



**DISCOURSE OF URBAN POLITICS – HIDDEN POWER RELATIONS  
IN LOCAL LEADERSHIP, CITY OF BUDAPEST, HUNGARY**

FRAMING NEW STRATEGIC DECISION MODEL FOR A CENTRAL EUROPEAN  
METROPOLIS

AUTHOR:  
**TÜNDE SZABÓ**

SUPERVISOR:  
**DR. J.R. BEAUMONT**

MASTER OF ENVIRONMENTAL AND  
INFRASTRUCTURE PLANNING PROGRAMME  
2007/2008

UNIVERSITY OF GRONINGEN  
FACULTY OF SPATIAL SCIENCE

## **ABSTRACT**

Strategic urban planning of the City of Budapest could not reach a successful breakthrough from the legacy of the post-socialist transitional period. Institutional shortages have become evidence with accelerated strategic planning aspirations of the Municipality of Budapest – considering an increasing planning demand reacting on European Union founding programmes – which has turned attention to the features of mechanisms and of fundamental motivation of permanent struggle for local leadership. Inquiring procedural patterns of dominance in local governance as a key aspiration of the current study has been approached via twofold methodology: by the assistance of a structuralist scientific account applying governance theories as well as by means of post-structuralist discourse analysis.

Current analysis tackles also the normative aim to serve as theoretical foundation for re-frame a novel strategic decision framework in Budapest to achieve an improved policy design might make new urban governance model suitable for dealing with complicated planning situations and uncertainties around strategic decisions.

Hajer's approach is considered an extraordinary important focus for the current work due to his analysis keeps track of what makes a conception creation and agenda setting process able to foster successful social act. His scientific account is oriented to clarify mechanisms of linking previously unrelated categories of understanding, which implicates a strong 'practicability' tie to the local planning practice. Undertaking Hajer's interpretation on discourse analysis serves as an inspiring angel of view which might accommodate to expose local power relation in the City of Budapest.

Claiming that the current study has strong normative angle it ended up with establishing strategic planning principles as basis for a novel Budapest urban in planning model framing theoretical account on shifting local leadership towards adaptive urban governance.

### *Keywords*

Discourse theory; Discourse analysis; Urban politics; Budapest; Local polity; Urban development programme

## **PREFACE AND ACKNOWLEDGEMENT**

Herby I would like to express my gratitude to all who has enabled me and contributed to the successful completion of the current study. First of all, I owe thanks for the Huygens Scholarship Programme launched by the Netherlands Organisation for International Cooperation in Higher Education which has afford me the possibility to take part on the Master Programme for Environmental and Infrastructure Planning at the University of Groningen. I would like to express my gratitude for Professor Dr. Paul Ike as chairman of the programme as well as for Dr. Justin Beaumont, supervisor of the current study who has inspired me to be theoretically minded and critical to ideological concepts at the same time.

Furthermore I owe a debt of gratitude for all the Hungarian planners and civil activist who were of assistance during my work with their knowledge, concepts and patience in the course of the data gathering. I also would like to express my special thanks to my former and present colleagues at Studio Metropolitana Urban Research Centre in Budapest, whose contribution has supported me to develop the current concept on urban planning in Budapest and whose critics always encouraged me to improve and specify my ideological construction on leadership.

As a final very personal acknowledgement I have to thank for their encouragement and persistence for my both families, whose support has made me stronger and more sensitive to the individually different interpretation of the ideological constructs of reality around us.

# CONTENTS

*Abstract*  
*Preface and Acknowledgement*  
*Content*  
*List of Figures*

<b>1. INTRODUCTION .....</b>	<b>7</b>
1.1. MOTIVATION .....	7
1.2. PROBLEM SETTING, CONTEXTUALISATION AND RESEARCH OBJECTIVES .....	7
1.3. RESEARCH METHOD .....	12
1.4. REPORT STRUCTURE OF THE STUDY .....	12
<b>2. THEORETICAL FRAMEWORK .....</b>	<b>15</b>
2.1. MODER VERSUS POST-MODERN DEBATE .....	15
2.2. GOVERNANCE THEORIES .....	22
2.3. DISCOURSE THEORIES .....	25
2.4. LINKING DISCOURSE AND COLLABORATIVE POLICYMAKING .....	30
2.5. LINKING DISCOURSE AND DELIBERATIVE POLICY ANALYSIS .....	33
2.6. LESSONS TO LEARN .....	35
<b>3. GETTING CLOSER – RESEARCH DESIGN.....</b>	<b>37</b>
3.1. RESEARCH DESIGN AND OBJECTIVES .....	37
3.2. METHODOLOGY FOR DISCOURSE ANALYSIS .....	38
<b>4. FRAMING INSTITUTIONAL ARRANGEMENTS OF URBAN DEVELOPMENT IN BUDAPEST .....</b>	<b>41</b>
4.1. INSTITUTIONAL SETTINGS AND EVOLUTIONARY PROCESS OF URBAN POLICY MAKING IN BUDAPEST .....	41
4.2. ACTORS AND RELATIONS WITHIN URBAN POLICY NETWORK IN BUDAPEST .....	48
<b>5. DISCOURSE OF URBAN POLITICS IN BUDAPEST .....</b>	<b>52</b>
5.1. TERMS OF POLICY DISCOURSE .....	53
5.2. DISCOURSE COALITION AND METHODS .....	58
5.3. INSTITUTIONAL PRACTICES .....	61

