. From 2004 onwards, urban rehabilitation, in general, was characterised by the growing dominance of EU funds (Koltai, 2014), and today, hardly any project in Hungary is financed without incoming money from the European Union. As a consequence, the central government has gradually withdrawn its funding of infrastructural investments that are solely based on the national budget (cf. Jelinek, 2017).

In the current chapter, I focus on how the cities of Barcelona and Budapest have embraced participatory mechanisms in their approaches to urban regeneration as well as the extent to which these practices are related to the urban momentum and focus on cities and stem from the setting of state–civil society relationships. Overall, I aim to unfold how citizens interact with local governments during the implementation of urban regeneration policies, or in relation to urban changes, as well as how local governments target participation, what characteristics define these relationships, and how changes over time respond to larger historical junctures, such as the event of democratisation, EU integration, or the crisis. I first explore how the dynamics between citizens and local governments changed before the event of the crisis. Second, I focus on the rolling out of the crisis and how local governments and citizens responded to the most severe consequences, in introducing new policies that targeted the inclusion of citizens in resolving the issues of the crisis. Finally, in light of the above, I outline how these new policies respond to political goals in the cities and how much this reinforces cultural pathways that have existed throughout the process of democratisation.

4.1 THE DEVELOPMENT OF URBAN REGENERATION IN BARCELONA AND BUDAPEST

Examining urban regeneration policies after the transition years in Barcelona and Budapest clearly illuminates how urban interventions resemble similar dynamics in the restructuring of state–civil society relationships. As the ‘urban moment’ considered cities as both the source of and solution to economic issues,

it brought attention to urban-level phenomena, even more so as the EU started to channel an increasing amount of funds towards cities and their development. Whilst it clearly had an effect on urban policymaking, its impact and transformative power on existing structural patterns remained quite limited.

I first discuss which elements of the specific restructuring of state–civil society relationships can also be found in the organisation of urban regeneration policies in the two cities. In Barcelona, since the end of the Franco dictatorship, communities and citizens have been consistently included in urban regeneration policies in one way or another; however, we can see a shift from a more consensual towards a conflictive relationship between local governments and citizen groups during the large-scale developments of the 1990s and the adoption of entrepreneurial strategies for the development of the city. In Budapest, local governments primarily abandoned the issue of urban regeneration parallel to the liberalisation of the market, and privatisation served as a universal answer to fiscal problems. With a few exceptions, physical urban renewal was dominant during this period, with very little focus on the inclusion of citizens in these processes.

Second, although the development of collaboration between the local governments and citizens followed divergent paths in the two cities, larger global trends had a unifying effect on the nature of urban policies: culturalisation and entrepreneurialism in urban regeneration decisions became more incorporated. Nevertheless, whilst this resulted in the weakened position of citizens in decision-making processes in the case of Barcelona, in Budapest, it coincided with the period of accession to the EU, and both participatory practices and social and cultural aspects of urban regeneration were nurtured through the incoming funds, creating an ambivalent character of socialisation and gentrification of urban processes. To put it differently, internationalisation and entrepreneurial strategies caused the weakening of civil inclusion in Barcelona but created a mixed effect in Budapest: parallel to mass privatisation and state-led gentrification processes, urban regeneration also started to incorporate citizen inputs as part of the equation.

CITIZEN ROLES IN URBAN REGENERATION AFTER THE TRANSITION

The character of urban development during the democratic transformation took very different directions in Barcelona and Budapest in terms of the positioning of citizens in the reorganisation of the city. Whilst in Barcelona, the social consensus on urban governance became a hegemonic narrative, in Budapest, the withdrawal of local governments from urban policy was much more prevalent in the early years. In post-socialist Budapest, privatisation processes were considered the solution to the lacking capacities of local governments in developing the urban tissue.

The city of Barcelona, since the transition, has been governed by the Socialist' Party of Catalonia, together with the Initiative for Catalonia Greens – United and Alternative Left (ICV-EUiA), a party that originates in the communist tradition and now labels itself eco-socialist, regularly adopting

positions in social welfare and environmental offices. During the era of ‘popular consensus’, the city has been reconceptualised in grandiose ways in which citizens receive a prominent role and urban policies target the wide participation of citizens in its renewal. Nevertheless, changes in the urban structure also brought increasing social polarisation and the growth of population on the peripheries, coupled with worsening living conditions throughout the 1980s (Balibrea, 2001), but this received little attention until the end of the decade. New avenues were opened, such as the Rambla del Raval (Ciutat Vella), Carrer Marina (Sant Martí), together with the opening of other avenues towards the sea, such as Avinguda Diagonal and Carrer Aragó (in Sant Martí and Eixample). Areas next to these new avenues have been completely redeveloped, also spurring an adjustment in the composition of local businesses and the shutdown local industries, which changes the cityscape significantly.



FIGURE 6 – Districts map of Barcelona. Source: author

These were the years when ‘European’ urban planning embraced the ‘traditional city’, comprised of streets, blocks, big squares, and public spaces, or what one may call a typical appreciation of modern urbanism. Balibrea (2001, p. 189) argues that despite the fact that these developments can be articulated as positive outcomes, the problem was primarily that “these discourses have overwhelmingly, almost monolithically, been favourable to the urban changes implemented in the city” and have not accounted for displacement or the alienation of citizens from the new environment.

Urban movements had already begun to organise in the late 1960s, revolving around lacking services and neighbourhood demands, and became part of a growing political opposition. During these years, the Great Metropolitan Plan of Barcelona was initiated in 1974 and finalised in 1976, and it included neighbourhood associations in the intervention process for urban areas. In the times of the new democracy, Oriol Bohigas, the new head of the Urban Planning Department of the City Council of Barcelona (1980–1984),

responded to the demands of neighbourhoods and built public parks, schools, and other facilities, as well as opening the city to the sea, finishing the beltways, and expanding the drainage and sewage systems, which paved the way for the upcoming developments that prepared for the Olympic Games of 1992 (Calavita and Ferrer, 2000).

An intense dialogue with neighbourhood associations has marked urban regeneration plans since the 1980s. The promotion of citizen participation formed part of the 'Barcelona model' of urban governance, which is based on multilevel cooperation, public-private partnerships, and administrative decentralisation, although the process have been criticised for being elitist, in calling attention to the lack of representativeness or the asymmetry between institutional and non-institutional participants (Blakeley, 2005).

In 1986, the Regulatory Norms of the Organisation of the Districts and Citizen Participation was approved (Blakeley, 2010), which provided platforms for citizens to be included in decision-making processes through public hearings, interventions in district council plenaries, the right to information or petition, and through territorial advisory councils. The main participatory models covered a wide variety of practices: a network of consultative bodies – city council experts and primary social organisations – participating in thematic forums, ad hoc participatory processes linked to local policies, such as the participative preparation of the Municipal Action Plan through formal procedures such as consultation polls or workshops. Moreover, the various types of collaboration between the city council and community initiatives were later included in the Municipal Framework for Community Action, passed in 2005 and covering the different formal mechanisms in which public services are conducted with the contribution of social and community organisations (Blanco, Martínez and Parés, 2016).

As Garcia-Ramon and Albet (2000) summarise, the so-called 'Barcelona model' that was unfolding during these years reflects the primary features of the city's urban transformation in the last years of the 20th century, of which the most important characteristics were the role of public spaces in transforming areas to create identity and foster social and cultural integration, as well as the role of public leadership in initiating the management of these urban transformations. Furthermore, policies aimed at "harnessing economic development to fund social welfare and service delivery [...] as a key instrument to fight inequalities" (Blakeley, 2005, p. 157) but also at "creating autonomous entities to control planning and finance", which contributed to the innovative character of urban policymaking (Casellas and Pallares-Barbera, 2009, p. 1138).

The first years of democratic transition offered a different role to citizens in the case of Budapest. Although similar processes of decentralisation occurred, urban policies of local governments did not aim to create consensus with local community and social groups, as in the case of Barcelona. Budapest experienced a transformation from state socialism to liberal democracy in 1990, which created new power relations and remade the role of local authorities in addressing challenges and defining new urban policies. The welcoming of

market principles in a post-socialist city, where central distribution dominated, resulted in accelerated privatisation, involving even collective goods such as public spaces (Bodnár, 2001). Furthermore, the reconfiguration of the local municipal system added to the growing inequalities that privatisation brought about and changed the inner structure of the city; meanwhile, the Act on Local Governments in 1990 decentralised state capacities without solving the question of subsidiaries, and local governments faced troubles in providing the newly devolved public services (such as education and housing) and heavily relied on incomes generated by the privatisation of their assets (Vigvári, 2011). In addition, the privatisation wave aggravated uneven development: whilst many of the municipal assets have been privatised, housing with bad conditions has typically remained in public ownership (Bodnár, 2001). The power of the public sector has evolved from a dominant to a subordinate role in central planning, regulating market mechanisms in the new privatisation era, which is aggravated by increased responsibilities and constant financial issues.

The urban development of Budapest was heavily influenced by incoming foreign investments, which had a direct effect through residential investments (the privatisation of housing) and an indirect one through the commercialisation of the inner districts of Budapest (selling municipal properties). However, foreign investment and the privatisation of local governmental properties were greatly limited until the beginning of the 2000s (Kovács, 2009). In 1993, a municipal regulation made it mandatory for local governments to sell their housing to the current tenants, unless they had an urban regeneration plan in place. In the same year, the Urban Rehabilitation Fund was created by the Municipality of Budapest to cover the regeneration of municipal rental stock. It was allocated on a separate account and based on the inflowing payments of district municipalities. The availability of the budget was raised through the gradual privatisation of state-owned housing stock after the transition years: district municipalities were supposed to send 50% of their income to this budget, which was realised from the selling of public assets.

In terms of housing, a massive suburbanisation process started in Budapest, which lost 9.7% of its population between 1990 and 1997, while the agglomeration area increased by 8.8% (Keresztély and Scott, 2012). An ageing population was previously present in the inner-city area, with a high rate of elderly, typically lower status, citizens, with decreasing Jewish and increasing Roma populations (Földi, 2006). The composition of the population started to change as gentrification arrived in the centre, with the settling of younger and more highly educated people and childless couples, and the shrinking ratio of lower-class citizens (Csanádi *et al.*, 2006).

The prelude to gentrification and mass housing privatisation was the devolution of central power to the local level in 1990, when state ownership of the housing stock shifted to local municipalities – in the case of Budapest, 52% of all housing in the city became at the district councils' disposal (Keresztély and Scott, 2012). The tenants at the time could buy these flats below market value and sell afterwards for a much higher price (Bodnár, 1996). These factors led to growing segregation and, in general, signalled the retreat of local

governments from urban policy, worsened by low rates of state subsidies, which led to the necessity to cover local expenditures roughly from three sources of income: the privatisation of houses, local taxes, and new investment. Hence, commercialisation and business taxes held a crucial role for local governments to gain income. Under these conditions, urban development only slowly advanced throughout the coming years, focussing mostly on physical renewal through public-private partnerships.

The particular post-socialist condition did not favour the balanced development of the city, where inner cities blossomed with new business districts, commercial centres, and residential areas, whilst the older housing stock continued to deteriorate, which led to social exclusion and the fragmentation of the city. The only rehabilitation project that was an ‘exception to the rule’ occurred in Ferencváros, the ninth district of Budapest, with public-private cooperation. The rest of the projects were circling around strategies to convert old industrial sites through large-scale real estate developments (as in the thirteenth district), to demolish and initiate new construction in the sixth and seventh district, or to upgrade public spaces and planned, more comprehensive developments of the eighth, ninth, and tenth districts.

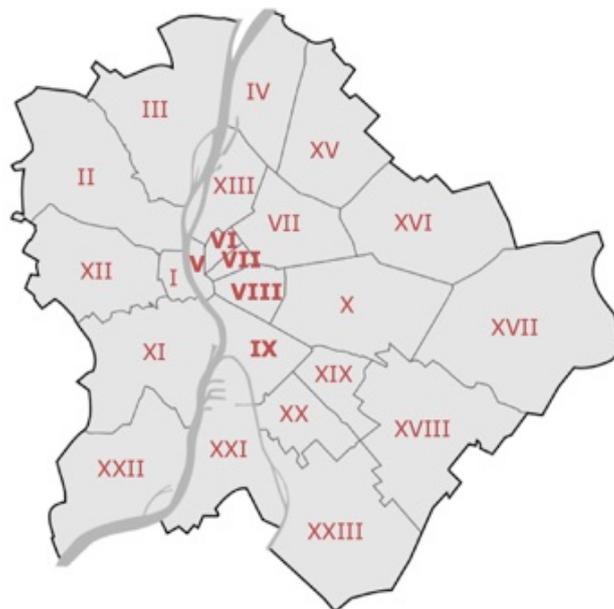


FIGURE 7 – Districts map of Budapest (inner city districts in bold). Source: author

The first indicative example of the rehabilitation of housing blocks in the ninth district of Budapest was based on the import of a French model that could channel private capital into urban development projects called SEM (*Société d'économie mixte*), which was founded in 1992. Funding originated from three actors: the most important savings bank of the socialist state (OTP Bank, with its privatisation starting in 1992), the local government, and a French public investment fund, which became the model case of post-1989 urban rehabilitation in Hungary (see Jelinek, 2017). The adaptation of urban rehabilitation to a new institutional environment became a catalyst for the gentrification of select inner-city neighbourhoods of Budapest.

This was not urban regeneration in the original sense. As urban development was heavily reliant of private capital, problematic areas with high numbers of Roma people were not favourable targets for investors. The practice of the Hungarian version of displacement was born here: the bargain for private investment was that the old neighbourhood would be relocated to the outskirts of the district or the city, and higher-income flats would be created in the intervention area than what was there previously.

At that time, 'gentrification' was not considered a negative term, and it was often interchangeably used with 'urban renewal' as a form of upgrading city dwellings (Keresztély and Scott, 2012). Furthermore, in professional circles, gentrification was regarded as a necessary condition of intervention. Academic journals published studies wherein experts contemplated the unavoidable need for gentrification to raise the standard of living. As one of them hesitantly wrote, "I wish the area where I live would already start gentrifying a bit, not just sink down the slope" (Schneller, 2006, p. 153). Others insisted that the ninth district developments were "state-led gentrification, but there was no other way" (Interview 16, Budapest).

During the early 1990s, a limited possibility to intervene in other districts existed due to the privatisation and fragmentation of ownership structures. Nevertheless, the run-down areas invited several cultural entrepreneurs and creative individuals during the 2000s, around the time when the hype about the creative class and their economic exploitation through urban policies broke through (Florida, 2002; for a critical read see Peck, 2005). In the case of Budapest, it was not a targeted and strategic urban development process but rather a spontaneous one that adjusted to contextual circumstances. In particular, the sixth and seventh districts became the birthplace of a similar phenomenon that is today a quintessential advertisement piece of tourist brochures and travel blogs: the ruin bars⁸ of Budapest (for an overview, see Lugosi et al., 2010).

CULTURALISATION OF URBAN REGENERATION

Growing inequalities in general and the negative consequences of gentrification in particular became more prevalent after the initial years of urban development in both the Catalan and Hungarian capitals. Gentrification attracted wider attention during the increased touristification of the city of Barcelona, when the city council switched its strategy to large-scale developments, whilst in Budapest, the first critics appeared parallel to the commercialisation of inner districts and the increased privatisation wave of municipal assets in the early 2000s.

As Balibrea (2001) notes, from the 1986 nomination to host the Olympic Games until the first half of the 1990s, the new urbanism in Barcelona

⁸ Ruin bars first appeared in dilapidated, abandoned office or residential buildings, offering various hospitality venues and cultural events, keeping the run-down atmosphere of the spaces intact. Although they were never interpreted via the concept of temporary uses, their functioning was based on non-regular and short-term uses, of which some managed to survive up until today.

was characterised by the marrying of culture with urbanism, which resulted in the proliferation of cultural spaces throughout the city – squares, monuments, avenues, and promenades – signalling similar processes to changes in the global economy: the culturalisation of cities (see Garcia-Ramon and Albet, 2000; Peck, 2005; Degen and García, 2012) and the rise of entrepreneurialism (Harvey, 1989a) in the form of proliferating public–private partnerships. Pasqual Maragall launched an intense campaign for the city: between 1986–1999, the city council spent a considerable amount on promoting a ‘face-lift’ of key buildings in the city. This was heavily reliant on the architectural heritage of the city, mostly dominated by the work of Antoni Gaudí, which, by no accident, became one of the most important bases of the cultural representation of the city for the tourist industry, “popularizing the dictum that Barcelona is ‘the city of architects’” (Balibrea, 2001, p. 191). In addition, the 1988 Plan For Hotels marked the start of a vision to rebrand Barcelona as a tourist city (Degen and García, 2012).

The 1992 Olympic Games was the first notable cause to begin the large-scale transformation of the city. Since the historical centre of Barcelona was considered an essential element of economic development through targeting tourism and the tertiary cultural sector, investments have been more significant, which implies not only the rehabilitation of old buildings and public spaces but also the creation of new ones. The Olympic Games acted both in favour and against citizen inclusion: in favour, because they had to be included as legitimators, and against, as other administrations and private actors took away the weight of their input to make the regeneration possible. The nomination for the Olympic Games provided major developments to renew the city: communication towers, sewage networks, a cleaned waterfront formed into beaches, and the completely new district of Poblenou, which became the Olympic Village.

The goal of the Olympic Games was partly to be able to rebrand the city for international tourism and to become attractive both as a cultural and an economic capital (Monclús, 2000). This involved several urban developments, such as the Olympic Ring around the Montjuïc mountain, but the most prestigious part of it was the “opening of the city to the sea” through offering around 2,000 houses for the Olympic Village and readjusting the entire seafront of the city, even much further north on the coastline (ibid.).

When the Royal Institute of British Architects awarded the members of the city council for their innovative planning in 1999, excitement about Barcelona was generated on an international level. As the investments for the Olympic Games ceased after 1992, Barcelona had to seek new resources of funding, which primarily landed in cultural projects, inviting private capital to the city. After the elaboration of a cultural and economic strategy of the 1990s, Barcelona immersed itself in complementing cultural developments with knowledge-based economic strategies beginning in the early 2000s (Casellas and Pallares-Barbera, 2009). This was due to the crisis experienced in the post-Olympic period and the fear that investment would sharply decrease in the city. As a solution, the city opened itself to the inflow of private money, to gain

funds for new developments, such as the modern art gallery in the inner city, known as MACBA (*Museo de Arte Contemporáneo de Barcelona*) (McNeill, 2003).

The growing tourism in Barcelona drew attention to the increasing differences between neighbourhoods, growing housing prices, and evictions related to the developments. Many of the initiatives date back to the planning strategies of the early 2000s, when the mayor planned to renew the city for the incoming tourism flows, starting with Ciutat Vella district, where the MACBA and the Centre for Contemporary Culture are located. The new cultural buildings were part of the redevelopment of the old neighbourhood and the sanitisation of the area for tourists, which in urban planning terms, are equal to the cleaning of the area from social problems, either sweeping them away from the area or making them less visible.

A public park in the district became the emblem of the conflict between new developments and the locals: Parque de Figuera, which became known as Forat de la Vergonya (*the hole of shame*). This central part of Barcelona was a victim of urban degradation, or an example of increasing expropriations of space, and the eviction of lower-class neighbours also occurred. The project was initiated in 1999, when a block of houses was demolished and a hole with the leftover rubble remained for weeks. After several protests, the council filled the hole, and it became a space for self-managed neighbourhood practices. In 2000, opposition to development plans flared up again, as a real estate company named PROCIVESA⁹ (responsible for the urban developments in the historical city centre, later renamed to FOCIVESA) planned to build a sports centre and private underground parking lot on the 5,000 m² area to serve the expected inflow of cultural tourism, but the locals opposed. Soon, the local residents occupied the park: they created a community garden and a playground and realised other self-managed practices. The surrounding empty houses had been squatted, and police presence became more common. The case was eventually picked up by the media (Delgado, 2006; Rivero, 2006), and the conflict finally calmed only in 2004, when the council created a District Action Plan for 2004–2007, and instead of the parking lot, smaller facilities have been built with the intention to create green areas as well (Blanco, Castro and Grau, 2010).

Despite that the case of Forat de la Vergonya can be considered a victory of citizen opposition, large-scale developments continued in the city. With Joan Clos replacing Pasqual Maragall as mayor in 1997, Barcelona was ready to become 'Eurocompetitive' (McNeill, 2003). To counter industrial decline, particularly in areas of Sagrera, Diagonal-Mar, and Sants, Barcelona City Council started to invest in knowledge-based economies, pushing through the idea of 'new downtown areas', where the city has sought internationally branded attracting foreign investment and tourism, which brings along the increase of urban issues of privatisation, gentrification, and the loss of green areas. In particular, attention was drawn to the Poblenou area of the city, in

⁹ During the 1990s several expropriations and occupations took place to counter the effects of urban regeneration projects leading to social exclusion and the displacement of local residents from the area.

line with the city's General Metropolitan Plan (Charnock, Purcell and Ribera-Fumaz, 2014).

In 2000, the Poblenou area had been highlighted as the new centre for knowledge-based industries and envisioned as one of the most ambitious urban transformations in Europe led by the public sector. Later, in 2004, the city brought together the Universal Forum of Cultures for the first time, “devising specific projects to promote peace, more sustainable development and cultural diversity” (Fundació Fòrum Universal de les Cultures, 2004) and signalling the turn towards fashionable discourses of innovation, sustainability, and the nurturing of creative industries. The Forum was a symbolic end to an era: it was the first large-scale project wherein citizen bodies were completely left out from the preparation of the sites and programmes (Degen and García, 2012). In the meantime, to counter the abandonment of democratic socialist ideals, in 2004, the Neighbourhoods Act (*Lley de Barris*) introduced a widely financed integrated approach to address social exclusion and segregation, reintroducing a participatory scheme in which neighbourhood associations are represented in the planning process. It comprised comprehensive interventions in 117 neighbourhoods of Catalonia and bore several similarities with European-level guidelines on urban regeneration (Nel·lo, 2010).

This period marked the start of the urban entrepreneurial project ‘22@Barcelona’, which was considered an essential element of the knowledge-based strategy of Barcelona. Urban marketing, the provision of technological infrastructure, business incubators, entrepreneurs, and so on were the targeted groups under the lead of Joan Clos (Martí-Costa and Pradel, 2012), which opened the city to culturalisation and the expansion of the creative industry and knowledge-based economy. Poblenou was the major intervention area, with a vision of turning it into a technological centre, by adding mixed-used housing, economic activities, and social facilities (such as public libraries, health centres, and universities) (ibid.) and inviting international artists and creatives to the area.

Barcelona Activa, the city's local development agency, played a key part in the project, which aimed to reconstruct the neighbourhood into a vibrant centre of knowledge-based economy and a hotspot for the international creative class. As Casellas and Pallares-Barbera (2009) indicate, the project involved three primary aspects related to urban policy: first, it was a high-tech redevelopment strategy initiated from the top down; second, it is a unique case because of its scope of economic, social, and cultural implications; and third, it highlights the change from public-sector interventions to more entrepreneurial approaches. The creation of this new economic district represented how the widespread entrepreneurial turn took over the formerly exercised and praised ‘Barcelona model’, in which the inclusion of citizens was much more direct.



FIGURE 8 – 22@ project area in Poblenou, Sant Martí district (Barcelona). Source: Martí-Costa and Pradel (2012)

During these early years of the 2000s, the commercialisation of inner Budapest started to raise awareness amongst various citizen groups. The inner-district rehabilitation projects and the culturalisation of the area slowly began to draw attention to these locations. The redevelopment of the sixth and seventh district areas often went without PPP constructions (as in the eighth or ninth districts), relying only on the market and private investment characterised by highly speculative approaches.

Parallel to the growing privatisation, these two districts represented the main intervention areas of alterglobalisation movements and anti-capitalist informal groups. A prominent group of the squatter scene of Budapest, ‘Centrum Csoport’ (*Centre Group*), organised the occupation of a vacant building that today functions as an upscale ruin bar but at the time was an abandoned municipal building in a deteriorating area. This was one of the first squatting groups that appeared in the media, and journalists followed up the case of the short occupations of various buildings (their first occupation was in 2004 in the fifth district). Centrum played an important role in promoting squatting as a social critique and also collaborated with OVÁS! Association, a civic organisation that had been active since 2004 in protecting historical buildings in the seventh district’s Jewish quarter, which was a target of speculative urban development, by giving them heritage protected status through the collaboration with UNESCO (Keresztély and Scott, 2012).

As civic groups began to become more present in resisting urban development policies, a new direction in the urban rehabilitation agenda became increasingly visible during the beginning of the 2000s, with the appearance of ‘social urban rehabilitation’ (the official term for a holistic approach to urban regeneration). It was first introduced in the eighth district, the most deprived area of the city, which eventually went through an immense urban and social change during the first decade of the 2000s. Three interrelated

projects characterise this process: the Corvin Promenade Project, with private investment and gentrification of the area; the Magdolna Quarter Project, where social aspects of urban rehabilitation first time appeared in Budapest due to the arrival of EU funds; and the Orczy Quarter Project, which is the continuation of the gentrification of the area (for a critical review, see Czirfusz et al., 2015). Overall, with the ruin bars and the state-led gentrification programmes, along with ‘European’ renewal programmes, Budapest reached the period of culturalisation as well.

In 2005, the first ‘social urban rehabilitation’ began with a pilot project named Magdolna Quarter Programme in the eighth district of Budapest. The most crucial parts were a project involving the participative renovation (involving the tenants themselves) of four residential buildings in the Magdolna neighbourhood, the refurbishment of one of the central squares of the area (Mátyás Square), and the establishment of a community centre, where various programmes (crime-prevention, educational and cultural activities, etc.) were held that targeted the local population.



FIGURE 9 – Eighth district project areas (Budapest). Source: author

Although grassroots mobilisation against urban development was more present in the early 2000s than in the 1990s, formal collaborations between citizens and local governments only began to be implemented during the ‘Europeanisation’ of urban regeneration. The notion of citizen participation in urban regeneration came with the accession to the EU in 2004, when physical urban regeneration projects gradually began to incorporate social and cultural aspects and combine renewal with the inclusion of citizens. The City Council of Budapest funded the first phase of the Magdolna Quarter Programme, but the second and third phases received the majority of funding from the EU, since EU transfers were linked to the requirement of citizen participation. Since the entrance to the EU Structural Funds phase (2007–2013), policymakers in

Budapest have recognised ‘social urban renewal’ as a major need, focussing on the “integration of deprived neighbourhoods through diverse social, economic and cultural programmes” (Keresztély and Scott, 2012, p. 1123). As an urban regeneration expert described to me,

It was a well-thought-through strategy; at Corvin promenade they carried out gentrification, and at Mátyás Square, it was complemented with social urban rehabilitation. Mátyás Square regeneration started around 2004, without the inflow of EU funds. A small amount of City Council money was given, along with some from the eighth district, and they made wonderful participatory processes. Strangely, the more EU funds arrived, the less participation happened (Interview 16, Budapest).

The operative programme of Hungary was often considered a source of problems that left little time for the participatory mechanisms in planning the intervention. Therefore, participatory processes were usually done hastily or excluded completely. The problematic part was that the conditional elements for qualifying for the EU tenders were far from being a traditional part of the Hungarian planning and implementation of urban regeneration projects (Földi, 2009). As a consequence, the second and third phases of the Magdolna Quarter Programme could incorporate fewer of the participatory mechanisms that initially made it unique in its time. In addition, gentrification further increased in the area, which now experiences some of the highest rental prices in the city.

Overall, the history of the eighth district of Budapest clearly captures the controversial trends of urban regeneration. From a highly stigmatised area characterised by dilapidated housing and frequently labelled as the district of prostitution, with high crime rates and a considerable Roma population, by the 2010s, it was reborn (or at least remade) as one of the most gentrified areas of the city. During the 2000s, negative trends such as gentrification began to draw opposition from citizen groups and fuel debates in academic circles, in parallel with the reliance on European best practices and the EU’s mantra of community development through participation and social inclusion, but this period also owns the appearance of the so-far lacking ‘social’ element in urban regeneration. At the same time, the arrival of Structural Funds and experimentation with social urban rehabilitation did not have much time to blossom and grow roots, as the 2007–2008 crisis was already very near.

4.2 CRISIS, VACANCY, AND CITIZEN PARTICIPATION

The impact of the global financial crisis caused local actors to respond in various ways to its sorely felt effects, both on the political–economic and narrative levels. Drawing on cultural political economy, in this section, I focus on urban regeneration through the corollaries of the crisis, with a particular focus on vacancy and the position of citizens against local governments in taking action and forming discourses around what the post-crisis urban question

essentially concerns. Although the reuse of vacant and underused sites itself is not a new phenomenon, it receives greater attention when the economy goes down and constructions come to a halt. Therefore, it is a useful lens for examining how policies and power hierarchies change in urban regeneration. Although different traditions in vacant space reuse previously existed in both cities, the institutionalisation and introduction of new policies were both characteristic of post-crisis rationales, with different approaches to reduce the amount of unused municipal vacant stock and re-establish stability.

The crisis of neoliberal capitalism can be regarded as an opportunity to break path-dependency and rearticulate dependencies whilst opening new narratives for context-specific trajectories. As I have already shown in Chapter 3, Barcelona and Budapest produced distinct responses on a political narrative level. With the appearance of Podemos and Ciudadanos in national politics, the end of the two-party system was sealed in Spain, and the socialists suffered an unprecedented defeat in Barcelona to the right-wing Xavier Trias in 2011, spurring nationalist sentiments amongst Catalans and significantly strengthening the independentist movement¹⁰. A similar swing to the right occurred in Hungary with the 2010 landslide victory of Orbán pronouncing a freedom fight against the EU and its foreign political and economic allies. Orbán recentralised decision-making onto the national level and successfully promoted the false promise of turning away from the neoliberal path that the country had followed since its democratisation.

In addition, responses to the crisis on an urban level did not create a rupture with former neoliberal development trends. In Barcelona, with the 2011 electoral victory of Trias, the city council decided to turn Barcelona into an example of a Smart City, expanding the pre-crisis narrative of knowledge-based economies (González *et al.*, 2017). One of the first steps in this direction was the merger of various departments in 2013: Urban Habitat has been created from what were formerly the planning, infrastructure, housing, environment, and ICT units to deal with issues of sustainability and energy efficiency and emphasise 'environment' as a keyword for the attraction of capital and business (March and Ribera-Fumaz, 2016). Orbán, on the other hand, executed several 'unorthodox measures'¹¹, later on using the disguise of a 'state of emergency'¹², to spread nationalist rhetoric and to re-shuffle the power hierarchy of local governments. Parallel to the lack of presenting a clear strategic vision for the city, urban inequalities increased after the crisis as a consequence of a dual approach to policymaking: privileging middle-class citizens in terms of housing

¹⁰ The independence movement for Catalonia increased from 20% to almost 50% in the post-crisis years (Charnock, Purcell and Ribera-Fumaz, 2014, as cited in González *et al.*, 2017)

¹¹ Unorthodoxy in economic decisions referred to the narrative of the freedom fight against multinational companies and institutions (such as IMF). In reality, these measures (such as the introduction of a flat-rate tax, or the complete reconfiguration of the pension system) served as justification for the political agenda of Fidesz: building a political basis on the support of the middle-class while punishing the poor.

¹² The reason for state of emergency was 'mass migration', a narrative weapon that has been employed regularly in electoral campaigns since 2015.

policies, while regulating the lower classes through a more paternalistic approach to urban rehabilitation (Pósfai and Jelinek, 2019). Regarding urban interventions, the most characteristic policy decisions targeted the beautification of public spaces and sanitising inner-city areas to welcoming an inflow of tourists.

THE CRISIS AND URBAN DEVELOPMENT: FOCUSING ON VACANCY

“Scandal of Europe’s 11m empty homes” reads the title of an article in *The Guardian* in 2014 (Neate, 2014), calling attention to the most severe effects of the crisis: household indebtedness and the uneven distribution of resources. The growing numbers of vacancy provided momentum in the struggle for more just housing and the fight against homelessness. Research was directed particularly to highlight local governments and their housing stock, along with private investors and speculative practices where often, newly built flats were lying empty, whilst banks continued evicting families, unable to repay their debts after the years of the crisis, from their homes.

The housing boom of the pre-crisis period caused the under-occupation of office and residential buildings across Europe. As financial and real estate speculation had brought the economy to a meltdown, stalled spaces and unfinished sites became the centre of attention of policymakers and politicians, as well as a range of other actors, such as cultural and grassroots organisations, political activists, and urban scholars. Several initiatives focussed on resolving the crisis through the targeting of vacant properties: bottom-up movements, grassroots activist groups, and top-down policies addressed the issue of vacancy in Barcelona, and Budapest as well.

The highest number of vacant homes was in Spain, which experienced the largest construction boom of the 2000s. The Hungarian housing situation showed much in common with Spain regarding the debt-based strategy for homeownership, with a low level of rental or social houses (Bohle, 2013). Thus, the crisis put housing as the main source of damages. The following years brought alternatives to the mainstream Europe-wide approach to deal with the housing problem by supporting policies that were based on ownership and loans. Both cities expressed the need to increase the number of social rental housing by at least doubling the current stock (Municipality of Budapest, 2013; Barcelona City Council, 2016a).

The number of empty spaces and evictions was a vivid and much-felt consequence of the construction bubble of Barcelona. Foreclosures were widespread across the city, affecting both working- and middle-class citizens, due to the loose credit requirements in the pre-crisis years and the following post-crisis unemployment (Blanco, Martínez and Parés, 2016). Parallel to anger towards evictions and the corollaries of the crisis, the weak were increasingly driven out from the city. As attention grew over the unused areas of the city, several bottom-up neighbourhood and local civic initiatives occupied unused and vacant lots, many of which were deteriorating. The most common practices involved community gardens, squats, or occupied vacant spaces, creating a

communal space and offering activities or programmes for the wider neighbourhood. Self-organised local communities and autonomous forms of organisation in the post-crisis period became more visible on the urban level in Barcelona, even becoming part of the governments' political programmes, as was the case with the activist group PAH, who entered the city council in 2015 with the lead of Ada Colau¹³. Before their arrival at the city council, the movement similarly occupied vacant buildings throughout the city along with other social groups.

The 15M movement gave a real push to PAH to draw more attention to their activities. Their most important campaigns were the prevention of foreclosures by financial institutions and the demand to turn empty buildings into social housing. The platform of PAH had a proactive programme (*Obra Social*), along with which they occupied a block of flats and rehoused over a thousand people. The organisation was also responsible for the promotion of the Popular Legislative Initiative to make changes in the Mortgage Act state-wide being brought to Congress, and although parties stood behind it, and a massive amount of citizens as well, it did not reach an institutional change (Parés, Martínez and Blanco, 2014).

The mobilisation of social movements and activist groups contributed to the reappropriation of empty urban spaces, which has its own historical trajectory in Barcelona, but the crisis acted as a catalyst to revive these practices and spread them across the city. Urban space was devalued after the crisis, and many construction sites went down, leaving behind vacant and abandoned urban spaces. One prominent example that serves as a reference to both movements and the city council is the case of Can Batlló, an old factory area located in the La Bordeta neighbourhood in the Sants-Montjuïc district. The owners of Can Batlló aimed to turn the old factory site into a housing area after the transition years. However, the housing bubble halted these negotiations, and the residents, together with the Sants Social Centre, launched a campaign to pressure the remodelling of the area¹⁴. This platform of residents for Can Batlló consisted of local social actors, housing cooperatives, architect collectives, movements, and the neighbourhood association.

Housing was an essential factor of urban development in Barcelona, as it experienced the latest cycle of growth from the 1990s onwards, due to the combination of a demographic boom induced by immigration, the growth of the tourist industry, and upper- and middle-class consumption practices of acquiring second residence homes around the area of the city. Therefore, it was not only due to the crisis that problems of vacancy resurfaced amongst citizens and the city council.

¹³ The movement was also strategic to have a constant media presence, in mainstream newspapers and television shows as well, backed by the population's agreement.

¹⁴ The campaign entitled "tic, tac, Can Batlló" appointed a deadline for the local government to act, which coincided with the start of CiU's mandate on 1 June 2011. Just a few days before, the council offered a 1500m² space, (the so-called Block 11) of Can Batlló to the neighbourhood to reuse for social and cultural activities (Martí-Costa and Torvà, 2013; Parés, Martínez and Blanco, 2014)

Nevertheless local governments became responsible for managing the effects of the crisis. The Barcelona Social Housing Council (CHSB) was set up in 2009 to serve as the primary institutional channel of providing public participation in the field of housing. Formed by the City Council of Barcelona and the Autonomous Government of Catalonia, CHSB is the consultative and participatory body of the Barcelona Housing Consortium, with around 70 entities with diverse practices: some are professional public and private enterprises, others are cooperatives or housing agencies, and even political groups or universities or representatives of the housing departments in Barcelona and Catalonia. An annual meeting of the Plenary serves to assess the work of CHSB, whilst the Standing Committee, consisting of neighbourhood associations, developers, trade unions, and non-profits, coordinates the management and direction of the council. It includes various committees and working groups, such as the Committee of Evictions that was set up between PAH and Xavier Trias, institutionalising the focus on evictions.

Conversely, the lack of traditional collaboration between the state and civil society in the case of Budapest became even more explicit in the aftermath of the crisis. Although new grassroots movements emerged in the post-crisis mobilisation period, their inclusion in decision-making processes remained quite limited.

Vacant municipal stock first became the target of privatisation waves during the 1990s and early 2000s in Budapest. As I detail above, during the 2000s, several empty inner-city buildings went through a process of commercialisation and were gradually turned into bars and clubs as part of the growing tourism nightlife (Lugosi, Bell and Lugosi, 2010). Privatisation excluded the opportunity of collaborative processes between local governments and civic initiatives or third-sector organisations to find alternatives to the renewal of the municipal stock and the general development of the neighbourhood.

One of the first informal practices that touched upon the topic of vacant municipal assets after the crisis arose from the activist group AVM (*A város mindenkié – The city is for all*), who address housing rights and advocate for the homeless and consist of the cooperation of primarily homeless members and a few middle-class activists. Amongst the many issues that AVM has intended to tackle since its foundation in 2009 (such as social housing, legal aid, accessible education, and community development), the 'Vacant Buildings March' was first organised in 2010 to raise awareness of the large number of empty buildings in Budapest.

Meanwhile, other civic organisations aimed to help mortgage owners in managing their loans and offering family support. For example, the Hungarian Maltese Charity Service set up a service in 2009 for the victims of the mortgage crisis, providing guidance on debt management. Years later, AVM continued with the occupation of abandoned houses, in 2013 and 2014, as a tactic to draw attention to the increasing rate of housing poverty and lack of political action to solve the issue. The first occupation occurred in the seventh district, where gentrification escalated due to the rapid spread of ruin bars, while the second in

2014 was conducted in the sixth district in a hospital building that had been vacant for 20 years and was owned by an offshore company, which represents speculative capitalism in its very essence.

The government – besides the debt management measures – did not have a clear housing policy vision, and its proposed solutions to alleviate the crisis were scarce, even on a narrative level. Amongst the few ideas towards a more integrated approach, the Long Term Urban Development Concept of Budapest governmental report represented merely a symbolic step, accepted in 2013 (Municipality of Budapest, 2013). The report addressed the importance of reintroducing vacant buildings to the market as an additional strategy beyond providing new housing units. In terms of vacancy, it acknowledged the need for developing the rental housing sector and also raised the problematic of the increased number of vacant retail spaces across the city.

The interim government of 2009–2010 introduced a foreclosure moratorium, which continued with the Fidesz government in 2010 as well until a rescue package was designed. In 2011, the government planned a quota system, wherein the maximum amount of foreclosures was set: 3–5% of non-performing loans below HUF 30 million (around EUR 90.000) could be foreclosed (Csizmady and Hegedüs, 2016).