<b>6. HIDDEN POWER RELATIONS WITHIN URBAN POLITICS IN BUDAPEST.....</b>	<b>67</b>
<b>6.1. PATTERNS OF DOMINANCE IN LOCAL LEADERSHIP .....</b>	<b>67</b>
<b>6.2 RULING PLANNING STYLES AND TRENDS OF TRANSFORMING LEADERSHIP CULTURES IN BUDAPEST .....</b>	<b>69</b>
<b>7. IMPROVING THE PROCESS OF GOVERNANCE AND POLICY MAKING – TOWARDS A NEW BUDAPEST MODEL.....</b>	<b>72</b>
<b>8. CONCLUSION .....</b>	<b>78</b>
<b>PERSONAL CONTRIBUTION (LIST OF INTERVIEWEE) .....</b>	<b>80</b>
<b>SECONDARY SOURCES OF INTERVIEWS .....</b>	<b>80</b>
<b>PLANNING DOCUMENTS.....</b>	<b>81</b>
<b>REFERENCES.....</b>	<b>82</b>

## LIST OF FIGURES

1. FIGURE LOCATION OF BUDAPEST IN CENTRAL EUROPE	8
2. FIGURE STRUCTURE OF THE BUDAPEST METROPOLIS REGION	9
3. FIGURE BUDAPEST POPULATION DENSITY AND ADMINISTRATIVE STRUCTURE	10
4. FIGURE RELATIONS OF LOCAL ACTOR NETWORK IN BUDAPEST	51
5. FIGURE MYTH OF A LIVEABLE CITY – THE WAREHOUSE PROJECT AT THE BANK OF THE DANUBE. RECREATING URBAN-RIVER LINKS TO RESHAPE LOCAL IDENTITY	55
6. FIGURE SHAPING DISCOURSE COALITION AROUND NARRATIVE OF “LIVEABLE, ATTRACTIVE CITY” - COURSE OF SOCIAL-INTERACTIVE DISCOURSE (HARRÉ-BILLING) ON URBAN GOVERNANCE IN BUDAPEST	60
8. FIGURE PROPOSED LEGITIMATE ARENA OF BUDAPEST – PUSHING LOCAL GOVERNMENT TOWARDS CORPORATE GOVERNANCE TO EXERT EXTERNAL ACCOUNTABILITY CONTROL ON INSTITUTIONAL ROUTINES	74
9. FIGURE FRIEDMAN'S REDEFINITION OF CIVIL SOCIETY (BASED ON ABU-LUGHOD 1998 EDITED BY THE AUTHOR)	76

## **1. INTRODUCTION**

### **1.1. MOTIVATION**

Motivation to explore driving power behind the scenes of fallacious appearance of day-to-day reality is hardly a fruitful topic for a planner being mainly condemned to execute ideas of others. Working as a planner it is obvious to meet controversial or sometimes paradoxical situations in which mediation of different interests as well as bringing them together with rarely vague political expectation is almost impossible. To avoid infeasible goal setting a coordination mechanism among interests and actors taking part in policy creation is gaining more and more ground – for a certain extend. Integrating political interests with the strategic demands of donors of the power is a distant, gloomy and not unanimously desirable aim in most of the countries. Urging to broaden deliberative discussion about public policies seems to be obviously fertile to planners. However power-holders might also interpret extending platform for decision making as an attack to challenge formal institutions predestined to maintain dominance structures as well as to overthrow status quo of leadership. Any intention to restructure or limit power-holder's responsibility is therefore sensitive and goes far beyond any professional consideration. Still, planning has to deal with mediating conflicts of dominance on a daily basis, therefore professional practice has to say a lot about context and process of power.

Power however constantly creates and recreates frames and rules of the present, the future even the past subordinated to tactical goals. Those, who own the power, are creatures of the structure, which was created through power struggles. Conceptions about the future – the workroom of the planners – always reflect ideologies and universal order of the power-holders being empowered to express, exclude or include ideas, system-typical rules and values which was created by them and which creates them. The foregoing approach to power postulates a constantly changing order of what we (or better the power-holder) think about reality without any predetermined structures, where attainment of where to locate the battle-lines of value- and identity-differences may mean a guideline or a 'power-map' to act. This is the point where planning directly connects to the conception of power

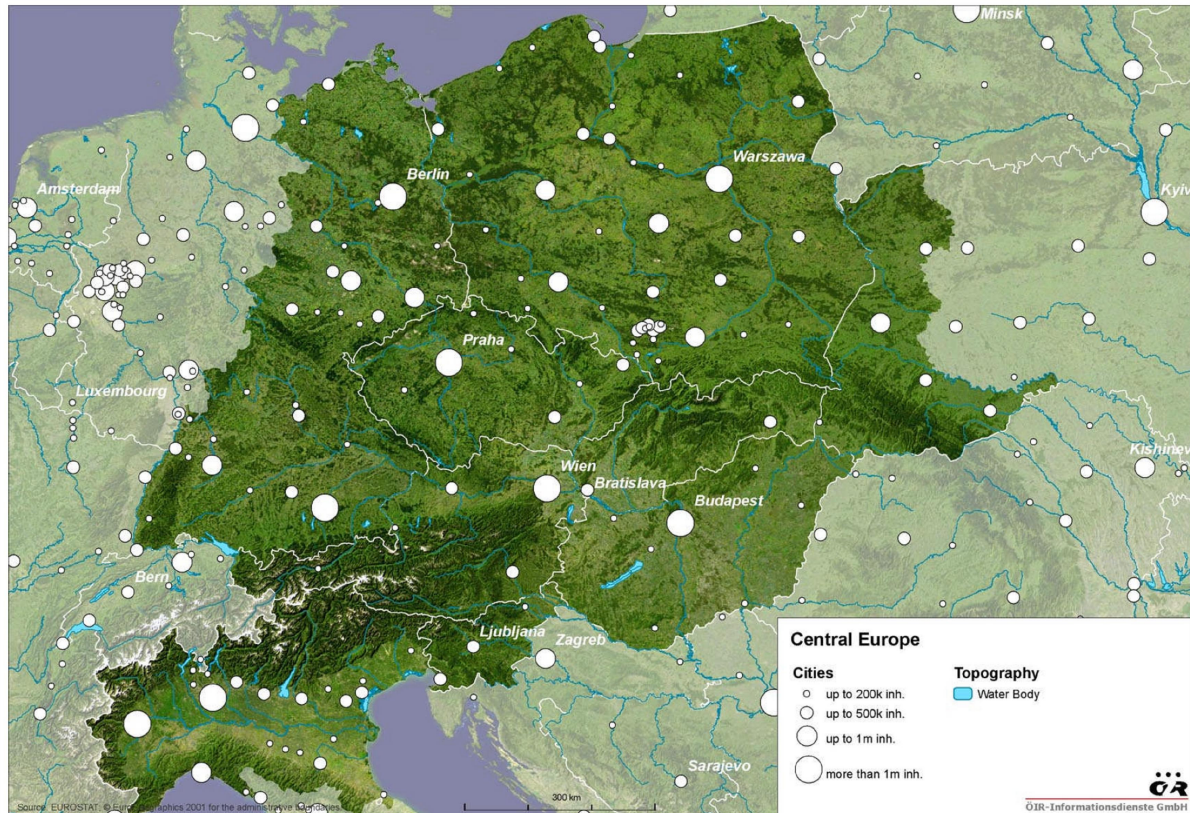
### **1.2. PROBLEM SETTING, CONTEXTUALISATION AND RESEARCH OBJECTIVES**

Purpose of the current investigation is to unfold recent urban governance relations approaching from the aspect of governance theories to reveal recent leadership practice and performance of the booming Central-European metropolis. To reach that goal, this work puts particular emphasis on applying a more recent post-modern screen of reconstructing political reality through discourse theory and discourse analysis with the normative aim to frame a new strategic decision and public management structure for Budapest; so to say to put the basis of the new Budapest-model<sup>1</sup>.

---

<sup>1</sup> The original Budapest Model is to be found at Pallai (2003) see in detail at chapter 4.1.

Despite the fact that it is the 9<sup>th</sup> most populous city in European Union and it occupies a strategic position within Central Europe Budapest has a significant backlog in urban output and international competitiveness alike. Decreasing quality of life, deteriorating public services, politicized public life, corruption, lack of sanguinity, neglecting consequences of low-efficiency government characterises the city. Budapest, stumbling along the transformation period seems not yet found its way to utilise all of its endowments to become a nice place to live and to do businesses.