One of the most remembered governmental initiatives was the early repayment scheme, introduced during 2011–2012, which provided the opportunity to pay back mortgages calculating with a reduced Swiss franc exchange rate – close to the rate it was before the crisis. As with other policies of Fidesz, it helped more affluent citizens who possessed savings or could take other loans. The scheme was followed by a less popular measure of a rate cap on repayments in 2012, as only a small number of loan owners applied for this option. The final primary problem-solving method was the forced conversion of foreign exchange loans to HUF loans, but without any support or allowance on the exchange rate, merely the substitution of the currency of the number of credits (Csizmady and Hegedüs, 2016; Pósfai, Jelinek and Czirfusz, 2018).

In 2016, public policy attention turned towards the question of housing. However, the allocated resources targeted the middle-class and more affluent social groups' abilities to gain access to housing ownership and did not cover the particular problem of housing poverty (Átol *et al.*, 2016) that primarily served as the reason for grassroots groups addressing the issue of vacant properties across the city.

CITY COUNCIL POLICIES STEERING PARTICIPATION

To manoeuvre between the standstill of the economy and citizen demands, local governments were pressured to concoct innovative methods to tame the negative consequences of the crisis. As vacant and underused municipal stock became the centre of debates and often the actual vehicle for seeking common solutions, it became the basis (at least on a narrative level) of implementing new policies that could promote ways of looking forward.

In the Catalan capital, a characteristic aspect of the ‘municipalist’ movement was its favouring of grassroots and activist groups to act themselves, rather than asking what they wanted. Parallel to the growing austerity measures implemented since 2010, the city has experienced a re-emergence of community solidarity with the support of civil society and religious NGOs, mostly at the neighbourhood level (Eizaguirre, Pradel-Miquel and García, 2017). At the time, various organisations have opted for a more democratic urban regeneration, fostering participative processes.

The governance of BeC from 2015 onwards has resembled these dynamics, although citizen mobilisation to reuse abandoned spaces was not uncommon amongst the citizens of Barcelona even before. Collaborations most often covered case-by-case contracts between cultural institutions, social centres, and local municipalities. The change that the municipalist movement brought was in fact the aim to enhance the relationship between the public sector and citizens on a more formal level.

Budapest first embraced citizen inclusion in the reuse of vacant municipal stock as a possible solution when a progressive chief architect became head of the Urban Planning Department of the city in 2012. The initiated programmes targeted the input of civil groups and NGOs, borrowing the idea from Western European examples and best practices. Even though sporadic collaborations had emerged earlier between local governments and civic groups or NGOs in Budapest, this was the first time that the intention to create a framework for such practices materialised on the level of the city council.

TABLE 3 – City council programmes for the reuse of municipal sites. *Temporary use

	Municipal land	Municipal buildings
Barcelona	<ul style="list-style-type: none"> • Pla BUIITS* • Co-housing tender 	-
Budapest	<ul style="list-style-type: none"> • Tér_Köz 	<ul style="list-style-type: none"> • Tér_Köz (<i>‘In-between Space’</i>) • Rôgtôn jövök!* (<i>‘Coming soon’</i>)

One of the newly adopted practices in Barcelona is the Pla BUIITS project, which offers the temporary social and community use of currently underused municipal land. The aim of the programme is to avoid unwanted uses and social exclusion, by providing an opportunity to invite different stakeholders in the regeneration and revitalisation of marginalised spaces through the empowerment and active participation of citizens. Pla BUIITS can be considered an institutional reaction to the demands of the new urban movements that took off after the crisis, by reclaiming unused spaces for the neighbourhood. The idea of the programme is to offer a public contest for private and public non-profit actors to make use of 20 pre-designated areas in ten districts (two each) for conducting social or cultural activities. It expects the actors to propose various temporary uses (up to three years) and offer activities for these sites. The tender considers aspects of sharing and responsibility, as well as the provision of social and community value to the neighbourhood. It was first launched in 2012, and the second phase began in 2015.

Uses were initially granted for one year, with the possible prolongation of up to three years. The programme was launched by the Participation Department of the Urban Habitat Area of the city council with the intention of addressing new social actors and pluralising participating actors, as traditionally, neighbourhood associations had always been the mediators of such practices in the neighbourhood. Co-management became the watchword of the call: many young architect collectives from the 15M movement mobilisations participated through a collaboration with the old neighbourhood associations, using the latter's formal structure to gain inclusion into the set-up of the spaces. Two different types of strategies came together in these initiatives: being in control and being in action – whilst the neighbourhood associations are more prone to control the tasks of the government, the young architect collectives had a more proactive approach and focussed on the specific goals they set for themselves. In the first round, 19 winning proposals entered the competition (with Ciutat Vella only having one plot), and eventually, 12 initiatives could begin working on the assigned plots.

The majority of the projects focus on a mix of thematic activities, targeting social groups in an effort to create links between gardening and education, social events, sustainability, and vulnerable groups. Due to the low-cost nature of the projects, community gardening is the most commonly conducted activity, as nine out of 12 projects from the first public competition in 2012 sustained a garden on the sites as a primary or supplementary activity. Sustainability is a recurring goal in most of the projects, which either foster environmental awareness through the community gardening activities or promote the need for more sustainable technologies and standards in the city. The reduction of car traffic in the city has been addressed by two projects more explicitly: a guarded bike park that provides rentals, repair, and maintenance for the neighbourhood to promote cycling and to turn the rather polluted district of Eixample into a greener neighbourhood by advocating the transformation of the area's surrounding streets into a pedestrian zone.

Other projects initiated workshops on the use of biomaterials in construction or created links with various social organisations: some working with mental health, others with emotional disorders, and yet others with gender-based violence. Furthermore, social inequality was addressed in two projects out of the 12 in the first round of Pla BUIITS. The bike park employed young people at risk, giving them an opportunity to return to the labour market. Another project provided a social kitchen for the people in the neighbourhood, facing financial problems and risk of poverty, or homelessness. Overall, the condition of the call to propose social and community uses determined the type of activities around four major topics: gardening, sustainability, reintegration of vulnerable groups, and educative and leisure activities. These aspects were not clearly distinguished from one project to another. Instead, most provided a combination of different social interests in the neighbourhood. In terms of neighbourhood networks, one-quarter of the projects had one to five collaborators, two-thirds between 10–20, whilst one of them even had more than 20 at the time of application.

On the other hand, gentrification induced by mass touristification of the city raised demands for more affordable housing. The co-housing tender targeted the prevention of gentrification by a public competition for cooperatives to build co-housing blocks across the city, creating a new source for affordable homes based on specific social and environmental criteria. The programme was first launched in 2016 – with Colau following Trias in 2015 – and awarded seven plots of land in the city, of which five projects met the evaluation standards and began implementing their plans in 2017.

In accordance with the EU-wide emphasis on sustainability, the co-housing applications included similar key characteristics based on sustainability, environmental, and innovation criteria that were present in all proposals for the buildings: a community area, a vegetable garden, bike parking, a study or workspace, and the use of biomaterials for construction. The bases of the projects were two examples that were already under way. Can Batlló, as a pilot project, provided 28 cooperative housing units for the neighbourhood, whilst the City Council of Barcelona started another collaboration at Princesa Street in 2016, providing five floors of a building for cooperative housing.

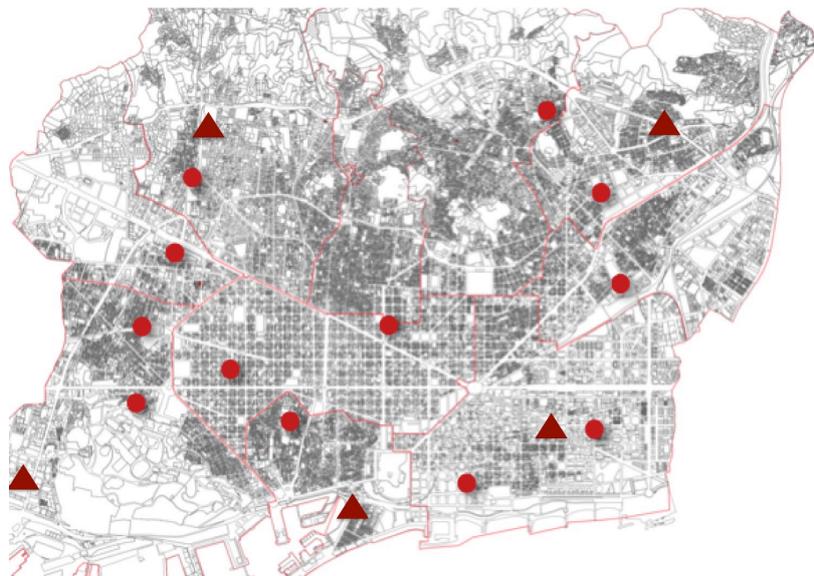


FIGURE 10 – Pla BUIITS 2012 and Co-housing tender 2016 project locations (Barcelona). The dots represent Pla BUIITS, triangles show the co-housing tender locations. Source: author, based on <https://ajuntament.barcelona.cat/ecologiaurbana/ca/pla-buits/cercar-per-mapa> and <https://habitatge.barcelona/ca/acces-a-habitatge/cohabitatge>

The most substantial project in addressing vacant and underused sites in Budapest has been Tér_Köz, launched in 2013 and 2016 by the City Council of Budapest. In Tér_Köz, different city districts could apply for a tender in collaboration with civil organisations to be part of appointed urban development plans, wherein community engagement was a tool to enhance the successful execution of the projects.

In general, the programme’s aim was to upgrade and renew municipal sites, and some of the 27 winning proposals also included temporary uses. The

underlying innovation of the call was the nurturing of participatory practices in urban regeneration, which has become a more common practice since the start of EU-funded urban regeneration in the mid-2000s. Tér_Köz aimed to combine this ‘inclusive’ side of EU projects, but without the necessary indicators of a ‘social urban rehabilitation’ (Interview 1, Budapest), through possessing more freedom in the execution of projects and promoting the mechanism of citizen participation in urban planning practices.



FIGURE 11 – Tér_Köz 2013 project locations (Budapest). Source: author, based on <https://www.budapestdialog.hu>

The projects focussed much less on specific topics that related either to the crisis or the development of the city in general and rather aimed to find successful ways to implement participatory processes. Most of the projects included a combination of beautification and regeneration, of which 18 public squares and parks won funding for such investments. These projects primarily focussed on the greening of public areas and the creation of community functions on the square (such as playgrounds), as well as various opportunities for sport and leisure activities. Three projects of the first round involved the creation of community gardens. Out of the 27 projects, ten consisted of the renovation of public buildings and community centres. Overall, the projects had a varying number of collaborators. Eight projects did not have any civic involvement, only private actors. Out of the remaining 20 projects, 16 had between one and five partners, two had six collaborators, and one each worked with 11 and 13 organisations.

The second programme, ‘Rögtön jövök!’ (*Coming soon!*), was launched in the same year, 2013. This project targeted the temporary use of vacant municipal retail spaces in the inner city. Here, throughout a month, applicants could either plan an awareness-raising logo for the empty shop (the programme ended up using campaign posters representing successful local entrepreneurs)

or use it for art installations and selling their own products, with the aim to bring together potential users and owners and increase the number of rented spaces. The idea began as a collaboration with KÉK (*Contemporary Architecture Centre*), which had a project working on vacant urban spaces in the city, entitled *Lakatlan (Unoccupied)*, advocating for temporary use practices of vacant and underused sites.

KÉK was founded in 2006 to better connect architecture and contemporary urban issues, with a focus on international experiences. *Lakatlan* aimed to promote small-scale community and non-profit projects that could make use of the spaces to address local need and be able to achieve affordable rents for their projects. The initiatives typically targeted social cohesion, quality of life, and local economic development (Polyák and Oravecz, 2015; Oravecz, Polyák and Schanz, 2016). In addition, KÉK intended to mediate between bottom-up initiatives and top-down planning practices. They organised a yearly festival of open shops between 2014–2016, a pop-up event, where vacant shops could be rented for a month by different local initiatives. Although the willingness of the Municipality of Budapest and KÉK to collaborate resulted in the birth of the call of ‘Rögtön Jövök!’, the policy proved very ephemeral, as it could not overcome obstacles that were rooted in both political turbulence at the time and the lack of institutional forms of cooperation between local governments and third-sector organisations or civic groups.

4.3 RESTRUCTURING THE BALANCES OF POWER

Researching urban interventions in the post-crisis era is a useful exercise to accentuate how practices become tools to disguise or help political strategies, invite capital, promote urban areas for certain social classes, and so on. Examining the example of vacant space reuse policies offers insight into two different aspects of the relationship between local governments and civil society. First, it shows how the logics of institutional collaboration instrumentalise urban regeneration discourses to promote different aims, and helps to shed light on underlying strategies and how urban regeneration policies become vehicles of political agendas. Second, to think in political economy terms, after 2015, a sharply different approach to urban issues started to develop in the two cities, putting the ‘citizen’ in very different positions. As a consequence, power hierarchies have been adjusted along a path-dependent line.

The present section provides a focus on interactions between participating citizens and local governments and on how different logics drive the collaboration of the two. First, it elaborates on the details of how the introduced policies have been implemented and what issues came up during the process. Whilst political colour put its mark on the outcomes of participatory mechanisms, the dialectics of local governments and civil society actors have followed traditional paths, as I outline below.

THE POLITICS OF PUBLIC SPACE

The Pla BUIITS tender was initiated in 2012, under the conservative term of Xavier Trias between 2011–2015, in an atmosphere wherein social movements and citizens demanded more autonomy in taking care of their neighbourhoods, as part of the increased solidarity and family ties during the crisis (cf. García, 2010). Nevertheless, the idea of the project became incorporated in the newly created Urban Habitat department of the city, which signified a techno-sensitive, ecological approach to urban interventions through the implementation of Smart City visions.

Urban Habitat has been created from various departments in 2013: former planning, infrastructure, housing, environment, and ICT units were merged to deal with issues of sustainability and energy efficiency, putting emphasis on environment as a keyword for the attraction of capital and business (March and Ribera-Fumaz, 2016). The chief architect of the city, Vicente Guallart, underlined the primary focus of a future Barcelona in his book *The Self-Sufficient City* (Guallart, 2012), wherein he envisioned the empowerment of citizens through the digitalisation of the city. The Pla BUIITS programme shared much with the narrative umbrella of self-sufficiency and ecological awareness through empowerment: it promoted, in a similar vein, a better approach to environmental sustainability, the reduction of pollution and car traffic, and green initiatives.

As an urban researcher explained to me, the role of Pla BUIITS was to provide a certain level of legitimacy to the right wing government, being in mandate for the first time, while also fulfilling the demands of a strong social fabric to have a “peace period” (Interview 16, Barcelona). During the first round of Pla BUIITS, the programme manager from the Urban Habitat department reached out to the better-known active groups in the ten districts and asked them to provide a temporary use plan for the vacant spaces. The final regulations of Pla BUIITS were born out of these initial discussions with already active and local embedded networks.

Once the projects won the tender, the citizens were responsible for the execution of the projects, independent from the local governments. At first, this caused problems, mostly in terms of financing, as the sites needed to be designed for the purpose of activities, investing money, and starting up the projects in their free time, with many initiatives facing economic difficulties. The first year of preparation of the site usually required much effort for the project managers, and as it was the first pilot project, the process was not yet standardised. The projects often received informal subsidies from the local neighbourhood, ranging between individual contributions of €15–300 per quarter year, as well as €1,000 annually that the City Council offered for the maintenance of the projects. Nevertheless, they remained low-cost interventions, with minimal change to the surfaces of the assigned plots. The budgets ranged from €4,000 to about €91,000 for the total three-year management of the separate projects.

Furthermore, the primary challenges proved to be issues related to openness and administration. Project managers faced struggles in organising

day-to-day activities and claimed that administration from the city was too demanding, slowing down processes and taking away time from implementing activities and programmes. First of all, the projects were typically initiated by several organisations working together. In relation to this, a primary issues was to find a common goal amongst the various activities, as every civic group or NGO had specific services and targets they wanted to meet throughout the three years of existence.

The second problem was that regulations required the areas to be fenced off, locked away from the public, and only the project managers were allowed to have full access to the spaces. Consequently, the formerly public spaces were semi-privatised and not available 24 hours a day to the entire neighbourhood. The closing of the area was often criticised by the project managers, as it limited the informality of the spaces and placed the burden on the managers to be always present at the locations. Third, the functioning of the temporary spaces involved paperwork and bureaucratic processes that proved time-consuming and costly, to grant the licences and permits, leaving little time for the activities themselves. Community gardening projects seemed like good alternatives to these problems, as they required no extra licences for their operation.



FIGURE 12 – Pla BUIITS 2012 project examples (Barcelona): social centre with soup kitchen and vegetable garden (top left), communal/cultural space with various events (top right), community gardening project (bottom left), guarded bike park and repair service (bottom right). Source: author

Most of these issues, however, were corrected for the second round of Pla BUIITS, which began in February 2016. Since the first edition, financial problems have been partly resolved, as now the city is taking responsibility for adapting the plots for the proposed activities – covering the costs and installing necessary changes, such as providing watering systems for the gardens. All in all, the temporary uses offered by Pla BUIITS provide various opportunities, but

most of all, they pinpoint the need for more flexible legislation, which has been subject to a constant renegotiation between the local government and civic initiatives throughout the years. With the start of the second call, the municipal elections had already put Ada Colau in the mayoral seat, representing a sharp change in the future direction of the city. Pla BUIITS has been continued, maintaining the same goals as in the first version, but the municipality launched another participatory project: the co-housing competition, in close collaboration with cooperatives dealing with the issue of housing in the various neighbourhoods. This is the first participatory practice wherein social inequalities are explicitly targeted and that creates a link between middle- and lower-class demands.

As a result of different traditions in bottom-up mobilisation, the public tenders of the City Council of Budapest were created through the employment of a different method than those in Barcelona. Grassroots concerns in Budapest were traditionally steered through professional and civil society organisations, not through the presence of active neighbourhood associations or community groups. For this reason, the public tenders often included architect groups as collaborators in the planning and creation of the public spaces, but they were given a more professional role than community groups. Instead of putting them on the same level as citizens, their role was focussed much more on project implementation than on actual use.

Despite the change of political direction, in the urban planning world in Hungary, Europeanisation is still a symbol of principles of innovation and sustainability. Although the central government has called for a turn away from Western European ideals, policies based on Western examples have been adopted in the Hungarian context as well. However, these policies did not intervene with the political goals of the government: a spectacularisation of the city and sanitising public spaces for the middle class and tourists. Related to this, a considerable change to the 1990 Act on Local Governments occurred in 2011, including several amendments that targeted the re-centralisation of finances, healthcare and education, waving farewell to the efforts of creating a de-centralised local governmental system (Pálné Kovács *et al.*, 2016). The modification affected also local issues: with lesser autonomy and financial capacities, the question of housing became a centralised issue, while small-scale interventions remained as possible instruments of local governments. Furthermore, the domestic funds to subsidise social rehabilitation were ended, and the city was increasingly reliant on incoming EU funds.

Based on the regulations that created the resources for the Urban Rehabilitation Fund back in 1993 (Act LXXVIII.), a modification to the law on central budget allocation (Act CCVIII.) in 2012 designated the funds to be exhausted by June 2013 at the latest. The paragraph that obligated district municipalities to transfer 50% of their income after every property sold to a separate account of the central Municipality of Budapest (which was effectively the Urban Rehabilitation Fund) has been kept, and it is stated that the remaining budget of the fund must be distributed through a public tender. The allocation of the funds could be done in three different ways: covering costs of

renovation for the municipally owned housing stock, related infrastructural developments, or urban rehabilitation projects. Ultimately, the new legislation provided the basis for making the call of the Tér_Köz tender, which has again been reopened in 2014 and 2016, including properties of the Municipality of Budapest as well¹⁵. The Tér_Köz tender had two different types of application. The first category was planned to provide a larger budget for complex developments, whilst the second category comprised small-scale, participatory and bottom-up initiatives, according to the call.

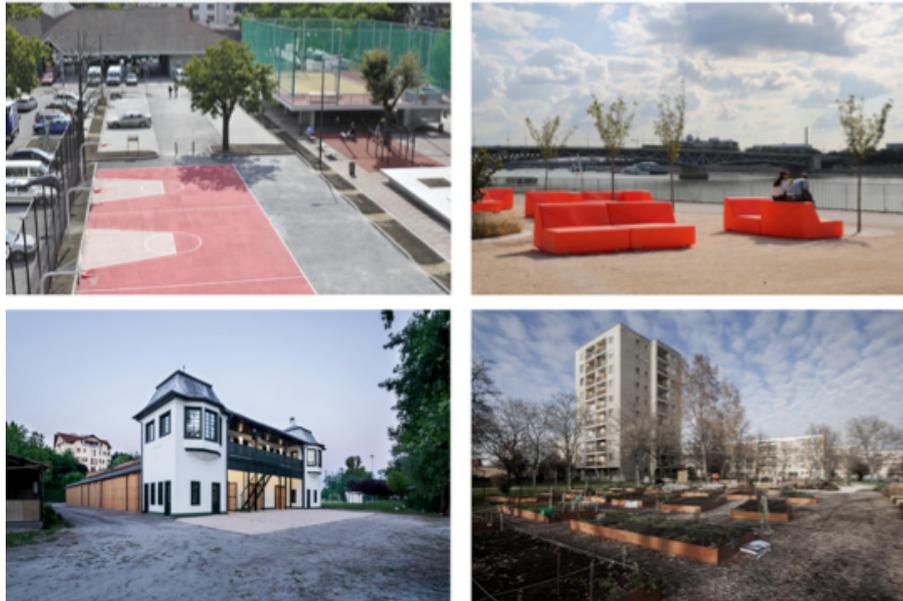


FIGURE 13 – Tér_Köz 2013 project examples (Budapest): turning a parking area into a sport park (top left), pop-up outdoor furniture (top right), renovation of old buildings for communal/cultural events (bottom left), community gardening projects (bottom right).

Source: <http://terkoz.budapest.hu>

Whilst the first poster of the tender in 2013 announced, “Let’s renew together the underused public spaces of Budapest”, borrowing Western European examples in public space interventions. In reality, the programme did not target the most deprived areas of the city but rather the already scaled-up inner districts that went hand in hand with large-scale public space renewals, especially targeting tourist areas. One of the largest investments targeted the refurbishment of the historical Castle Quarter of the city, giving space to a renewed cultural centre known as the Castle Garden Bazaar. Another on-going development concentrates in the City Park, which is often called the ‘lung of the city’ for its undivided green area. Here the unhidden agenda of the government

¹⁵ A modification in April 2013 (ordinance 27/2013 (IV.28) by the General Assembly of Budapest) allowed the continued use of the budget, which was financed with additional elements besides the 50% district incomes: (1) loan repayments by districts to the Municipality of Budapest, (2) any financial resource earmarked by the Municipality of Budapest for the same purpose, and (3) income after the sale of properties of the Municipality of Budapest.

plans to turn it into a crowded museum district, in order to facilitate tourism and real estate development¹⁶.

The initial 2013 call was funded by HUF 5.3 billion (around €16,175,000), of which 12 projects were from the second, small-scale category of bottom-up projects, and from the overall budget, only HUF 150 million (around €458,000) was used to support non-built project elements (i.e. other than construction), according to the vice-mayor of Budapest (Szenecezy, 2016). Overall, the scope of funding in Budapest was gradually diverging from Barcelona, as the city tapped on the allocated and remaining resources of the Urban Rehabilitation Fund of the Municipality of Budapest¹⁷.

One of the recurring topics in Budapest during the interviews with civic groups and NGOs involved in the public competition was that many organisations were created hastily to find partners for the district municipalities, as the inclusion of citizens served as one of the requirements of the tender. As a participating architect stated “The aim of T_{ér}_K_{öz} was supposed to be a must-do to work together with civic groups and NGOs, and create complex function-enhancement¹⁸, to fulfil the necessary demands of the locals”, but instead the projects “did not create responses to real needs, but something that looks ‘cool’” (Interview 7, Budapest). Although T_{ér}_K_{öz} involved many participants from amongst experts, municipal employees, architects, and local residents, the start of the initiatives experienced difficulties, as municipalities had not previously worked together in such renewal projects with citizens and local social organisations. The fundamental problem was that NGOs and local citizens were not always included in the implementation process, which should have been the essence of the project.

As a city council employee responsible for the projects explained, “district governments could not collaborate properly with civic initiatives. Without a doubt, it shows how the system is not properly planned out” (Interview 1, Budapest). According to the chief architect at the time, the citizens did not always have experience in how to handle cooperative projects or abide deadlines or financial and legal restrictions, which he believes needs future improvement to realise better participatory practices (Finta, 2015).

The circumstances for the temporary project ‘Rögtön Jövök!’ is similar, as it has suffered the lack of collaborative gestures. It had two rounds; first, district governments were asked to enlist vacant properties, whilst the second

¹⁶ According to an interview on the project’s website (ligetbudapest.hu), a further positive impact is the “increased value of residential properties in the area, which is a welcome news for all residents”.

¹⁷ In reality, there was no control mechanism to sanction whether districts contributed to the fund or not, thus at the time of the announcement of the tender, it caused frictions between the districts, about what proportion of the amount they should each receive. The Urban Rehabilitation Fund was also part of former conflicts, as for example the first large-scale urban renewals in the ninth district (*Ferencváros*) were financed through this budget, decreasing the willingness of other districts to contribute to the common fund.

¹⁸ This definition refers to urban rehabilitation, before the appearance of social urban rehabilitation, i.e. the renovation of the public infrastructure, with the exception of residential buildings.

call used properties of the Municipality of Budapest, which were much scarcer in number but could overcome the rigidity of district mayors' unwillingness to cooperate in the programme.



FIGURE 14 – Forgotten Rögtön Jövök! campaign posters at a vacant retail shop (Budapest, 2019). Source: author

Eventually, 'Rögtön Jövök!' bifurcated into two projects: one bottom-up version, in which KÉK and the Contemporary Architecture Centre continued, and one wherein the continuation of the collection of vacant retail spaces and its marketing landed at the Budapest Chamber of Commerce and Industry. In collaboration with the City of Budapest, they collect new information on enterprises and connect them with vacant retail shops, for which a dedicated website and a search engine has provided the platform since 2018¹⁹. However, the original social and cultural aspects of the project have not been continued at all (Interview 4 and 17, Budapest) but rather economic growth has been incentivised as a priority.

REINFORCING CULTURAL PATHWAYS

Participatory practices have been praised in both cities since the outbreak of the crisis, although, as we have seen, for very different reasons. As political goals differed in the implementation of the projects, institutionalisation was managed quite differently. Barcelona City Council called for more participation from citizens to empower themselves, create innovation, and promote self-sufficiency under the conservative government, whilst BeC focussed on the process of

¹⁹ The interactive map provides information on private and municipal vacant properties. It is 'participatory' in a sense that residents can make suggestions on the ways of utilising the vacant spaces, or register new ones. Currently only four districts out of the 23 has a contract with the project. For further info see: kiberelem.hu

democratisation through the active input of citizens, creating a more active civil society that not only takes part, but initiates as well. Budapest, on the other hand, adopted policies based on Western European examples to combat economic stagnation, nurture innovative practices, and create higher quality public spaces in order to achieve economic growth.

The set-up of the programmes caused friction between local governments and citizen initiatives, but the mediating role of local municipalities is experienced in different ways in the two cities. In Barcelona, the presence of local municipalities has been justified through certain advantages and the capacity to have legitimate activities, whilst in Budapest, the actors thought it would be more beneficial to think in business terms and professionalise their activities without the intervention of municipalities.

In Barcelona, as a Pla BUIITS project coordinator stated, “If the door is broken, the municipality repairs it. We would not do that. The water and electricity is better set, and also in terms of legitimacy in this neighbourhood, it allows more people to participate” (Interview 9, Barcelona). Nevertheless bureaucracy is a factor that often gets criticised by citizens, the traditional collaborative relationship between local governments and citizens open ways to challenge the very same bureaucracy. As a project manager expressed, “I think it is a good opportunity, you can go inside to the administration, and make changes there. You can do something to change the powerful role of the public administration. You can help them, make them think in another way, have a dialogue” (Interview 8, Barcelona).

What we see in Barcelona is the return to more traditional relationships between local governments and citizens, as it happened during the process of democratisation. Based on the quotes, in general the relationship of citizens from an initial informality and distrust that has been induced by the pre-crisis years, a process of re-institutionalisation has started again, with the involvement of new actors as well. As others have shown as well (Parés *et al.*, 2017), traditional neighbourhood associations are still very present in neighbourhood initiatives all over the city, but a new generation of younger, less formal groups have been included in renewed forms of participatory mechanisms

Whilst the public tenders are justified as the dialogue with the municipality can make changes in public governance, on the other hand, in Budapest, the problem is experienced very differently. The experiences are often considered bitter struggles, as people do not believe they can claim changes, to reach the level of decision-makers and broaden the possibilities of inclusion. As an architect participant of one of the Tér_Köz projects explained, “Citizen inclusion should serve the goal to be able to play, to connect people, or to counterbalance consumer society”, but the projects did not fulfil their original goal. He further adds, “Citizens care about their environment if they can feel it is theirs. It would be nice if not the municipality would do everything” (Interview 6, Budapest). The idea of partnership-based solution to urban governance promoted on the EU level is echoed in the approach of citizens, aiming to achieve an environment where citizen input receives more

responsibility on the expense of local governments. Despite mutual expectations, the idea of good governance has been replaced by the hierarchical approach to exercise state power in the post-2010 era (Pálné Kovács *et al.*, 2016).

The lessons of the first experiments on combining civic participation with urban regeneration hence show two opposite directions in dealing with public administrations. Overall, both Barcelona's and Budapest's civic initiatives pose critiques towards the current entanglement of top-down and bottom-up initiatives, desiring more autonomy and independence from the local municipalities, remaining critical in their actions. However, in Barcelona, citizens do tend to believe that their collaboration has a positive effect on the long term. Budapest, on the other hand, has experienced a different atmosphere in which citizen initiatives have found themselves. Due to the lack of strong collaboration between local governments and citizens in Budapest, we see how these practices follow a path-dependent line, even though the arrival of EU funds and the mobilisation in the post-crisis years aimed to redirect these relationships. Against a strong re-centralisation, citizen initiatives proved to be powerless to change traditional mechanisms.

Civic initiatives and architects who participated in the set-up of the various projects often stressed in both cities that things would go better without constant intervention from the local administration, as they did not manage to find common ground. During the implementation of the projects, they frequently ended up in arguments between the collaborating sides, but the primary difference between Barcelona and Budapest was that whilst civic initiatives considered the institutionalisation process something that shows a way forward, in Budapest, citizens would have liked to see a more stable role in decision-making, which is not happening at the moment.

To summarise the Barcelona case, a Pla BUIITS project coordinator concluded "institutionalisation is generally the problem", emphasising the need to remain flexible when it comes to collaborative forms of governance, as "you cannot use the same standards as for the parliament" (Interview 17, Barcelona). Another reason besides the Pla BUIITS project was that the collaboration with the municipality allows less radical social groups to participate as well, such as people who are not part of the counterculture (Interview 7, Barcelona) or elderly who would never participate in squatting or occupying land (Interview 3, Barcelona). These comments represent the process of re-institutionalisation, regaining trust in public-civic cooperation in the post-crisis years.

On the contrary, in Budapest, civic initiatives and actors complained that bureaucratic mechanisms were not easy to follow, and often, political decisions overwrote already agreed-upon collaborations. Plenty of conflicts have occurred between the local governments and the grassroots actors, and many were left out in the end due to disagreements and changes in willingness of the local governments, who sometimes changed plans and excluded certain civic groups after the amount of money was won for the projects (Interview 1, Budapest). An expert interviewee who followed closely the implementation process of Tér_Köz noted that "there is no system to rely on, it is absolutely

person-dependent”, expressing the lack of frameworks and traditional cooperative experiences of state–civil society collaboration. He pointed out that the most inconvenient result is that occasionally these collaborations succeed, but “The next person has to make his own struggle again for an opportunity like that. Everyone starts at zero, there is no outcome such as a policy or regular mechanisms” (Interview 17, Budapest), describing the situation as a permanent struggle.

The second most burning issue – next to the futile efforts to upscale grassroots practices – is perceived to be the absence of control from the coordinators at the city council: projects have not been followed up, and no sanctions have been imposed for the neglect of civic inputs. As one of the interviewees summarised, the political environment does not favour such practices. Even though the will to change the modes of cooperation exists on the level of the city council, only a “very small fragment of these initiatives become a reality” (Interview 8, Budapest), pointing out the futile experiments of the past few years.

In reality, the perception of failures arises from a lack of time to plan the projects and the necessary mediation between the different actors that cause these frictions, along with a general distrust amongst the diverse actors. Due to post-2010 politics, the growing gap between local governments and civil society, as well as the growing division among civic actors is caused by governmental rhetoric drawing a line between favoured domestic traditional practices, and a the questioning of European identity as a desired values. The growing narrative conflict between East and West not only strengthens hierarchical traditional constellations, but also questions the legitimacy of civil society agents whether they are on the ‘right side of politics’, undermining a possible reshuffling of power relations. As a grassroots organiser simplistically put it, “In Hungary, democracy was cancelled due to lack of interest” (Interview 13, Budapest), which refers to the false hopes that showed initial signs of change: nominating a progressive chief architect and allowing citizen groups to apply for public space management is considered a cheap legitimisation-gaining practice amongst politicians, without having any real consequences.

4.4 DISCUSSION

The re-scaling of state capacities and the democratic reorganisation of society in Spain and Hungary have pinpointed long-term pathways in the organisation of state–civil society relationships. In the present chapter, I have aimed to show how these patterns of changes have been resurfacing in the case of urban regeneration policies and proved to be durable, even though the crisis has been a key path-shaping moment in national- and local-level politics.

After decentralisation and the creation of the local government system, Barcelona and Budapest emphasised different development goals. Whilst the strong presence of social movements in Barcelona pushed through a

collaborative governance method, the most burning issues of lacking public services and the development of the city arose, whilst in Budapest, a general optimism about opening towards the West characterised this period, where liberalisation was considered uncritically as a road the country should travel to flourish and reach the economic and social standards of the West. As a consequence, focus shifted on the private sector instead of civil society, creating a high dependency on the market in terms of urban development.

The spread of cultural policies and the entrepreneurial turn of cities coincided with the EU integration period: in Barcelona highlighting the era of the aftermath of the Olympics Games, and in Budapest, closely related to the inclusion of 'Western European' aspects and methods of urban renewal. Whilst Barcelona switched towards more large-scale development paralleled with the increasing role of private investors, Budapest continued physical renewal and gentrification, but the arrival of EU funds introduced the social aspects of urban regeneration as a complementary process for state-led gentrification. Nevertheless, this period has been more characterised with a mix of highly bureaucratised decision-making and managerial tasks. The more concrete unfolding of the entrepreneurial turn happened in Barcelona from the early 2000s with the turn towards knowledge-based economies, while in Budapest entrepreneurialism accelerated in the post-crisis years.

In Barcelona, communities and local neighbourhood associations have been highly involved in the development of urban spaces, due to the unique moment, wherein grassroots concerns parallel with political will and private interests. Citizen participation has contributed to the building of the so-called 'Barcelona model' of urban development, wherein the European city was envisioned through the close control of local civil society and the implementation of physical urban renewal programmes, particularly between 1980–1986. The development of European urban policies displays much similarity with the practices that existed in Barcelona, and much of this development can be related to the lobbying efforts of Maragall at the time, who successfully re-scaled urban policies to regional and supranational levels, during his mayoral mandate. Even though Maragall was condemned by grassroots movements for abandoning the democratic socialist approach where "discourse of class was replaced with municipal citizenship" (McNeill, 2003, p. 83), culturalisation has been balanced with the reintroduction of participatory schemes and the alleviation of social exclusion through the 2004 Neighbourhoods Act.

Budapest, in the similar post-transition pre-European integration period, focussed on the physical urban renewal of distressed neighbourhoods, but the inclusion of civil society was scarce or even entirely left out of projects. The public sector withdrew from urban policies and instead allowed private investment to take over urban developments, as the process of decentralisation resulted in weak financial capacities. With the arrival of the neoliberalising EU phase, the leftist–liberal coalition in mandate had a relatively wide ideological overlap with EU directions and the community method. An additional element which led to the rapid privatisation of public assets was related to an idea

adopted by the end of the state socialist period: that the state is unable to take care of its property sufficiently and that centralisation necessarily leads to insufficient management. On the other hand, development by privatisation was regarded as the only possible way, even though critical voices and disenchanted crowds became louder after the EU accession.

Therefore, the participation of citizens complemented different aspects of urban policies in the pre-crisis period's formal practices: whilst Barcelona focussed more on social cohesion and the inclusion of communities, Budapest aimed to increase the economic development of the area through urban development. Barcelona was more able to counter neoliberal development through a strong position of civil society in decision-making processes, whilst citizen practices in Budapest were occurring outside of institutional settings, rendering civil capacities significantly weak. As a matter of fact, both of these aspects have been weakened during the culturalisation of cities: in Barcelona becoming less social, whilst Budapest aims to touch upon the social consequences of urban regeneration by considering institutional approaches. Both cities have certainly adopted a more entrepreneurial approach to urban regeneration, in Barcelona, it was always the public sector steering these decisions, whilst in Budapest, it was more left to the private sector, which still resembled traditional state-civil society relationships amidst the renewed state, market, and civil society constellations (Swyngedouw, 2005).

Europeanisation of urban regeneration policies coincided with the period of the "loosening grip of the state" (Le Galès, 2002, p. 75) due to scalar restructuring, and cities were given more emphasis during the regionalisation imperative (Scott, 1996; Storper, 1997). Economic regulation and increasing neoliberalism gave a push to cities to act as global nodes of capitalist accumulation while also instruments of reducing disparities and fostering redistribution, being nodes of state power (Brenner, 1998b). In other words, EU policies increasingly treated cities as an "interface between the local economy and global flows, between the potentially conflicting demands of local sustainability and local well-being and those of international competitiveness" (Jessop, 2002, p. 466). During this process, Barcelona has been treated as a model city for defining regeneration strategies. Budapest on the other hand, did not have the opportunity to shape EU policies according to domestic contextual characteristics. It was a ship that has sailed long ago.

Considering the two cities, Europeanisation unfolded with sharply different developments regarding civil society and the strength of local governments. While the democratisation in Barcelona helped civil society to gain a strong role in local decision-making, the public sector also played a key role in managing urban development. In the end, EU urban policies and the urban governance model of Barcelona showed similar elements. Budapest, on the other hand, had to adopt EU urban policymaking in an environment where both factors were lacking: the neoliberal shock-therapy (Sokol, 2001) has been implemented with weak local governments and only rhapsodic, but hierarchic relationships with civil society. Despite the efforts of decentralisation in Hungary, the reform of territorial governance has been continuously postponed,

in spite of the arrival of EU accession. For the absorption of EU funds, a single national development agency has been established, going against the decentralisation programme of the leftist-liberal government of 2002 (Pálné Kovács *et al.*, 2016). As central allocation of funds became available in combination with EU membership, the desire of decentralisation faded away, creating a significantly different set-up for urban regeneration policies than in Barcelona and in general in the West.

TABLE 4 – Urban regeneration strategies in Barcelona and Budapest. Source: author

	Barcelona		Budapest	
	Focus of urban regeneration	Role of citizens	Focus of urban regeneration	Role of citizens
Democratic transition	Renewal of public spaces	Collaborative	Physical urban renewal, privatisation	No real inclusion
Process of EU integration	Large-scale developments, targeting knowledge-based economy	Consensus-based, state-led citizen participation	Social urban renewal, growing reliance on EU funds, gentrification of inner districts	Social inclusion, participatory mechanisms
Post-crisis years	Continuing knowledge-based district development, small-scale interventions	Strong grassroots mobilisation, linking bottom-up practices with top-down planning	Beautification of public space, spectacularisation by large-scale developments	Participatory design through tenders,

Taking the crisis as an analytical focus point highlighted two further important issues in relation to participatory practices: how fragile these mechanisms are against growing neoliberalisation, and how the crisis served as a reboot for path-dependent dialectics of state and civil society.