**1. Figure Location of Budapest in Central Europe**  
 Source: Central Europe Programme<sup>2</sup>

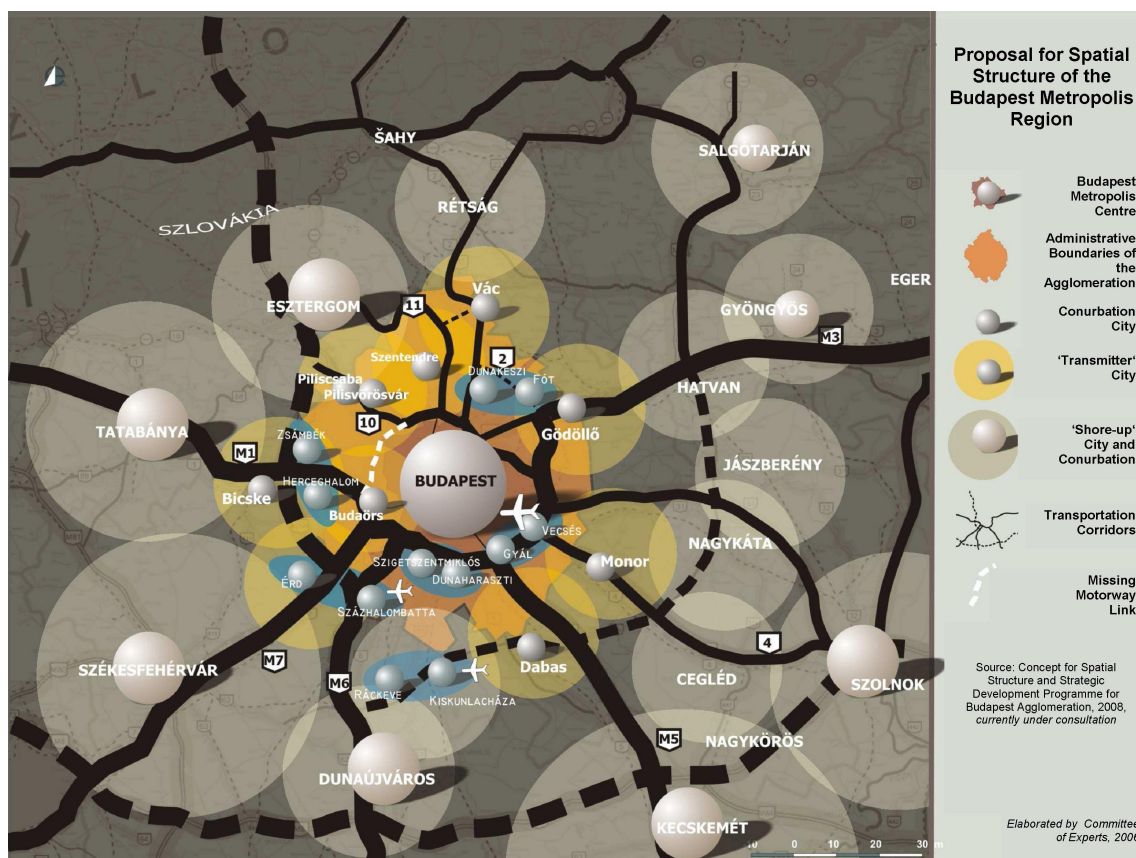
Budapest provides less and less quality for its citizens which is as I assume derived from local leadership arrangements. I will argue that transition period has accommodated market actors and basic conditions for liberal urban development but failed to enforce modernisation of local institutional settings. Democratic achievements established during the ninetieth rather reflects decision-making and power structures of previous decades due to that fact that provisional institutions founded to support regime transformation has stabilized and preserved an outdated structure of dominance. Transformation dynamics of local governmental settings – which leads to symptoms like ad hoc, reactive policy formulation or incompetence in decision making – calls for rethinking theoretical foundation of local control, modernisation of governance as well as new methods and means of urban development-oriented interactions.