First, the European model of urban governance has been set as a combination of conflicting goals: covering economic growth, fostering revitalisation of real estate through social inclusion and participation, with a focus on local projects (Rossi and Vanolo, 2013). Integrating the economic, social and physical aspects of urban regeneration gave considerate space to translate urban regeneration policies to local contexts according to varying political goals. Barcelona from the 2000s onwards, and Budapest especially after the crisis turned towards entrepreneurial strategies in urban regeneration, and pointed out what Hubbard and Hall (1998) have already observed. Namely, that the entrepreneurial turn offered the enhancement of local cooperation and the development of local identity, while on the right it supported the promotion of the enterprise, putting belief in the power of the private sector to achieve economic and social benefits.

The discourse on sustainability, creativity, and innovation has been a powerful tool to bring closer centre-left and centre-right political positions, using similar narrative aims for various constellations between the public, private, and civil sector. In Barcelona, the city utopia of Smart City and the

investment in knowledge-based economy has been a driving force in the development of the Poblenou area from the 2000s onwards. On the other hand, the empirical investigation showed that this narrative remained intact even when politics took a radical turn after 2015. The promotion of citizen-based urban regeneration has been a fundamental element of both strategies, even though the political agenda showed a significant change of direction. The very same overlap of narratives provided the basis for Manuel Delgado, a Barcelona-based left wing intellectual to criticize Barcelona en Comú's 'citizensim', being insufficient to challenge the processes of neoliberal accumulation (Delgado, 2016; Charnock and Ribera-Fumaz, 2017) without bringing back the topic of class struggle instead of stressing the narrative of participation. In the case of Budapest, participatory practices have been mobilised to contribute to the spectacularisation of the city, and to reinforce city marketing strategies through large-scale investments, under the same umbrella of policy discourses that have been promoted by EU urban regeneration practices.

Second, the crisis can be regarded as a break with the path of recent decades, a turning back towards initial approaches to urban development. Barcelona's citizens demanded more space for civic initiatives and a focus on local realities, whilst Budapest fostered the neoliberal road of privileging economic development over real social needs. Due to the crisis, vacancy became an important discursive element of urban regeneration policies, with both cities introducing new policies that aimed to solve the spread of unused municipal sites and halted construction sites. However, how well these policies have responded to questions of housing poverty and homelessness, the major social problems that civil society has pinpointed as the adverse effect of the crisis, has varied.

The management of new policies mirrors patterns of civil society development in both cases: Barcelona showed the strengthening of institutional practices and the collaboration of civil society and public sector, which was a more common practice in the first transitional period. Budapest faced the issue of a lack of formal configurations of civil society inclusion, which led to a lack of trust amongst the local government and civic actors, wherein political influence has overwritten rules of participation, by favouring specific civic initiatives over others or simply excluding them from the process.

These dynamics show a pattern of development that was already imprinted in the Catalan and Hungarian systems: whilst Barcelona nurtured institutional processes and the strengthening of ties between local governments and citizens, in the case of Budapest, the hierarchical relationship between local governments and civil society strengthened due to efforts of re-centralisation, and citizens remained fragile in finding channels for their demands, despite the implementation of participatory practices. In the final chapter, I focus on these individual-level experiences during post-crisis policy development, and explain how the conceptualisation of citizen participation has been defined based on the above tendencies, and what local contingencies emerge from the specific contextual relationships.

CHAPTER 5

THE MANIFOLD MEANINGS OF PARTICIPATION

The previous chapter describes the messiness of micro-level interactions and how closely examining practices can reveal meta-narratives that stem from macro-level social, economic, and political changes. In the current chapter, I aim to focus on the social groups that have been involved in the participatory practices and on which roles they play in conducting such practices. New institutional arrangements engaging in governance outside and beyond the state have emerged, wherein private economic actors and civil society gain a more significant role in policymaking (Swyngedouw, 2005); hence, we can discuss a particular social group who occupy a distinct role in acting in the name of society as a whole.

Following a cultural political economy perspective, in the present chapter, I highlight the struggles of different discourses that surround post-crisis policies in Barcelona and Budapest, to determine what local politics is actually about. The chapter seeks to introduce how these practices counter, or in some cases, reproduce neoliberal modes of governance and how the narratives respond to urban issues spurred by the outbreak of the crisis. Furthermore, it shows how the identities and rationales of actors resonate with these issues: which actors promote which types of discourses, and how they rationalise these interests. Furthermore, it investigates whether entrepreneurialism is ultimately hegemonic amongst these social actors, and how they attach value orientation towards social justice and equality in welfare services and the purpose of local governments.

First, I discuss the various social agents who participate in the policy implementation and their reflections on their positionality in the organisation of society. I focus on the role of ‘new urban activists’ (Walliser, 2013) and their efforts to create more democratic and equal relationships between the state and civil society.

Second, the logic of different institutions and the discourse attached to the new policies is demonstrated through highlighting how they complement or counter neoliberal mentalities and how entrepreneurial approaches may resurface in urban intervention projects, to show which alternative discourses gain material support. These narratives seek to transcend the current backlash to the contemporary societal and political organisation of society yet also fit into neoliberal modes of governance that aim to devolve power towards civil society through multilevel governance mechanisms and the responsabilisation of citizens, by responding to the inadequacies of the market (Jessop, 2002). I first introduce the narratives represented by local government actors and pair this

with the narratives of the participating citizens, comparing how much these visions and interpretations overlap and agree.

Third, the chapter elaborates on the particular visions about empowerment and their relationship to radical social demands, whether they are included in these projects or left outside of the terrain of urban regeneration. Although these imaginaries promise a change to socio-political and economic configurations through the articulation of the need for more autonomy and active participation, they also seem to obscure more profound voices of real transformation. I deal with topics relating to the substantive distributive aspects of the analysed policies and outline two different directions in dealing with public administration, as a result of the success or failure of the initiatives.

5.1 RATIONALISING CITIZEN PARTICIPATION

The eruption of the crisis and subsequent austerity induced the mobilisation of several precarious groups, both on the left and right side of the political spectrum. Some were already active, such as autonomous groups or leftist organisations in Barcelona, or the right-wing civic mobilisation of Hungary forming in the early 2000s. Emerging anew in the protests was the participation of middle-class urbanites as well, including college students, young professionals, and the creative class, who mobilised to defend their quality of life (Mayer, 2013), due to the vulnerability of their situation. During the escalation of the crisis, unemployment reached high levels in Barcelona (Blanco, Martínez and Parés, 2016) and Budapest (Fabry, 2019) as well, and middle-class citizens had to find new strategies to maintain their position in society.

Nevertheless, formal arrangements became less decisive in Barcelona after the outbreak of the crisis: informal practices gained considerable strength, providing momentum for the Indignados movement and activist groups such as PAH to conduct collective action to alleviate the effects of the crisis and help precarious groups to channel their demands towards the government. When Ada Colau entered city hall, a process of formalisation and the set-up of a more thorough framework for participatory practices began in 2015, including mostly middle-class citizens and activist groups.

In Budapest, on the other hand, grassroots mobilisation was split between left- and right-wing political fault lines. Whilst the right-wing civil movements experienced a moment of institutionalisation and governmental intention to include them in decision-making processes, the leftist-liberal block along with their allies on the West became the pronounced scapegoats in the Fidesz narrative, thus forcing elements of civil society to compete for scarce resources and attention.

Looking back at episodes of post-crisis policy initiatives, the newly included social groups experimented to find new ways to overcome precarious circumstances and the loss of democratic potential. Nonetheless, these social

agents also acknowledged how such small-scale interventions may lead to new types of exclusion, leaving out the much-needed involvement of lower classes in the process. In the present section, I wish to demonstrate how the arguments of social agents balanced between the advantages and disadvantages of participatory mechanisms in relation to their local contexts.

AGENTS OF SOCIAL SENSITIVITY

Post-crisis mobilisation and new municipal policies not only created new type of practices but also invited a distinct group of citizens to take part in participatory processes. In both Barcelona and Budapest, the participants of the programmes consist of a mix of younger, more highly educated professionals. The majority of these groups and networks greatly emphasise the ‘paradigm shift’ experienced in urban planning, which from a bottom-up perspective is often defined as the sensitisation of architects towards social problems, to better focus on communities and local residents’ needs. In addition, it proposes a shift from large-scale developments to micro-scale interventions: instead of focussing on the city as a whole, these practices often cover a smaller neighbourhood or local community. The above shift of focus resembles urban development debates where participation is commonly attached to discourses around “sustainable development”, “community-building”, or new modes of governance, originating in the responsabilisation of citizens and neo-communitarian third-way politics (Rose, 1999; Fyfe, 2005), setting the framework for citizen action.

In Barcelona, the participants of Pla BUIITS and the co-housing tender are not closely related to the traditional neighbourhood associations but include activists, professionals, third-sector employees, and voluntary groups dealing with innovative practices in urban planning, focussing specifically on the nature of public spaces. The new groups are more loosely organised, not possessing legal status or constituting formal entities. In the case of the co-housing initiatives, project managers consist of housing cooperatives, but they also relate to local bodies or community groups and NGOs in a more informal manner. Nevertheless, in the case of Pla BUIITS, the neighbourhood associations were still present in the implementation of the various projects, as the application process required that legal entities apply for the maintenance of the space.

Maintenance included tasks such as acquiring permits, knowledge of legal possibilities, and a general familiarity with the jargon of planning. For these reasons, participating groups, in most cases, possessed previous experience in how to address such issues. What makes the context of Barcelona unique is that such architect networks created new strategies based on the combination of prior professional experience and an activist approach: the initiatives aimed to match expertise with the needs of the neighbourhood. During a meeting with one of the researchers who mapped the new forms of initiatives in Barcelona, she described what these ‘new urban activists’ (Walliser, 2013) are like:

Looking at the vacant space initiatives, you will always find a group of young architects, who are involved, usually through a cooperative. They will never understand whether they are working, or if they have an activist role. Their strategy is to work for free as activists, which can be useful for them as a mean to become famous and provide an opportunity for them to have real work afterwards (Interview 16, Barcelona).

As she describes, many of the architect cooperatives did become well known for their social engagement in the post-crisis years. Today, several work together with the city council, by facilitating participatory practices or acting as advisers for participatory design and co-management, as well as by acting as mediators for the implementation of projects and the creation of new institutional frameworks. However, one of the architect-activists described this process to me as a sequence of accidental tactics, rather than a complete strategy, which resembles the consensual tradition of collaboration between local governments and citizens in Barcelona:

We were working as architects, and I think we were militant in a way. We did not realise it, but it was the beginning of a method. In 2009 during the crisis, everyone lost his or her job. Before, we used to work in a normal studio, but under the new circumstances, we had to find another way to work. The model we followed was to go to a public space, make a collaborative architectural project, and help locals to present their ideas for the public space. It was just a showroom. We just occupied the space, without any permission or contract. There were no future ideas involved in our intervention. It was just happening in the moment (Interview 4, Barcelona).

What is common in these ‘militant’ approaches is the emphasis on cooperation and the promotion of community action when considering the organisation of society. With the revival of cooperative small-scale projects and the entrance of activist groups into the City Council of Barcelona after 2015, the BeC government again strengthened formal practices. Social agents considered institutionalisation as “the necessary next step” (Interview 3, Barcelona), to avoid the loss of public property to privatisation and speculative capitalism and instead nurture collaboration amongst the various entities, public administration, and financial institutions (Interview 5, Barcelona).

In the concrete case of Budapest’s urban governance, new bottom-up actors targeted sustainability and social inclusion, as well as the improvement of the quality of neighbourhoods. The organisations usually comprise architects, artists, environmentalists, local residents, and others advocating a new politics of urban development, wherein cultural and social aspects are propagated as a reaction to previous examples of mere physical urban renewal that characterised the 1990s and even 2000s. However, despite the dynamic cultural life and the activist scene that began to develop during the early 2000s, the autonomous management of social spaces and squatting was always atypical practice in the city, rendering its social and cultural tissue highly vulnerable to political change (Polyák, 2017).

In most cases, the bottom-up actors see their role as professionals overlooking and helping the more balanced implementation of participatory design projects, as well as educating citizens, with the aim of creating consensus amongst citizens and local governments. One of the architect collectives works in a wealthier neighbourhood, whilst another collaboration was formed after the crisis, gaining momentum from a new tide of urban development, where placemaking activities are emphasised. Other groups became more rooted in the profession during the period when EU funds started to flow to Hungary and new norms opened ways for various participatory practices. These non-profit organisations or collectives represent a new era in urban interventions: they take their standards from Western European examples and try to develop the urban tissue by increasing public involvement through elements of responsibility and awareness. To use the words of a well-established architect who participated in the set-up of one of the *Tér_Köz* initiatives,

I see it as a world trend. People have started to understand that they need to change their way of life. This old lifestyle, the pollution of the environment cannot go on. Many people turn their attention towards eco stuff, like community gardening or bio vegetables, these practices are all very up-and-coming. There is also another aspect of it, to slow down a little, to do something, to sew clothes or something at home, and sell it with my girlfriends afterwards [...] In Denmark, the Netherlands, or Germany these things have tradition. In Hungary it starts to unfold slowly, this whole doing-things-together (Interview 8, Budapest).

Although these practices are becoming increasingly common in Budapest, during the formation of these collectives, in the 2000s, institutionalised practices were less developed or even non-existent. As a member of one of the architect groups remembers, the approach of the professional environment was also more individualistic regarding urban interventions before their arrival:

During those early times, architect studios were belonging to one person, with the direction of that one specific person. We did it differently. We were five of us, always discussing every decision, mutually, just as you do it in participatory design. We heard about the concept of participatory intervention before, but we had no idea how to do it, we were interested in the process itself...Nowadays if you talk about these interventions, people know them, or at least heard about them, but back then no one knew or understood what it is supposed to be (Interview 18, Budapest).

As the quote describes, participatory mechanisms have been more elaborately designed and implemented, which can be regarded as a consequence of the 'participatory turn' in the EU and the subsequent proliferation of best practice examples and the promotion and funding of innovative urban interventions. Despite the increased attention to more inclusive approaches, experts and social agents remain ambiguous towards the possible outcomes of these initiatives, questioning how these alternative imaginaries might lead to a more equal and just society.

THE REPRODUCTION OF UNEQUAL ACCESS

Many scholars have pointed out that participation has lost its radical edge (Ferguson, 1994; Cooke and Kothari, 2001), increasingly relying in the voluntary action of third sector organisations and civic groups, not paying attention to social inequalities and the challenging of democratic opportunities. Social agents taking part in participatory mechanisms have questioned these shortcomings as well.

The new activists in Barcelona, as mentioned above, focus on more temporal interventions, are not registered with the old neighbourhood associations, usually hold university degrees, and come from the middle class, but have a very precarious economic life as a consequence of the crisis. For this reason, as fixed job opportunities were not available in the labour market, they formed cooperatives to look for more flexible job opportunities. Cooperatives in general are a way of coming together, but more informally, acting more like a platform rather than an official entity; this pattern gained considerable ground, coming from various critiques of capitalism.

Reflecting on their backgrounds, they often emphasised to me how unevenly distributed participatory practices are, since they are available for a specific middle-class environment in the name of self-management, social innovation, and concentrating on middle-income areas rather than the wealthiest or poorest. What is quite ambiguous in their approach is that the emphasis is not on social organisations but rather on individual citizens who are in a privileged position due to these interventions. Despite the intention to put more focus on communities, this method of organisation holds the potential of creating new type of exclusions

Individuals who are part of these platforms or cooperatives have access to both know-how and social capital to conduct self-managed practices. The sustainment of citizen-managed municipal properties were previously controlled by the third sector and non-profit organisations, who held a crucial position in previous mechanisms of participation. After the crisis, focus shifted towards individual citizens and their loose networks within the neighbourhood. The more highly educated and professional background is something acknowledged by them as well, as they remain critical and self-reflective about their own status:

Sometimes participation offers the same people: people who are strong and powerful and understand what participation should be about. But the problem is all the others. It is not necessary for everyone to participate, but you have to try with different channels of communication. You have to be open for everyone, go and find the appropriate people. If you just manage a space and wait for people to turn up, the same people will come all the time, and the idea is not that (Interview 4, Barcelona).

In summary, this reflection reveals that participation is inherently a middle-class practice, even though the intention of the actors is to connect with citizens

who might be more difficult to reach through traditional participatory mechanisms and who are usually left out of these processes. A similar narrative appears in the case of Pla BUIITS and the co-housing tender: there is a common acceptance of critique that from a “leftist perspective” that these projects are “jumping the queue” in social services (Interview 3, Barcelona), meaning that the citizens who are not in close relation to organisers do not have the possibility to be included in such initiatives. As a housing cooperative member expressed his concerns,

It is completely middle class; you have to have the resources, the network, the capacity to be able to apply for a competition with architects. You make a sexy plan to compete with others, you end up with nice people, with all your friends, but a 50-year-old woman living in a poor neighbourhood with her child would never think it is the right means to get access to housing. It is not the cheapest way (Interview 2, Barcelona).

Nevertheless, middle-class awareness is used as a justification of the goal to be able to expand these practices towards the lower classes and educate citizens who are not included at the moment, but this inherently holds an entrepreneurial approach to urban intervention. My interviewee here shared an honest reflection:

We will not continue if we do not see a change in 10 years either in demographics or the type of people. It is a failure then. So, we really need to make it available for the people who need it the most (Interview 2, Barcelona).

Comparing these contemplations with the Budapest actors, a different picture appears. The main distinction in Budapest is that middle-class awareness does not come from the newly involved architects themselves but from the older generation of professionals who work in local governments or who work together with these architects. As an expert interviewee remarked during our meeting,

The problem with participatory mechanism is that it is not designed for the lower classes to participate. Pensioners and the local middle-class are always present at participatory design processes, but in the end, the nice and new square that is created does not match everyone’s needs. It is shaped by the wishes of the middle class. The drug users, homeless people, and so on who were also using the square before, now have nowhere to go (Interview 16, Budapest).

Another expert who worked in the eighth district’s social urban rehabilitations summarised a very similar concern:

Whether I want it or not, participatory mechanisms favour the power of the literate. If it is not balanced out, it can easily become a useless addition to urban planning. On the other hand, it is always a bit artificial. Depending on which method you implement and which scholarship you refer to, you can see whether that specific expert belongs to the “left” or “right”, it is always a bit in

accordance with our inner ethics, and involves what type of people we want to interact with [...] Participatory design in itself does not solve anything. It is not a silver bullet. It can be used either as optimisation of mechanisms, a fulfilment of common interests, or as a response to social needs (Interview 19, Budapest).

Naturally, the problem in Budapest is not necessarily the lack of awareness of social actors to come to terms with their idea of the role of the middle class but is the fact that most of the participatory projects have been conducted in neighbourhoods that are already quite well developed. As explained in Chapter 4, urban regeneration in Budapest developed in a bifurcated way, wherein EU funds required a certain level of social sensitivity in participatory practices, but these participatory practices were traditionally not used in Hungary. Consequently, participatory design since the crisis has been favoured in areas which are already more affluent, to enhance neighbourhoods²⁰, whilst interventions based on social indicators such as employment are more restricted to the peripheries of the city. Needless to say, this mirrors the post-crisis authoritarian approach of the Fidesz government in dealing with urban issues: on the one hand, policies play on the beautification of public spaces in inner districts, whilst in the more peripheral areas, they practise control over the poorer population. A community space manager expressed this dual character of urban policymaking based on his own experiences:

The municipality will not ever give you a good location for carrying out social activity. They do not want vulnerable groups to wander around in a good area. If they have the opportunity to give the space to a bar and even make a profit out of it, then, of course, they will choose this option. The local government is afraid that vulnerable groups get stuck here, and then they cannot get rid of us, because it is a “civic” thing we are doing. If you do something for the underprivileged, you should go to the outskirts of the city, that is what they told me to do (Interview 14, Budapest).