<sup>2</sup> <http://www.central2013.eu/>



Population (2007)	1 696 thousands	
Population density	3230 persons/km <sup>2</sup>	
Area	525 km <sup>2</sup>	
Population of the metropolitan area (2005)	2 438 thousands	
GDP/head (2005)	19 024 EUR	
GDP as a share of total national production (2005)	35,9%	
GDP/head as a share of national average (2005)	213,4%	
Number of employees (2006)	759 thousands	
Number of companies with foreign capital (2005)	13 340	
Employment in services as share of total employees (2005)	80,60%	
Number of citizens receiving permanent or periodical social maintenance (2006)	172 thousands	
Students in university educations (in 44 institutions; ISCED 5-6) (2004/05)	168 thousands	
Share of graduated (>25 years old) (2005)	28%	
Gross annual revenue of households (2005)	5 703 EUR	
Annula expenses of households per head (2005)	3 515 EUR	
Monthly average wages (2005)		
	Intellectual occupation	1 115 EUR
	Physical work	477 EUR

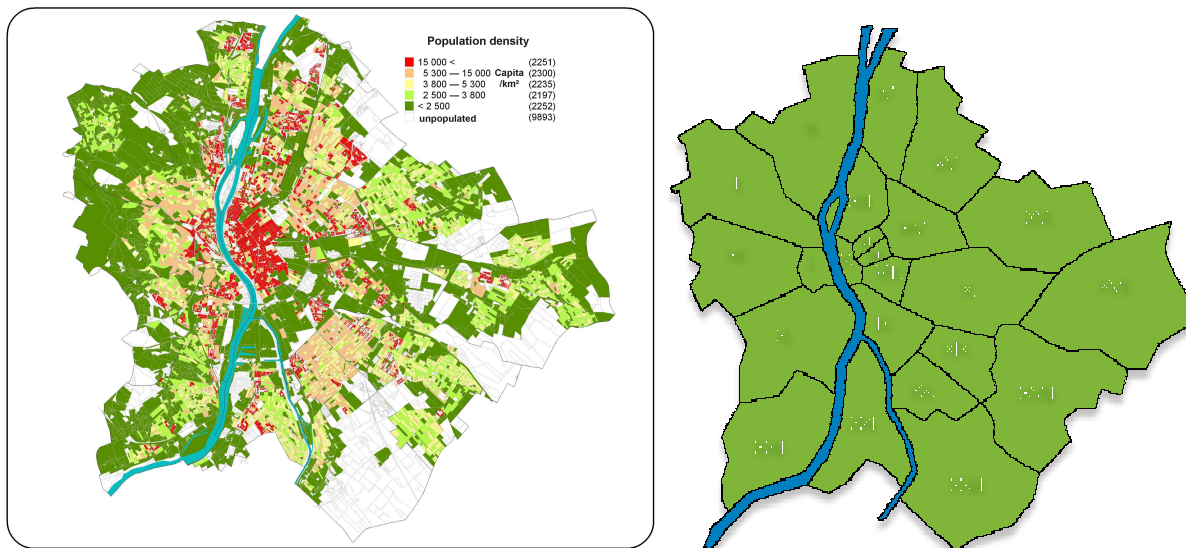
Table 1. Budapest in numbers  
Sources: Hungarian Statistical Office



2. Figure Structure of the Budapest metropolis region

Source: Concept for Spatial Structure and Strategic Development Programme for Budapest Agglomeration, 2008, currently under consultation

Key intention of the current work is to analyse co-evolvement of local institutional arrangements taking as a function of power structures and to reveal the correlation between local features of institutional settings and governance output. Doing so, I attempt to use a discursive approach, which has never applied in investigating leadership procedures and patterns in Budapest. That approach might illuminate to hidden relations of decisive power which remained on the quite via other analyses acquiring solely 'official' elements of reality.



**3. Figure Budapest population density and administrative structure**

Source: Internet

With the current work I investigate issues concerning dominance, government and adaptive community, but concentrating particularly on the following questions:

1. Who are the actors of the urban governance network, how did they emerge as local agents and on which way do they express and promote their interests? How do they interact with each other?
2. Which are the institutional contexts of current decisive configuration at urban development planning, how did it coevolved with changing structures of power and what kind of development trajectory does determined by institution and polity together?
3. Where is real power for urban change located within urban networks? Which agents do dominate urban discourse and on which way, when and why is it achieved? How and by whom are core values created framing strategic thinking about the city? For what extend do values and identities define policy making and decisions? How and by whom are agents ignored or included into policy-making?
4. What are the bottlenecks of the policy- and decision-making processes? How far can organisational transition within the public administration contribute to develop efficient urban governance in the field of development policies? On which point or at by which agents might be fostered institutional transition?

Investigation is aimed at outlining the local governance system incorporates institutional arrangements, policy environment and local actor network to be uncovered through inquiring the current urban development policy- and decision-making schemes. In order to define influential policy actors as well as to delineate their entwining relations a network analysis is to be carried on. Special attention is to be paid to the performance of local administrative bodies on routines they tackling development issues. To enquire urban development agendas set by the City Hall a policy analysis is to be elaborated, dealing also with the evolution of planning documents on urban development. Cooperation and control mechanism amongst the interconnected actors is to be investigated to draft the real power relations which are able to shape urban changes.