The reference to being ‘civic’ refers to the Orbán government’s narrative that heavily promoted distrust towards citizen groups and non-governmental organisations that conduct social activities, as they have been pictured in government propaganda as possible ‘enemies’ of Hungary, working for foreign interests. A possible ‘escape’ from this kind of negative association exists: the purpose of the community space mentioned above was reframed during the application procedure as a project that enhances ‘innovation’ and creates a ‘tourist-friendly’ atmosphere, for which the organisers successfully negotiated an inner-city municipal space a year later. In the following, I focus on the weight of such narratives in more detail, from both local governments’ and citizens’ perspectives, and how they intersect with political strategies on participatory mechanisms. The purpose of the next section is to highlight how

²⁰ A prominent example is the third district of Budapest on the more affluent Buda side, where the mayor embraced participatory practices as a solid element in the development of various urban interventions.

the varied discourses shape considerably the power balances between local governments and civil society, being embedded in contextual developments.

5.2 NARRATIVES OF POST-CRISIS DEMANDS

The explicit goal of the public tenders is not primarily about enhancing social justice or solving inequalities, and the narratives of participation vary greatly in echoing concerns about poverty and the failings of communal life. The question to pose instead is whether these spaces can create links with social movements to become spaces of empowerment to guide attention towards socially just redistributive politics. Section 5.1 serves to outline how similar the actors can be who take part in such public tenders, and now, in the present section, I wish to focus on the different discourses that surround a seemingly homogenous social group and how they fit into the political narratives that surround them. As the understanding of the purposes and ideals are embedded in different frameworks, the public tenders gain distant meanings in the end, siding for distinctive aims and outcomes.

SEEKING URBAN COMMONS, PROMOTING PLACE-MAKING

As one of my interviewees expressed in the previous section, politics is key in defining the direction of participatory mechanisms and which social groups they intends to target. Since the political turbulence of the crisis signalled radicalisation in opposite directions in Barcelona and Budapest, the discourses attached to participatory practices have similarly diverged.

After the 2015 elections, Ada Colau called for the return of a citizenist democracy, wherein participatory mechanisms are the basis of a more democratic, just, and transparent functioning of municipalities. Whilst Pla BUTS was inherited from the former conservative government, it has also become an element of a framework that addresses citizen involvement in public space management on a more democratic basis. The co-housing tender, on the other hand, explicitly addresses a question of inequality in society and attempts to find an alternative way to solve the housing crisis. I now briefly explain the common and distinct elements of these programmes.

First, Pla BUTS was initially meant to be a temporary project, launched by the conservative government of 2011–2015. With the arrival of activists and Ada Colau's mayoral inauguration, a new framework has been developed to create an umbrella for the scattered but more ad hoc practices in the city. Since demand from citizens to manage public spaces more autonomously is growing, to secure cooperation with municipalities, the various practices have been incorporated into new forms of institutional arrangements, showing the signs of re-formalising the role of citizen input in urban governance.

The Heritage Programme (*Patrimoni ciutadà*) (Barcelona City Council, 2017) stands for a broad conceptualisation designating and including three

types of practices based on the collaboration between the public sector and citizens: the first is Pla BUTS, the second is the Local Plan (*Pla de Locals*), and the third is what in Barcelona is termed Civic Management (*Gestió Cívica*). The Local Plan assigns public assets to non-profit organisations, whilst the aim of Civic Management is to guarantee the right to use public spaces by citizens but with the requirement that the provision of public services by the entities that manage these spaces be fulfilled.

Currently, Barcelona City Council is in the process of standardising all three of these initiatives under a common qualitative matrix, wherein funding is related to the social service and communitarian opportunities that these spaces should provide. The goal of the framework is to build institutions from below, at the intersection of public and community management: the Barcelona version of urban commons. The framework has been in development since 2016, promoting community use and new interactions between public administration and citizens. As a policy advisor interpreted, urban commons as a concept in Barcelona stands for “a way to recognise the uniqueness of what is going on in a place like Can Batlló... It is publicly owned but self-managed, it is open, and represents the general interest” (Interview 20, Barcelona).

The programme resembles a post-crisis left wing critique to urban development, which gained considerable ground in Europe and elsewhere, where urban commons are understood as a way to promote practices that are provided by neither the state nor the market, where citizens cooperate and come together for a common goal when the two sectors do not or cannot meet the expectations of citizens²¹. Urban commons is a concept to cover alternative practices that aim to transcend the traditional vision of what is private and public, guided by the concept of solidarity and the importance of social ties (for an introductory read, see Ostrom, 1990).

Based on the above, the Heritage Programme aims to offer a legal framework for the recognition of already existing ways of cooperation, promoting and strengthening self-management through public policies and building prototypes of community management through the design and implementation of the form of ‘common ownership’ (Ajuntament de Barcelona, 2017). The framework has been developed in collaboration with the Solidarity Economy Network of Barcelona (*Xarxa d'Economia Solidària*), providing impetus for the promotion of socially sensitive citizen practices and the social economy.

Second, the co-housing tender embodies only a smaller step in a long-term goal of the City Council of Barcelona. The council aims to address the lack of social and affordable housing by developing several new initiatives; amongst these, the co-housing tender is just one project that is conducted with the input of citizens. In addition to emergency programmes for the most severely affected

²¹ The discussions on urban commons are far from being in concordance, and the definition of urban commons is also interpreted in different ways. For example, in Madrid, in Italy, or in cities of the Global South such as Mexico, it refers less so to institutionalised practices. It reflects the autonomous management of public spaces by citizens but also applies to the lack of involvement of local governments. Regardless, in Barcelona, it is typically interpreted as a more formal co-governance between citizens and the public sector.

households, the BeC government initiated a strategic plan with various collaborations to create a sufficient social and affordable housing sector for the city. For example, the Habitat3 Foundation (*Fundació Habitat3*), founded in 2014, works across Catalonia as a non-profit organisation and is currently collaborating with the city council to create incentives for the private sector in the provision of affordable housing via renovation, representing a “strong will to offer incentives, like moderate profits for private operators to engage in the renovation of social housing in the long term” (Interview 18, Barcelona).

In comparison to the general vision of the city council, the co-housing tender is rather small in size, but it also tackles a different issue. It targets vacant greenfield sites, which can be rented by cooperatives for up to 75 years (with a possible prolongation of 25) (Barcelona City Council, 2016b). The reason for the small scope is due the limited supply of vacant areas in the city. As an employee of the Housing Department critically assessed, “We do not have vacancies. There is this imaginary about so many vacant spaces that can solve so many problems. It could be so the situation in other places, but not here” (Interview 12, Barcelona). What he refers to is the fact that the city is reaching its limits. Barcelona has natural borders that do not let the city expand further: the two rivers in the east and west, the mountains in the north, and the sea in the south. For this reason, he believes that cooperative housing cannot provide a structural change for housing policy but only a qualitative one.

In terms of numbers, the cooperatives can only offer a marginal addition to the other programmes. Many estimations have been made of the number of vacant houses that could be put to use by the cooperatives, which have received high media interest and discussions. Some research measures 30,000 units (the former city council), and others 80,000 (INE, the National Statistical Institute), but the most recent governmental research shows that the amount is only 1.52% of the total housing stock, meaning that there are around only 13,000 vacant housing units in Catalonia’s capital (La Vanguardia, 2018). On the bottom line, Barcelona is considered to have limits over cooperative housing as a widespread practice. Nevertheless, this is considered a necessary dynamic that must be acknowledged, as it touches upon one of the most aggravating issues of contemporary societies.

In the case of Budapest, the frameworks are humbler in their aims. First, the City Council of Budapest interpreted the adverse effects of the crisis from a different angle, wherein the main problems were considered decreasing land value and low economic productivity. The inclusion of citizens is supposed to be a governance innovation to avoid dereliction (as was the intention with the first round of Pla BUIITS in Barcelona) and to overcome economic stagnation. The reuse of vacant spaces has served as a framework for a more entrepreneurial perspective, wherein arts and creativity may provide a solution to the revitalisation of public spaces to balance out the limitations of a scarce budget.

As an employee of the Urban Planning Department expressed, the quality of urban life can be best enhanced through the development of public spaces, as this is “the business card of the city, the place for innovation” (Interview 1, Budapest). The inclusion of citizens in urban policies was aimed

to amend the idea of innovative public space management: “For the winning proposals, we wanted to have start-ups and enterprises, it was a very trendy thing back then” (Interview 4, Budapest), explains a district employee who was responsible for one of the designated projects. In the interpretation of local government employees, opening up to these new actors was a way to overcome the crisis, as “people had the willingness to do something, and the creatives have an eye on how to do it. So we wanted to take action, any option appeared to be a better choice than leaving the current situation as it is. It seemed our problems would be solved if Budapest becomes a cool place” (Interview 4, Budapest).

In Budapest, the need for a new perspective was not articulated or scaled upwards from the grassroots level – although nevertheless, the programme was created with the aim to be able to include bottom-up practices – but rather it first surfaced amongst professional circles, and the momentum came for small-scale interventions when the a new chief architect arrived in city hall (being in office between 2012–2016). With the new mandate, the chief architect was able to push through the implementation and testing of new practices. As a colleague of his remembers, the programme borrowed innovative practices from Western European examples, to change the circumstances of “working in a very static and regulatory atmosphere” (Interview 1, Budapest).

Citizen participation in urban development was indeed a governance innovation in and of itself. In addition to the inclusive character of urban transformations during the first round of EU-funded social urban rehabilitation projects already being a tried-out method, it was yet not tested with other physical renewals, at least not in a coherent or explicit way. However, as an expert working in urban regeneration critically phrased it, the new practices of civic involvement were missing the essence of participation, where “citizens are included only try to amend representative democracy to function better”, but instead should be about “transferring power towards lower levels of direct democracy”, sourly commenting about the current participatory practices that “we only use it to look a bit cooler” (Interview 19, Budapest). Part of the problem has been that participatory practices were born in an ambiguous environment as I explained in Chapter 4. The real devolvement of power by citizens was regarded as problematic based on past experiences, whilst the introduction of the new projects occurred during a period when the government was recentralising decisions and local governments were losing power.

The year preceding the kick-off of the public tenders was a tumultuous one, as municipal elections occurred in Hungary in October 2010, half a year after the win of Fidesz in the national elections with a two-thirds majority. The first time since 1990, the liberal mayor Gábor Demszky was replaced by István Tarlós²², an independent candidate who nevertheless belonged to the right-wing ideological circle of Fidesz. Therefore, the programmes for public tenders

²² After the system change, Tarlós was a member of the liberal Alliance of Free Democrats (SZDSZ), but later left the party in 1994, and has been independent since

were fully developed under the Fidesz rearrangement, the party winning in almost all of the districts of Budapest²³.

As a corollary of the Fidesz takeover, the Act on State Assets was amended in 2011 (Act CXCVI.) along with the Constitutional Law, which made it possible to disregard the obligation to put public property for sale through public tenders and thus limiting the possibilities of rental as well, which resulted in less transparent public property management (which has already been criticised during the privatisation era as not transparent enough, mostly by Fidesz, in opposition in previous years). This made the situation more difficult for the public tender of 'Rögtön Jövök!', as the new act made it impossible to rent out properties for a lower price, as the regulations would not approve this specific practice (Interview 4, Budapest), which could have served as an incentive to put to use less desirable properties.

Another obstacle stemmed from the new national political discourse. As a consequence of dividing civil society into 'freedom fighters' and 'foreign agents', based on where they received their funding (either from the government or from abroad), the emphasis on inclusive regeneration policies had to be rephrased to fit not citizens per se but SMEs and businesses, start-ups, and entrepreneurs, to avoid conflicts with the central government's discourse. As a city council employee clarified, it was impossible to implement the public tenders without suffering a substantial loss of opportunities. As the employee noted, "it would be nice to have a strong civil society, but we cannot even say the word now, we rather focus on the inclusion of SMEs and communities", in order to avoid confrontation with national narratives (Interview 1, Budapest).

In conclusion, the strong national discourse brought several obstacles for the management and implementation of city-level policies, as local government power has been overruled by national-scale politics. Even though the intentions of the Urban Planning Department were to implement inclusive and community-building practices, the discourse on placemaking has instead served city marketing strategies, rather than the actual needs of citizens and bottom-up initiatives.

MANOEUVRING NEOLIBERAL MENTALITIES

Despite the projects resembling alternative visions of creating new urban commons – or communities through placemaking practices – the drive of the various actors can be interpreted through the 'responsibilisation' of citizens (cf. Rose, 1999), through the narratives of self-reliance and community building: whether intentionally or not, these spread neoliberal moral values. Under these circumstances, community becomes a vehicle to enforce responsible citizen mentalities, wherein environmental sustainability, health issues, and other outcomes are regarded as a duty of individuals instead of a state task.

²³ Since the 1990s, the leftist-liberal coalition has always achieved higher percentages in the capital, compared to the rest of the country. In 2010 this trend turned around as well.

Although the framework and discourse around citizen participation offered distinct policy experimentations in Barcelona and Budapest, certain similarities can be drawn in the types of actors who were included and the aims that the projects shared. In the case of Barcelona, actors focussed on the creation of communities, nurturing social economy initiatives, and enhancing social inclusion, whilst in Budapest, projects were reserved as the development of communities and the quality of public spaces, although in most cases, this was more as entrepreneurial ventures.

The projects in Barcelona were balancing between the enhancement of social cohesion and citizen empowerment and in some cases vocalising a strong tone for greater solidarity towards the more vulnerable parts of society. Nevertheless, the proposals are not considered part of a broader political programme (for a different read on Pla BUIITS, see Calvet-Mir and March, 2017). As one organiser from the more affluent neighbourhoods explained, the Pla BUIITS projects are not explicitly about targeting real needs, as “it is not a tangible problematic we are trying to fix here, we are trying to make society better, in terms of the engagement of the people” (Interview 9, Barcelona), as he explained. In other words, the aim is to encourage citizens to become active in shaping their own environment and participating in the life of the neighbourhood. Conversely, at another project, besides enhancing social cohesion, environmental issues resurface as an important purpose. As one of the managers of the communal space explained, “our main goal was to recover the space for activities, involve people and foster them to participate, to meet new people”, to show “we can make changes here, without any other intention” (Interview 10, Barcelona).

As we move to more distressed neighbourhoods, social problems start to appear as a matter that must be eased, if not by the government then by the help of third-sector organisations, in line with the neoliberal outsourcing of public services (Brenner and Theodore, 2002), without politicising their practice. For example, the guarded bike park of Pla BUIITS provides employment for young people, responding to the social needs of the area, but restrains itself from acknowledging any political dimension. As the manager stressed, “in our case, it was clear that behind the project there was no political aspiration or the interest of a neighbourhood association”, an instead create job opportunities for people in need as “all the activities are focusing on people who suffer from long-time unemployment, and we provide the possibility to work in an ordinary company” (Interview 6, Barcelona).

On the other hand, in a neighbourhood, where cultural policies and large-scale developments caused displacement and a general touristification of the area, the project managers reflected initial concerns about the aims of Pla BUIITS, as they phrased, “we were afraid it would be all about real estate speculation and neoliberalism, so we thought, maybe this is just another neoliberal mechanism. But instead of offering it to a business, they dedicated it to the citizens, as there was no money, in order to clean the city up” (Interview 7, Barcelona). What we can discern from the above quotes is that the crisis mobilised discourses of self-activation and responsabilisation and a certain

critique of neoliberal development, even if not a paradigmatic one. By taking over public duties, citizen initiatives offered an alternative conception of the organisation of society. As one of the unemployed architects summarised,

The mentality of society changed after the crisis, also in the field of architecture. How we did things in the past, what are we going to do now...It is a sort of introspection...But not just because of losing our job. All the good architects started to involve social aspects in their way of thinking. Innovation was mostly in construction, materials, new technology, but now that society is changing, the main innovation relies in how society functions, and how people are living in public spaces (Interview 1, Barcelona).

Conversely, in Budapest, rather than focussing on the creation of solidaristic milieus, the projects aspire for greater independence from local municipalities. On the other side, similarly to in Barcelona, the initiatives support sustainable goals, a sort of change in the way people live, allowing them to slow down and to be able to do something on their own. Claims evolved around the provision of better circumstances in creating business-orientated projects, or having more autonomy, and a greater voice in decision-making to be able to create spaces of their own. As a manager of one of the projects in Tér_Köz explained,

I maintain the area, but in exchange, I do as if it was mine. I can organise an event, advertise the activities, hold educational courses, and I do not need to pay a rental fee. It is a municipal property, which I use for starting a business, but I do not need to pay a rent [...] Earlier we tried organising communal activities, and once a year it works well, but you cannot have it on a weekly basis. We made a call and only two-three people showed up. I believe it is a service you should pay for, you need to have a certain income from it (Interview 11, Budapest).

Even though the project began as a civic initiative, it eventually became more professionalised, and now it clearly holds a profit-orientated view on future options. This is not uncommon, however, as projects receive little help from municipalities after the set-up of the area; they usually pay only for the creation of the space but not the maintenance (similar to the case of urban gardening projects).

Self-responsibilisation appears in relation to the lack of freedom that projects received from the local governments in their operation (Interview 6, Budapest), or as an opposition to the individualism of society. A middle-aged member of a civic organisation blames post-socialist conditions for the lack of willingness to cooperate, as “a good citizen necessitates collaboration, the division of labour, discussion, and it is not always about money”, continuing with a nostalgic vision of a more solidaristic past: “I do this for forty years, in associations, foundations, for me it is natural. I have been a Communist Youth Party secretary and cashier. I did everything: demonstrations, waving the flag, having a communist shift washing the tram... We had this approach of helping each other, you cannot really find examples for that today” (Interview 9, Budapest). The lack of communality is once blamed on the changing society

itself, whilst other times, the lack of social sensitivity of local governments is highlighted. A project that did not succeed in the 'Rögtön Jövök!' tender eventually gained a space to manage through a long process of negotiation with the local government in one of the inner-district areas of the city. The project manager felt that the local government was suspicious about the social aspect of the programme he intended to develop:

I realised why I never got the contract earlier, and what bothered them. They had an issue with the social aspect of the project. I wrote a list of what I will tell them. Words I can say, and words that are prohibited. For the Norwegian Civic Fund²⁴, I wrote I am creating a centre for vulnerable groups, which helps people to go back to the labour market, fights social exclusion, proposes a community centre, and so on. Meanwhile, for the local government, I highlighted other things: a child-friendly place, Western European standards, innovative project, press releases, enhancing tourism, all these things. I had to sell the idea as a trendy spot, and then it worked (Interview 14, Budapest).

The above contrasting quotes reveal how extreme the various approaches can be. On the bottom line, they both try to emphasise that notions of communality and solidarity are missing from today's social tissue in Hungary, but the problem is believed to be rooted in different causes. The lack of solidarity fits into a general Central Eastern European post-socialist tendency, wherein accelerated liberalisation and the optimism around it has silenced worrying voices that have criticised its short-term consequences: turning away from common interests, promoting individualism, and the slow degradation of solidarity towards other groups of society (cf. Ost, 2006).

5.3 EVERYDAY RATIONALES AND LOCAL CONTINGENCIES

What we perceive in both cities is part of the fragmentation of citizen demands into small-scale interventions that focus more on individual needs and attempt to achieve more flexible policies to overcome the corollaries of the crisis. Certainly, these initiatives hold a potential of empowerment as much as particular neoliberal mentalities do, but a final important issue in relation to citizen participation must be discussed: the question of why these participatory practices do not meet radical demands. In the final section, I show how empowerment is imagined through these participatory practices, on the one

²⁴ The Norwegian Civic Fund (NCF) obtains an extra meaning here: Fidesz stated that NCF belongs to the 'bad NGO' category, which is 'foreign-funded', 'unpatriotic' members of the society. Hence civil society is torn into two sides, and regardless of the aims of a project, their implementation instead of focusing on the targets are very often judged on the basis of their sponsors.

hand, but also how they may obscure more profound voices of real transformation, on the other.

EMPOWERMENT AND THE PERCEIVED ROLE OF LOCAL GOVERNMENTS

In Barcelona, the mobilisation of neighbourhood groups has been a part of the process of the decentralisation of the Indignados movement. The initial unity is now spread out across neighbourhoods, where focus is on local demands through promoting cooperative practices, sometimes bearing a political dimension, and nurturing places to generate alternatives. These demands cannot explicitly be considered alternatives to capitalism, but they promote alternatives to the dominant modes of production, consumption, and social relations. However, no strong alliance exists between the various individualistic groups. The lack of strong networking is also due to the nature of the Pla BUIITS public tender, which was supposed to be a temporary concession of the plots for only three consecutive years. Even though the projects strongly emphasised building their networks, creating links outside the boundaries of the neighbourhood faced difficulties. As a project manager expressed:

We did not have contact with other Pla BUIITS initiatives until very late in the process. When the winners were announced, everyone focussed on realising their projects, as it is temporary, everyone wanted to get done with it as quickly as possible. We sort of knew each other on a personal social level and were familiar with the projects. There has never been a self-organised meeting of the winners of the competition. We have been talking with each other, but not even later, when we got closer to the end of the three years. We met in the mayor's office twice so far, which was an organised meeting (Interview 7, Barcelona).

The interview was conducted in 2016, when the projects were already approaching their final year of operation. This highlights the character of the post-crisis period of social mobilisation: fragmented, localised practices occurring on a micro scale. Nevertheless, on the local level, the intention to create links amongst different social classes was a more present effort than focussing on the links between the projects across the city. In one of the touristified areas of Barcelona, a housing cooperative member expressed a common vision of the neighbourhood group and how the city should be developing: "I think it is important to mobilise people to be close, to be easily approached, and sometimes politics is not like that. Some people do not have the education, the needs, they do not know how to do things, because no one showed them. Pedagogy is very important in this case, and also people who inform others, they have to be aware of the problem that exist." (Interview 3, Barcelona).

Cooperatives also intend to influence policies and regulations related to housing by promoting their specific models for transferring the rights to land use. Working together with the public administration allows more flexibility, guaranteeing stability to a certain extent, but also remaining autonomous in the

management of common spaces. These desires represent a specific vision about the city: “There is more demand from people to try to control everything in their lives, they do not want another company or institution to control things. And the last thing that came was housing” (Interview 2, Barcelona), as a cooperative member described to me. The local governments are crucial for providing opportunities and space for these initiatives and offer help in different ways, but the approach of social agents is much more about doing rather than demanding.

Turning to the case of Budapest, we can see an approach similar to the architect groups of Barcelona. The architect groups in Budapest share the vision of a self-managed communal space, working in more autonomous ways, although with the desire for greater independence from municipalities, opposing the emphasis of cooperation, as in the Barcelona case. The participating architects in *Tér_Köz* similarly have a higher socioeconomic status, holding ‘Western European’ ideals on urban interventions, in contrast to an older generation of technicians of public administration. The differences are clearly visible between the two sides, as an architect working in one of the distressed neighbourhoods highlighted the lack of flexibility experienced by local governments:

I think the whole situation is very typical, there are some enthusiastic youngsters, who would like to make a difference, and then there are these immutable entities as the local government, and the two doesn't fit well together. The latter isn't flexible, and if we try setting foot in a project, it often turns out wrong. Probably this is not the situation in Sweden or the Netherlands. It's much more flexible there. We couldn't do it like that (Interview 6, Budapest).

Although at the time, they were not aware of how to conduct participatory practices, this evolved over time, and now these groups and studios work more on a profit-orientated basis than they did at the beginning, and they have become more informed about international trends and ideas. A general belief exists that it is necessary to educate the neighbourhood on how an urban environment can change and what roles citizens can or may have on influencing it. However, social aspects are not a crucial element of these initiatives and experiments. As an interviewee explained, “one of our main goals is to figure out how to familiarise local residents with basic concepts in urban studies”, to empower residents through a transfer of knowledge on urban development issues, but in a rather depoliticised way, mentioning that “we do it because we think it is exciting and entertaining” (Interview 13, Budapest), lacking the political view on urban interventions.

Barcelona and Budapest show different solutions for the overcoming of difficulties with public administration and the conducting of practices. As in the two cities, where discourses are framed with the contrast of two different yet desirable outcomes, the solutions also demonstrate variation in finding answers to contemporary urban problems, which have mostly been induced by the crisis. Barcelona, in focussing on alternatives to dominant modes of production and

consumption under the narrative of urban commons, would like to move away from solutions based on too much involvement from the private sector. Budapest's civil society actors, on the other hand, are more concerned with problems of autonomy and the ability to work together with the municipality, choosing between narratives of being independent from the state or the state's fulfilling all of the roles that citizens demand. Therefore, to gain ground and room for action, in Budapest, the private sector is regarded as a way out from municipal employees' tied hands and the static bureaucratic processes that make them unable to initiate activities.

Barcelona's civic initiatives have favoured the move away from private interests and the placing of decision-making in the hands of civil society, by working together with the local municipalities. The initiatives show a strong commitment to maintaining their environments according to their own responsibilities, by rejecting top-down authority in the process of creating these spaces. The aim is to encourage citizens to become active in shaping their own environment and participating in the life of the neighbourhood. Behind these motives lies the intention to reduce the privatisation of spaces and give back public space to local citizens by activating unused sites. Consequently, the question becomes not whether to fulfil social demands but how citizens themselves can better solve issues of governance better.

Although conflicts are a given in the collaboration of public administration and civic initiatives, the government adopts an approach that acknowledges the need for a conflicting relationship with civil society. A housing department employee explained it as "the role of activists and civil society groups is to demand, to check if the administration is doing its job. In the end, it is in their DNA, the tendency to never accept the administration, or this one particular administration" (Interview 12, Barcelona). As decision-making is traditionally opened towards citizens for intervention and debate, the involved groups also feel that it is better to institutionalise practices and cooperate with the municipality, rather than going their own way. As one of them explains, "it would be amazing if we could do it both ways, but sadly, without the municipality, everything becomes about money and profit" (Interview 3, Barcelona), signalling a sensitivity towards neoliberal development.

On the contrary, private investors in Budapest appear as saviours of citizens in the lost battle with district municipalities and the powerlessness against broader political pressures on civil society. Private investors are regarded as key players for securing civic initiatives for the possibility of long-term planning, thus countering the unpredictable contracts and implementation modes of district municipalities. Although some civic initiatives express their demands in collaborations with local municipalities, most of my interviewees expressed disenchantment, explaining that very few civic initiatives and organisations manage to sustain an existence independent from public funding schemes.

Accordingly, instead of aiming to exclude private investors, as in Barcelona, the Budapest discourse is quite the opposite. As one of my

interviewees emphasised, the lack of non-public financial resources generates alternative financial opportunities: “There are no economic networks for civic initiatives or economic roots behind the scene. This is the only way, and of course, bringing in the big donors. You have to become an owner, or shared owner, planning on the long term is impossible otherwise” (Interview 17, Budapest). All in all, the general conclusion points towards a civil society that is funded by private actors who function independently from public administration and aim to build on the private ownership of urban land. One interviewee stressed the justification of working on the basis of private investment:

I think there is no civil advocacy. Everyone was working from tender funds, and the recognition came slowly that we might sell “civicness” for the market as well. It is kind of a necessary diversification because everything is unpredictable. It would be nice to have patronage, where someone dips into his purse, and says, here, take some money. You need private money because the political sector is dangerous (Interview 13, Budapest).

The above statements express a lesser focus on neoliberal processes in the city, and rather approach the question of participation as seeking possible basis for empowerment and the survival of the projects. An architect interviewee reaches a very similar conclusion: “I do not want to deal with local governments and the state anymore, we need to find private investors. Nevertheless you do something for the public good, you cannot earn with it, you become disengaged, there is too much energy compared to what you can get out of the project” (Interview 8, Budapest). The current situation is interpreted with the sour conclusion that it might be better to turn away from future collaborations with the local administration rather than attempting to change existing power relations.

THE OBSTACLES OF ADDRESSING RADICAL DEMANDS

The rejection of strong political activism and confrontation with the municipality – the switch from contest to consensus – often simplifies debates on the question of legality versus illegality. In Barcelona, civic initiatives choose to remain pragmatic and refrain from involvement in political demands that address larger structural problems. As an interviewee explains,

I do not see the people participating in our plot, the squatters. We are not extreme people here. Even if we had occupied the space, many people would not have entered. It is going too far, saying we can do it without the municipality. I am not that sure. Of course, we could get in anyway, but it is not bad. There is also a tradition here of doing things against the municipality, by definition, it is considered cool. It depends on what you want to do. If you work with the municipality, and it affects the project in a structural dimension, then you have a problem. But I think it is not the case

here. I do not see this being run better if it were an occupied plot (Interview 17, Barcelona).

Institutionalisation, however, is favoured; it is expected to have flexible rules, and – intentionally or not – this creates a gap between practices that follow the rules and those that do not. Occupied plots and squats are often perceived as spaces where a closed group of people participate without involving the wider neighbourhood. The new institutional framework of the Heritage Programme intends to break this cycle; as a policy adviser working on the framework says, it can be regarded as a ‘hack’ to the old way of organising neighbourhood associations to avoid these spaces becoming a closed group of people (Interview 20, Barcelona).

The new framework intends to overcome this problematic by assessing the projects by their contribution to the neighbourhood, through a ‘social balance’ (*balanció social*) that is defined by several characteristics a co-managed space should represent (Barcelona City Council, 2017). The social balance is a kind of regularised metric that measures the social impact of civic spaces and can quantify its contribution to the neighbourhood and which serves as a basis for the amount of funds a civic space can receive. At the moment, it is rather a guideline and self-assessment technique for the civic spaces, a kind of reminder of what important factors should be considered. As my interviewee explained, “movements have to think themselves as institutions, they have to articulate that they are not an autonomous group, that they become something more, realising responsibilities, dealing with money, having a relationship with the municipality, understanding community in a broader sense, it has to be accepted by them too” (Interview 20, Barcelona), to take responsibilities and give back to the community in exchange of using public assets.

The assessment has four areas of requirements. It evaluates the rootedness of the civic space in the territory (how much it is linked with local networks), community capital (fostering social economy and empowerment), democracy and participation (internal democracy, communication, and aspects of transparency), and care for the environment in a broader sense (gender equity, social cohesion, and sustainability). It aims to ensure that the contract between the public sector and communities accords with duties and responsibilities. The more points a civic space can gain based on this evaluation, the more funds it can expect, along with receiving longer years of cessions as well.

The idea is to institutionalise spaces that now declare themselves as self-managed, which is the case with Can Batlló in Barcelona: they are organising a community centre in a publicly owned building and receiving money from the municipality, and this process would become formalised not based on a clientelist relationship with the municipality. One potential unfortunate consequence, as my interviewee also states, is that the process of formalisation favours certain types of civic spaces over others, to differentiate between “good occupation and bad occupation” (Interview 20, Barcelona), putting burden on squats, nevertheless that is not the intention.

In the name of equal treatment, every space must pass through the administrative body of Heritage Watch (*Taula Patrimoni Ciutadà*), which consists of different areas of the city council, giving away the permission of cessions, with the renewed agreement that includes of the social balance aspects, and will be monitored by the Heritage Watch office to ensure democratic organisation. The social balance is the guarantee to realise accountability and points out areas that are necessary to improve. The idea behind this, as my interviewee explains, is to legalise social centres and to give legitimacy to counter power in a democracy.

All in all, the characteristics of these initiatives are far from radical anti-capitalist discourses; rather, they emphasise social entrepreneurship and social innovation through post-crisis rationales (Calvet-Mir and March, 2017). In addition, the 'Barris i Crisi' (*Neighbourhoods and Crisis*) study on urban segregation and social innovation in Catalonia finds that similar practices are most common in middle-class neighbourhoods with higher levels of social diversity and strong traditions of social mobilisation (Cruz, Rubén Martínez and Blanco, 2017). The capacity of post-crisis mobilisation is precisely that it connects the middle and working classes. Although the practices are not necessarily successful in combining these two classes, on a narrative level, the desire to do so is clearly articulated.

Meanwhile, in Budapest, the differentiation between good and bad civil society occurs from along political lines. As Fidesz propaganda articulates, 'Soros allies and foreign-funded civil organisations pose a threat to the nation, and these more autonomous groups became labelled as spaces where the opposition plots against the government. As stated by a city council employee,

You only have to mention 'Sirály'²⁵, and everyone agrees they would rather keep a place closed for five years, as you do not have to deal with any problems of civic spaces. If it is rented out to some alternative groups, which you do not know what they are doing, where they will backstab you, what are they using it for, there is total distrust (Interview 1, Budapest).

Dividing civil society along political lines creates an atmosphere where the formal processes of participation are pressured to be highly depoliticised, they have to act cautiously, as a civil organisation members discussed, "the line to walk is thin, you have to pay attention" (Interview 9, Budapest). Instead of politicising bottom-up initiatives, they are focusing on finding a balance between, fulfilling the needs of locals, but on the other hand, not being too critical towards the government. In sum, the division of civil society along political lines highlights a perpetual distrust amongst the actors, who cannot find common ground, instead they are seeking opportunities to avoid collaboration between the public sector and citizen initiatives.

In Hungary, the lack of solidarity is often considered a negative externality of politics and the functioning of local governments. As an EU urban

²⁵ Sirály was a venue place for alternative groups. It was one of the first that has been closed due to political reasons.

regeneration expert contemplates “Hungary is perceived to be in a strange dual situation, it is not worse than any other Western European country in terms of civil movements, or urbanists, it has all kinds of knowledge and innovative civil organisations. The great difference is there because of local governments and politics itself” (Interview 16, Budapest). However Eastern European alterglobalism, in general, aimed to link post-socialist grievances to global processes and building a bottom-up democratic organisation, the possibility of an active civil society have been disappearing since the regime change (Gagy, 2015). The idea of autonomy, so central to movements, has become a tool to protect their own positions, as occurs in Budapest as well.

Whilst protesters stand up for austerity measures in Barcelona, in Budapest, claims are presented for ‘democracy’. The primary deficiency of the citizens included in urban regeneration projects in Budapest is that they fail to create links with lower-class grievances and maintain a social critique towards current public affairs. The city is spatially divided between civic groups that address cultural and social demands; the cultural groups reside in the wealthier neighbourhoods, whilst the social groups in the more vulnerable. They do not create links between each other despite being sometimes only a few hundred metres away. As an interviewee says,

There is that node a few hundred metres from us where others do civic initiatives, and there is no link between us. We got organised to do very different things here, problems are different, we talk about putting together a music event, and there it is about the drugs. Different things hurt us. We listen to each other and complain, but afterwards, we are busy with our forums, whilst they are busy with gipsy kids not going to school, drug prevention programmes and safety. There the problem is not about how to paint the benches, but that the benches get stolen. It is totally different, but it is only a few hundred metres (Interview 9, Budapest).

Of course, the lack of connection is not a representative example of all of the existing initiatives. However, the projects that have been incorporated in the post-crisis policies on urban regeneration rarely show signs of radical, critical claims towards redistributive inequalities. The more critical initiatives reside outside of the institutionalised environment, a practice that has always been typical to post-socialist societies, as civil society institutionalisation has remained weak after system change.

5.4 DISCUSSION

This chapter has aimed to disentangle the actors of citizen participation, reflecting on their backgrounds, motives, and agency, which play a part in broader processes of institutionalisation. Citizen participation has always been considered a somewhat middle-class practice, but of course, the role of the very

same middle class can make a huge difference from one place to another. It is often underemphasised how vital their role is in channelling lower-class grievances or looking upwards to upper-class interests and trying to adjust to those desires represented by the better off.

Middle-class narratives usually receive little interest in sociological inquiries; however, their role is underestimated: new actors such as architect cooperatives have a central position in bringing in funds, connections, and cultural capital to processes of institutionalisation, playing a decisive role on the direction of social sensitisation. So, instead of avoiding them, I have aimed to immerse myself in a more thorough analysis of their roles and visions. My aim here was not to develop a general theory on middle-class characteristics. I have used the reflections of social agents who participated in the analysed policies to explore how they think about everyday realities and to interpret the rationalities of their own position. Nevertheless, middle-class roles involve better education, higher use of technology, and lesser ignorance of the media and thus bear the utmost importance in the spread of lower-class needs. They are crucial in pointing out the failure of democracy, sustaining the status quo, or showing solidarity and understanding towards post-crisis grievances.

The current chapter has highlighted how similar the actors in participatory mechanisms can be but how differently their roles are understood along distant contexts and circumstances. The responsibility of the middle class has without a doubt held importance in their speaking for themselves or for a broader community. With the spread of combining bottom-up and top-down mechanisms, in-between actors have more responsibility in addressing global and local challenges. As the middle class is deeply intertwined with both power organisations of the capitalist class and with the state, they are increasingly crucial in political struggles.

Undoubtedly, the crisis prompted new processes and discourses, mostly around increased vacant areas, and unused sites, or halted construction areas around the city, inducing new social actors and participants of urban interventions. Since a small-scale focus on urban development has developed in the post-crisis years, a new active group of young architects has emerged both in Barcelona and Budapest.

In Southern Europe in general and in Barcelona in particular the crisis escalated a massive anti-austerity mobilisation of citizens, expressing a disappointment with the political-economic elite as a whole, renewing interest and debates on civil society and social movements equally (Leontidou, 2010; della Porta, 2015), labelling the appearance of new social actors in the scene (Walliser, 2013). The crowds, mainly consisting of highly educated youth, occupied squares and demanded real democracy, expressing discontent towards financial and political regulation. The majority of these activists used their professional background to build collaborative interventions and mobilise neighbourhoods. It was not only a demand for new forms of participation, but carried out spontaneous and collaborative practices, such as guerrilla interventions or occupation of squares, as the interviews have highlighted as well.

The new wave of mobilisations in the 2010s was more complicated in the case of Budapest. First of all, it showed a radical departure from the “increasing political apathy of postsocialist citizens” (Petrova and Tarrow, 2007, p. 76) that was so characteristic of the post-1989 era. Nonetheless these protests included criticism against austerity measures, it was not the definitive characteristic of these mobilisations as in Barcelona and elsewhere. Political cleavages were the defining fault lines across the two types of masses on the streets, creating a polarised civil society with a strong involvement of party politics, discrediting the existence of a ‘pure’ civil society (Geró and Kopper, 2013). The first one, infamous for its anti-Soros campaigns, spurred anti-immigrant sentiments through a nationalist discourse, attacking civil society organisations that have been funded from abroad²⁶, serving ‘foreign interests’. As a counterbalance, the NGO scene and citizens who desired to ‘catch up’ with the West often waved the EU flag during demonstrations as a symbol of their belonging. These groups shared the ideological understanding of the leftist-liberal political coalition, wishing to reach Western-European standards of living and a multicultural environment that the multilevel governance of the EU promoted during the last decades. Furthermore, they also raised their voices for the loss of democratic checks and balances, concerning the freedom of the media, the reform of the higher education system, or the 2017 protests against the forcing out of Central European University from Budapest. As such, the main civic groups formed along a nationalist, anti-egalitarian, but ‘protectionist’ Fidesz government, and a failing leftist-liberal block uncritical towards EU integration or the crisis, and particularly biased towards the sustainment of the status quo. Due to the arrival of EU funds and development of participatory mechanisms based on EU urban policies, the latter group was overrepresented in the analysed participatory practices, and this thesis mostly translated their ideas and demands.

Distilled from the above, I showed how the meaning of participation has been translated to the local contexts. In Barcelona, due to the anger towards the political-economic system as a whole, middle-class actors showed solidarity with lower classes as they found themselves in similar precarious position. The social actors in Budapest, on the other hand, represented the part of civil society who had been aiming to counter the rise of right-wing narratives and the loss of representative opportunities for citizens as a whole.