Current analysis tackles also the normative aim to serve as theoretical foundation for re-frame the strategic decision framework in Budapest to achieve an improved policy design might make new urban governance model suitable for tackling complicated planning situations and uncertainties around strategic decisions. At the same time rescaling leadership might push urban governance from fragmented, decision-avoiding mechanisms into reflexive handling of development issues. Range of the current investigation goes beyond public administration and management and aims at embracing the complete structure of urban development policy network as a whole. Doing so, core enquiry focuses on unfolding deep power relations between policy actors to display hidden co-operation and subordination schemes and the way of construction articulated policy values and objectives. Emphasize is to be put on the antagonistic ties between public need and administrative act and institutional shortages. Drawing up real geometry of power furthers to set up the basis for adaptive urban governance<sup>3</sup>.

The current work does not set target to deal with socio-political transition and political re-structuration in City of Budapest after the change of regime in Hungary in 1989. Neither does it particularly focus on the evolution of institutional transformation, took place within administrative body of the municipality: it does that only to the extent to illuminate the achievements of a young local democracy both as outcome and constituting frames for local polity. The author's firm belief that approaching urban governance project in Budapest, transition theories should be rejected. Societal changes had escalated since the first democratic government has established basic circumstances for freedom of individual act and power-free social progress, further citizens came by an increased political consciousness which brought scope of social activity nearer to Western patters. Also, national economy takes part on the same market competition with mostly the same rights and responsibilities than any other European country. Adapting market-oriented habits by great masses of citizen shows also that transition process from socialist centrally planned economy and centralised state provision into pluralist democratic state and libertarian societal model is mostly over. The Hungarian society now has to seek new ways and means to a successful future under more or less stabilized socioeconomic and political condition. Application of contemporary socio-political theories as

---

<sup>3</sup> Adaptive urban governance is meant as an open, inclusive local regime, being oriented to citizens and business needs instead of keeping strategic goals theorized by a small number of privileged. Adaptive urban governance in this terms aims at creating flexible and transparent local leadership in order to build capacity for buoyancy both in terms of global challenges and local needs.

scientific account to understand local leadership relations is therefore more relevant in the case of Budapest than claiming transitive processes.

### **1.3. RESEARCH METHOD**

To outline hidden structure of dominance, analysing hard data might fall short to say anything. Since the current work has a strong orientation to reveal reality which is beyond positivist filters of science and focusing more on how reality is shaped by those who are able to define the issues and contexts to be accepted as reality, I rejected analysing quantitative datasets. Data might be used and utilized for agent's interests, in addition to quantitative methods could be extremely misleading under conditions of lacking open debate on verity and relevance of data, which is an evident risk in Budapest. Current case study is therefore particularly based on primary and secondary empirics, embraces personal interviews, open discussions, but articles, radio reports and personal experiences<sup>4</sup>. Investigation is specially focused on individually diverse creation of subjectivity therefore application of neutralised scientific account was not aim of the current work. The most delicate challenge of empirics-driven analyses assumed to be balancing subjective opinions and standpoints, which specification I attempt to suit to the best of my ability.

To avoid bias of personal beliefs and attitudes I challenge to link subjective constructions of my interviewees to scientific interpretations on local administrative settings and decision making schemes, which might increase interpretability of empirical data on scientific account.

### **1.4. REPORT STRUCTURE OF THE STUDY**

Core ambition of the current work is to condense academic investigation around two different epistemological ideologies to further scientific debate. The same socio-political phenomena – urban governance and strategic decision making in Budapest – will be elaborated but from different theoretical approaches: from the point of structuralist governance theories as well as in terms of post-structuralist discourse theories. Structuralist interpretation of local leadership is the official view on how and by which types of measures urban governance works, which also determine public mind in Budapest. It suggests that given societal order and constructions predefine common act in order to put historical ordinances into effect. However, non-linearity of societal change might challenge structuralist approach on interpreting mechanisms of leadership considering that historically-based hierarchies of power might collapse and reshape themselves fairly soon. Regime change and market transformation might be evaluated as such abrupt changes of given ordinances which discredit structure-driven determination of social act and put focus on flows and processes of decision making (.i.e. exercising of power) going beyond the surface of ideas and categories thought to be predetermined. Structuralist approach has been proved recurrently to be unable to understand and explain how and why particular decisions are made meanwhile others become neglected in the very last years of local leadership. Discourse theories are to apply as a cognitive

---

<sup>4</sup> Author of the current study has a two years experience in working with local administration and civil actors on the field of urban development, specialised on regional affairs, sustainable urban mobility and urban renewal.

experiment whether linguistic software of usage of power might contribute to our understanding on how common act could be created under conditions of non-visible scenes. Current investigation is oriented to unfold that for which extend might post-structuralist approaches add to recognise internal motivation of operating local leadership. This is not an either-or question but rather a mixed approach on capture variety of different rationalities in order to reach a comprehensive view on how people think societal act is created. The debate will be advanced in Chapter 4 and Chapter 5, following the theoretical exposition (Chapter 2) and the review of methodological background (Chapter 3).