Therefore, participation has gained a distinct role under these developments. The Municipality of Barcelona proposed ‘citizenism’ and the framework of urban commons that interact with the grievances of anti-austerity protesters, countering the excess of power of political and economic elites in the management of urban processes. The causes of the crisis are more anchored in global economic and political phenomena, posing a critique to capitalist development and the spread of privatisation. Whilst the actors in Budapest present a critique towards local political-ideological circumstances, blaming the

²⁶ Especially the ones funded by the Open Society Foundation (founded by George Soros) and the Norwegian Civil Fund (representing Western-type NGOs).

right-wing political milieu for the lack of democratic processes and the shortage of the ability to perform autonomous interventions, highlighting a more horizontal fault line between Western liberalism and democracy and the right-wing autocracy that is currently shaping policies in the country. Here, a call for democratic processes is presented, paired with sensitivity to the failed promises of catching up with the West.

In concordance with civil society dynamics, the discourses around citizen participation are shaped by different goals. While the concept of urban commons gains purpose in an environment where projects focus their efforts on a critique of the destructive elements of capitalist development, place-making creates a narrative for the loss of autonomy and demand for inclusion in decision-making processes, hence the focus is much more on economic development and bringing life to urban areas by the presence of civic action.

Even though these demands belong to different political ideologies, the general discourse on sustainability, community development, and citizen-based urban regeneration can fulfil both on a narrative level, promoting local cooperation and economic development. The emphasis on solidarity in Barcelona and the focus on economic development in Budapest results in different outcomes for questioning the causes of the crisis: while participatory mechanisms in Barcelona aim to find a fragile balance between 'social innovation' and neoliberal mentalities, in Budapest neoliberal mentalities are more inherent in these practices, simply because they are not intended to be avoided.

Finally, these interpretations also have an effect on future contingencies in relation to the dialectics of local governments and citizens. Citizen participation does not represent a break with the traditions that developed throughout the transition years in Barcelona. Rather, it strengthens processes that were typical even at the period of democratic transition. The new mobilisations connected to 15M and the platforms of Barcelona en Comú cannot be considered as a structural change in the mode of organising participatory practices, rather it shows a desire to return to more horizontal institutional processes, which were present in the first years of democracy. With this aim, citizen participation in Barcelona experiences a strong will to bureaucratise practices to a level where it becomes possible to differentiate between 'good' and 'bad' types of practices through qualitative evaluation. Nevertheless, the guidelines for civic space management serve as a directive to open the formerly closed spaces and provide a more equally accessible space for the whole neighbourhood.

On the other hand, in Budapest, the development of citizen participation has indicated a direction towards a constellation wherein informal practices are favoured, with the collaboration of the private sector, as the current relationship with the local governments makes it difficult to practice autonomy by civic actors. This trend also resembles the individualistic approach to citizen participation, as actors often express that civic action should be considered a method of providing income and generating profit to make a living, as they currently cannot rely on governmental subsidies. The lack of

addressing post-crisis issues of housing poverty and a general deficit of solidarity towards lower classes can be considered a part of these rationalities. Nevertheless, groups of solidarity are active in Budapest, but outside of formal practices, remaining less visible to the general population.

CONCLUSION

Disentangling the threads of the urban condition through the analysis of citizen participation in urban regeneration has been an intricate but exciting task. By doing a comparison on Barcelona and Budapest, I have been able to follow the different forms of European peripheral state restructuring, the emergence of diverging urban regeneration strategies, and the related dynamics of state–civil society dialectics on various scales. Following this logic served to comprehend how material and symbolic factors play part in the formation of citizen subjectivities, and how their dynamic changes when important historical junctures arise. Temporally stretching the analysis between the epilogue of Fordism and the event of the 2008 crisis, I intended to interpret what the stake of participation really is, and how it varies across different localities. First of all, I have showed how the restructuration of capitalist development has a long-lasting effect on the dialectics of state–civil society relationships, setting the boundaries of future pathways. Second, even though the European Union played a unifying role in the case of state capacities, urban policymaking followed local varieties in dialogue with particular state–civil society dialectics. Third, these dialectics have permeated the narration of the 2008 crisis, and nevertheless they resembled the power hierarchies of state, market, and civil society, agency of actors played an important part in reshaping the boundaries in which these dialectics occur.

The dissertation has shown how participatory practices have been positioned within two opposing understanding of citizen participation, provoking considerable debate in scholarship about a variety of low-budget, small-scale ways of organising, either celebrating or negating its possibilities for the change in modes of regulation. The interest in these spaces re-emerged at a time when the political economy of austerity urbanism is treated as a universal characteristic of contemporary societies, but the focus on these initiatives allowed the same way emphasis on agency-centred theorisations. Even though these practices often do provide an alternative to the existing neoliberal rule, in the same way they can be associated with a capitalist manner of organising through entrepreneurial flexibility. However, in the much-too-often seen reduction of analytical focus to the urban level, I regularly find myself facing the dominance of Anglo-American literature in leading theorisations on the city and beyond. It was at this time that I decided to dedicate my research to incorporating the more substantial complexities of urbanity into the analysis of citizen practices.

I have employed my case studies of Barcelona and Budapest to stress this difference, by comparing their development in light of two pivotal points. First, I involved scales as analytical concepts and maintained a scalar interpretation of the dynamics between the state and civil society, focusing on

the changes of their relationship through material and symbolic forces. Second, by analysing the peripheries of Europe, I aimed to highlight variation to Western theorisations of cities, taking into account path-dependency and contextual particularities in explaining the different development of the two cities.

The organisation of the dissertation followed the very same logic, analysing one specific social phenomenon on three different scales: how the restructuring of the world order affected the countries and cities within, how it defined the interactions of local governments and civil society in combination with local agency, and how these changes have affected the discourses and perceptions of the involved social agents. In summary, the combination of structural forces on state–civil society relationships were accounted for with the emphasis on local narratives, by revealing the details of their interplay and how they shaped the pathways of development in those particular localities. In the following, I highlight related findings, but also point out how such a complex analysis leaves many questions unanswered, proposing new directions for research.

Chapter 3 outlined the different developmental paths of Spain and Hungary in their accession to the EU and embedding to the global capitalist order. With the promotion of peripheral Fordism, each country received a particular role in the European economic space. The chapter served to complement political–economic approaches by focusing on the soft side of power as well. In relation to that, the literature on varieties of capitalism which treats integration into the world economy in general and into the European Union in particular as an uneven process (Jessop, 2014; Hall, 2015), have been informative in understanding the roots of the crisis. Furthermore, there have been several attempts to analyse European cities beyond the view of Western-dominated scholarship. Southern Europe has been extensively examined in relation to the enlargement of the EU (Leontidou, 1995, Andreotti et al., 2001, Chorianopoulos, 2002, Giannakourou, 2005, Royo, 2010), while Eastern Europe still receives much academic attention in the theorisations of the post-socialist city (Andrusz et al., 1996, Ost, 2006, Stenning and Hörschelmann, 2008, Gille, 2010, Ferenčuhová, 2016). Although I did not explicitly engage with these theories in the dissertation, I believe that they can considerably inform future research, not just as area studies but as a way to enrich approaches to the theorisation of state restructuring in the peripheries of Europe and provoke a more holistic perspective on capitalist development.

Spain and Hungary as new democracies of Southern and Eastern Europe secured a hierarchically lower position after the period of transition, or as Jacoby (2010) referred to it, as ‘backyards’ of the EU’s economic space. Therefore, democratic transformation in the two countries has been characterised by uneven development, relying heavily on foreign capital. In Spain this process paired with ‘social neoliberalism’ (Guarneros-Meza and Geddes, 2010), where initially welfare has not been rolled back, and Barcelona deployed the process of restructuring to create political consensus among private, public, and civil society actors. Hungary, on the other hand,

democratised in a period when capitalism and European policies more clearly took a neoliberal turn. Consequently, the system change coupled with austerity measures and a firm belief in the market's 'invisible hand' to solve social problems. As a result, from the triple transformation of the nation-state, capitalism, and democracy (Offe and Adler, 1991), strong coalitions emerged between state and market elites, on the expense of strengthening state–civil society relationships in decision-making processes.

With the further acceleration of neoliberalism, Barcelona followed a more entrepreneurial approach to urban development, while Hungary continued with mass privatisation, aggravated by the growing reliance on foreign credit and loans. In line with the arguments of Hubbard and Hall (1998), in the first case, the entrepreneurial turn offered a way to enhance local cooperation and the promotion of local identity, as occurred in Barcelona; on the other hand, it also supported neoliberal policies and the promotion of the enterprise, building on the belief that the private sector will bring the desired benefits to both society and economy, as is the case for Hungary.

Among citizens, these political–economic variances created a different vision of 'Europe' considering the two cities. Whilst in Barcelona, European governance was synonymous with the opportunity to create welfare services through the strong collaboration of the public sector and civil society, in Budapest, 'Europeanisation' was more associated with liberalisation, autonomy, and a depoliticised civil society. In addition, civil society remained weak under these circumstances, and the creation of a strong collaboration between the public sector and civil society was not considered; instead, a strong political dependence developed between the two.

Analysing these developments through the lens of the crisis showed how these cleavages magnified, resulting in different types of mobilisation. In Spain, and in Barcelona in particular, the crisis framed a growing distrust towards political–economic elites as a whole, and it prompted strong social mobilisation with identifiable anti-capitalist, anti-austerity sentiments. After an intermittent victory of the conservative takeover of the traditionally leftist governance of Barcelona, movements broke through and strengthened new discourses that touched upon the failure of the housing sector, growing inequality related to mass touristification, and opposition towards large-scale developments leading to displacement and the gentrification of neighbourhoods.

In Hungary, the crisis was preceded by a growing right-wing articulation of the state of the country, opposing 'Europeanisation' and the privatisation of the economy by international stakeholders. The government lost credibility before the crisis due to excessive spending and the worsening welfare conditions of society as a whole. Subsequently, citizens started questioning the liberal path that Hungary had been on since the 1990s. Right wing mobilisation took the opportunity to increase nationalist sentiments and pinpoint the cause of the crisis in the 'colonising' demands of the EU. Hence, the destructive forces of market principles were switched to a narrative wherein banks and multinational business interests were not an essential part of capitalist uneven development but rather an embodiment of the Western political–economic elite

and their allies' – the left-liberal coalition's – political strategy. Hence, in Hungary, instead of a systemic critique, civil society has been increasingly divided along political fault lines, but without the continued substantial involvement in decision-making processes.

The case of both Barcelona and Budapest can be seen as an example of radical mobilisation against the status quo, questioning democratic capitalism and raising dissatisfaction over uneven development. Counter-narratives have shown a resemblance to the democratic transition atmosphere. In Barcelona, the discourse emphasised the opposition of 'citizens' against corrupt 'political-economic elites' that had been a characteristic of Francisco Franco's dictatorship, demanding betterment of democratic arrangements. On the other hand, in Budapest, the narrative sharpened the opposition between the 'nation' and 'foreign hegemonic powers' and their domestic allies, blaming Western European elites and the process of Europeanisation in general for lagging behind. This narrative resonated well among citizens, drawing a parallel with former Soviet 'colonialism' (Gille, 2010). In this regard, future research on post-authoritarian democracies of Europe could reveal better the interplay between the articulations of the crisis and the rise of nationalist discourses, scrutinising the complexity of non-traditional liberal democracies.

In Chapter 4, I presented how the development of urban regeneration policies in Barcelona and Budapest resembled the dynamics of post-transition development, and how 'soft Europeanisation' (Atkinson and Rossignolo, 2010) of the community method unfolded as a layer of neoliberalisation and globalisation, intersecting with the formation of European urban policies (Rossi and Vanolo, 2013). With increased competition for economic resources, investors, and business, European cities were fuelled more than ever to become entrepreneurial and solve issues of economic development and social cohesion at once through the implementation of multilevel governance models and the creation of more horizontal networks between the public sector and citizens. As others suggested (Le Galés, 2005), the chapter contributed to the analysis of urban policies in relation to the restructuring of the nation state. Adding an element of analysing the polarity of discourses on the entrepreneurial turn in urban regeneration provided insight to the ambiguity of European urban policymaking.

The urban moment has been mainstreamed in the EU with varying success. Whilst the focus on cities favoured autonomous regions such as Barcelona to become more independent from their national governments (Maragall, 2004), in Budapest, despite efforts it did not really occur, and Hungary remained quite centralised in its governance (Pálné Kovács *et al.*, 2016). Nevertheless, urban policies had limited capacity to change pre-existing institutional norms and priorities, which were usually set by the nation-state (Marshall, 2005). Although, European urban policies developed with a strong input of the 'Barcelona model', Budapest did not have the same influence to shape EU policies according to its own local context. The management of urban regeneration policies mirrored local patterns of civil society development in both cases: Barcelona developed steady institutional practices based on the

collaboration of civil society and public sector, whilst Budapest faced the lack of formal configurations of civil society inclusion. However, due to the arrival of EU funds, urban regeneration 'Europeanised' in a way that social and cultural aspects began to appear in the field where previously physical urban regeneration dominated.

In Barcelona, the importance of providing welfare services after the democratic turn also appeared in the development of urban policies, particularly in the first years of transition, when grassroots movements and the public sector created a consensual form of collaboration and thus enjoyed a rare historical juncture, where interests coincided among the two. Although over time, the public sector reserved a smaller role to citizens in the larger-scale developments, particularly after the 1992 Olympic Games, citizens had their own institutional and informal methods to channel demands and opposition.

In Budapest, an environment where local governments have mainly withdrawn from urban policies due to mass privatisation, urban regeneration became a field less dependent on the input of citizens. Whilst privatisation and liberalisation received uncritical support, urban regeneration remained unchallenged for its gentrifying effects, at least in institutional arrangements. The more critical voices towards urban regeneration's outcomes continued to exist outside of formalised relationships.

The entrepreneurial turn in Barcelona and the Europeanisation of urban regeneration in Budapest both countered the practices of the years of democratisation: in the first case, the strength of private actors grew and citizens were more systematically left out of urban development plans, while in the case of Budapest, the emergence of formalised participatory mechanisms characterised the pre-crisis years, with an intention to socialise the field of urban regeneration.

The crisis demonstrated how these circumstances defined the future possibilities of articulating social demands. Whilst in Barcelona, post-crisis urban policies incorporated solutions to the grievances of the victims of the crisis – or at least the concept of solidarity and a citizen-based approach was strongly articulated in the narration of these practices – in Budapest, the missing institutional arrangements created an obstacle to scale up such demands. Furthermore, as social aspects were, in general, not an essential part of urban regeneration or the language of professionals, post-crisis policies resembled the patterns of democratic transition without a focus on solidarity and equality.

Finally, although the crisis has put both middle- and lower-class citizens in precarious position, it did not cause significant institutional changes or different patterns of development but instead demonstrated a revisiting of former cultural pathways: Barcelona's urban policies stepped on a path of further institutionalisation, whilst in Budapest local governments continued to function with low levels of citizen involvement and interest in their ideas. Both cities have introduced new bottom-up practices of urban transformation, favouring either the empowerment of citizens or the opportunity to tap creative potential and hasten economic development and searching for new ways to put

the dynamics of urban interventions back on track. The ambiguous nature of neoliberalising European urban policies and the provision of the Structural Funds made it possible to instrumentalise discourses of ‘sustainability’, ‘community’, or ‘social cohesion’ according to the political–economic strategies of the local contexts. The chapter has shown that instead of treating new policy tools as they are labelled, they are easily refined to fit public policy goals. Hence, the question is rather how the political agenda provides support for which social groups.

In the last empirical part, I focused on the individual-level experiences of the crisis, opening up local contingencies and analysing how the specific political agendas shape the formation of citizen-subjects and which social groups received attention. Chapter 5 elaborated on the background of social agents and their roles in post-crisis urban transformations. The chapter contributed to the understanding of the particular “new urban activism” (Walliser, 2013) that characterises cities with the inclusion of primarily middle-class actors in the wide variety of participatory practices. As Mayer (2013) observes, the crisis not only hit the lower classes but also involved a particular trend wherein youth, students, and middle-class segments have slipped into precarious positions, causing the fragmentation of different positions in the neoliberal city. Nevertheless, I aimed to treat the position of mobilised citizens in relation to the particular development of civil societies in Southern and Eastern Europe, as they have shown distinct elements in regard to post-crisis demands and mobilisation.

In Barcelona, the steering of the causes of the crisis connected to more global economic and political phenomena, which posed a critique to capitalist development and the spread of privatisation, whilst in Budapest, social agents presented a critique towards the local political and ideological divide, blaming the political milieu for the lack of democratic processes and the impeded availability to perform autonomous interventions, as practices are highly discredited along the strong involvement of politics in the functioning of civil society organisations.

In terms of local government actors, the discourses represent different approaches, in line with the scalar restructuring of urban policymaking that has been discussed in Chapter 4. In Barcelona, a strong mandate was presented to provide a stronger voice to civil society and civic spaces in general, whilst in Budapest, the focus was much more on economic development and bringing life to urban areas by the presence of civic action.

In terms of the narratives of social agents, citizen participation does not represent a break with the traditions that developed throughout the transition years in Barcelona. Rather, it strengthens processes that were typical even at the time of democratic transition. With this aim, citizen participation promoted a strong will to (re)institutionalise practices to a level where it becomes possible to differentiate between ‘acceptable’ spaces and others ‘in need of improvement’ and set guidelines as a directive to offer a better measurement of equality, although one that comes with the price of over-bureaucratisation. Nonetheless, the practices could connect the middle classes to lower-class grievances, at least

on a narrative level. Political subjectivities of citizens therefore targeted the alleviation of the effects of the crisis and pointed out alternative visions to capitalist development (Cruz, Rubén Martínez and Blanco, 2017), creating citizen subjects who promote cooperation with the public sector, in order to avoid the spread of privatisation.

On the other hand, in Budapest, the development of citizen participation proved to lead towards a manner wherein criticism cannot transcend the demand for autonomous spaces, committing the crime of silencing poverty and lacking the urgent need for more solidarity. Informal practices and movements are left to fill this void, with the disadvantage of remaining less visible for the public eye. However, small victories in a post-socialist context could be interpreted as successful collaborations between local governments and civil society representatives, creating trust among the actors and finding ways of cooperation in a context that does not allow it to easily happen (cf. Petrova and Tarrow, 2007).

Finally, relating local contingencies to future pathways, the final section highlighted the embeddedness of participatory mechanisms in the path-dependency of state–civil society dialectics. In the case of Barcelona, the development of relationship of local governments and citizens allow forms of radical participation when important historical junctures interrupt development paths. Despite the mobilisations might not bring structural changes, it is able to question such developments, and scale up alternative modes of regulation. In Budapest, on the other hand, the lack of civic and local governmental capacity shows the boundaries of possible pathways, where the private sector still receives a prominent role, even in the channelling of citizen demands. More importantly, these dynamics result in citizen subjectivities that in Barcelona counter the expansion of the private sector by building on the tradition of familialism and solidarity (García, 2010). Contingencies of Budapest on the opposite, point towards an alliance with private sector actors, to counter the power of the public sector. This observation holds an important aspect to rethink state-citizen relations in European cities. For future research, it would be useful here to rethink European citizenship highlighting the bias of a hegemonic Western liberal universalism and how it produces a post-colonial position in Europe's peripheries (Rigo, 2005).

To conclude, citizen participation will always be a tool for a particular stratum of society who hold the ability and feel the need to express their views on how the city should be remade. However, rather than focusing on what participation may bring, we must see what it can and does negate. Now is the time to reconsider new theories on the entanglement of citizen participation and political economy and pose questions regarding whether this “molecular spontaneous self-organisation” (Žižek, 2015, p. Loc3226) is an efficient form of resistance to the increasing neoliberalisation of cities. So far, the discourses over citizen participation have offered a mix of artistic subjectivities of the creative class and certain social awareness that has been mobilised through unsatisfied social needs and an entrepreneurial spirit. The question remains whether politics of recognition, an emphasis on identity, and placemaking can create a

type of emancipatory project wherein the realisation of solidarity and collective action is turned into an intentionally scaled politics, but perhaps this is less a question for theory.

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