Chapter 4 discusses general institutional arrangements in Budapest on account of rather structuralist institutional and actor network theories. In order to complete multivalent analysis Chapter 5 attempts to conceptualise urban governance as interconnected assemble of actors analysing the nature of relations amongst them based on principles, that power evolved from and via discourse.

Changing modes of governance in Western-Europe are definitely not to draw parallels to the former Soviet-block urban regimes. However, some abstract correspondences might find between the state-dominated, interventionist Keynesian government style and the state-led, centrally planned bureaucratic regime of socialist polity. Underlying totally different ideologies, their hierarchical and centralized executive administration was highly comparable. So to say, the reflections to post-war challenges of governance produced slightly similar administrative and bureaucratic behaviour both in West and East, with some significant difference on transformation dynamic they are distinguished by. The Western States have rejected rigid post-war government models to make room for the more entrepreneurial-like state in line with the neoconservative policies, meanwhile the Hungarian government style has kept its ideological impeders for another three decades permeated into the public conception formed about the state and its role.

With that arduous legacy of public perception and fixed informal relations between citizens and the state, the Hungarian polity floundered over the transition when local governments were restored and democratic local institutions parallel with practice of leadership were evoked. After almost two decades of transition we may assume that some 'magnetic field' of power accumulation exists and dominance structure and routines of local government has stabilised. But how did this regime evolved, what kind of discrepancies does it keep driving, how does deep structure of government affect reflexivity of leadership structures?

What could be the possibility to apply an elitist growth coalition theory with a post-marxist Gramscian understanding of hegemony to recognize current frames of policy creation? Or is probably any chance to interpret regulation theories within urban governance in the contemporary Budapest? Are conditions of societal interconnectedness suitable for screening through actor and policy network theories? These entire questions are terminated to recover only one main intention: how could a post-transitional urban regime being interpreted through western governance theories?

As far as Chapter 5 aspires to unfold elements of discursive reality, Chapter 6 aims to deal with disclosure of structures and manners of urban leadership supervised by hidden power relations through post-structuralist understanding of discursive condition of social beings. Both sections are elaborated on account of post-structuralist discourse theory holds the view that there is no pre-given, self-

determining essence that fixes other identities within a stable and totalizing structure. In addition to, the feature of externally existing reality is the language – instead of empirical truth, according to positivist paradigms – which frames discourse based on relationalist, contextual and historicist view of identity and value formation (Torfing 2005. p.13).

Foucaultian understanding of discourse – an extraordinary fruitful approach, which forms the basis of critical discourse analysis – was considered as the most stimulating guide of the current work. Its main focus is put on discursive formation of statements about, and rules of the reality. According his concept power struggles shape and reshape discursive construction of reality. Foucault's interpretation about discursive power goes beyond structuralist understanding of sovereign power being evidence in network theories. His concepts about discursive conditions of possibility in terms of creating non-empirical, highly subjective and historically shaped statements about external reality reject dominance of capacity to act, and invokes ways in which discourse regulates action by means of shaping identities, capacities and subordination (Torfing 2005. p.8).

Evolution of discourse theories is intertwined with changing views of political theories. "Politics exists in the substance of the language, which language does not transmit about the reality but generates that." (M. Szabó 2003. translated by the author). Discursive approach to governance and policy creation is a widely diffused concept applying for interpretation a broad selection of political debates.

Remarkable understanding of discourse theory in the general frame of policy making is made by Hajer. He follows a Foucaultian approach to unfold the process of policy-making. „Inspired by Foucault, I have sought to bring out the institutional dimension of discourse, considering where things are said, how specific ways of seeing can be structured or embedded in society at the same time as they structure society." (Hajer 1995) His approach derives to social constructivism embraces the social-interactive discourse theory of Harré and Billing, as well as the positioning theory of Davies and Harré. Hajer's approach is considered an extraordinary important focus for the current work due to his analysis keeps track of what makes a conception creation and agenda setting process able to foster successful social act. Hajer's scientific account is oriented to clarify mechanisms of linking previously unrelated categories of understanding, which implicates a strong 'practicability' tie to planning practice. Undertaking Hajer's interpretation on discourse analysis developed on the basis of Foucault's concept on discursive formation is therefore the main scientific account of the current work, serves as an inspiring angel of view which might accommodate to expose local power relation in the City of Budapest.

Synthesis of Chapter 6 aims at propounds the state of the art of current urban governance outlining its operation principle, driving forces and power relations. Drafting a decision making model of now particular points may be selected, where intervention could cause significant shift towards more adaptive governance. This is summarized in Chapter 7, which embraces recommendations towards a reflexive, deliberative and more open decision making structure of local government which might form the basis for constructing a new Budapest model setting the institutional frame for a future metropolis of dynamism, environmental quality and social coherence.

## **2. THEORETICAL FRAMEWORK**

Framing the theoretical background of the current research my approach to uncover urban leadership affairs is 'biased' by some particular planning theoretical consideration, which I would like to make clear in the followings. With that section I attempt to reveal theoretical foundation of particular fields of social activities grouped about issue of local leadership and reflexive governance. Departing from a comprehensive overview about positives versus post-positivist debate I am coming to outline cognitive contribution of both structuralist and post-structuralist science to understand governance, for this reason governance theories and discourse theories are introduced. In order to contextualise relevance of discourse in local governance, a section deals with revealing linkages between discourse and most recent progress of communicative theories. Finally I try to capture relations of discursive policy formation with measures of deliberative policy analysis.

### **2.1. MODER VERSUS POST-MODERN DEBATE**

For typologies and classification theoretical conceptions Allmendinger's (2002) conception will be used holding the view that substantive-procedural foundation of planning – dominated the theoretical discourse up till the 80s' – should be rejected since modernist separation of facts and values, namely distinction between substance (analysis) and procedure (process) could not be justified by social reality. Instead of technocratic division of investigation he discerns an iterative relationship between ideas and action. Allmendinger's theoretical conception claims a normative, thus socially embedded and historically contingent understanding, impressed by intrinsic values. His typology identifies five overlapping conceptual interpretation of social reality of various level of abstraction (Allmendinger 2002. p. 36-39):

- exogenous theory (invaded from disparate level of theoretical construction)
- framing theory (seeks to frame complex understanding, forming paradigms)
- social theory (conceptualisation social phenomena)
- social scientific philosophical understanding (philosophical foundations of social theories)
- indigenous theory (planning oriented reconstruction of the above)

Since the ambition of the current work expects to have some significance beyond practical and methodological aspects of governance and planning towards a social construction of post-socialist local reality seeking for a comprehensive, multi-aspect domain it is inevitable to fling cognitive filters open for broad theoretical constructs. My basic assumption is to approach complex, ambiguous, misleading reality through various screens of thought aspiring to catch variability through theoretical pluralism. It does not mean to gain the false expectation of objectivity, but a computable level of value-suffused bias. In addition to, present project puts more emphasize on the belief of philosophical foundations of theory and attaches somewhat fewer importance to historically driven narratives, just as Jessop's contingent necessity or Friedman's benefit-maximalisation approach of public choice theory. Thus, the core investigation of the current work focuses on social theories and social scientific philosophical understanding.

Allmendinger (2002) conceptualises theory from two different apprehensions: *theory as discourse* and the *theory as relations with structure and agency*, which distinction has a lot to do with the modern – post-modern debate. Understanding theory as *discourse* emphasizes that theory is a social construction, where the notion of absolute truth should be abandoned due to the theory's discursive nature – it is socially produced through iteration of interaction – and context-dependence. Referring to van Dijk notion of discourse incorporates the use of language, cognitive process and interaction in the same way. Language – equally spoken or written – is grasped as action due to it formulates and encourages particular activity. Discourse is the expression of a cognitive process in course of that particular values are tied to notions – both process and intrinsic values are strongly influenced by historical, social and political context – through that reconstruction and revaluation of meanings proceeds. Allmendinger emphasizes that process of theory formation encompasses normative (values) and discursive (cognition) constituents, which belief is highly comparable to Giddensian feedback loops of interactive formation of society and theory.

Theories insisting on *structures and agencies* inquire that for which extension is individual's scope for action determined by relations of given social structures or result of personal decisions. Allmendinger (2002) classification about social theories dealing with individual versus structural dominance is condensed around the two extremity of societal control, namely the *structuralist approach*, which claims the societal determination of policy act and the *intentional approach* about individual reflexivity and ability to choose as driving force.

*Structuralist view* of social order established the world-shaking arguments of Marxism and its political economy, which legacy has served for fostering of ideologies, like the critical theory and the Frankfurter Schule, and later on neo-marxist scholars like Derrida, Laclau and Mouffe. Scholars of critical theory – Marcuse and Adorno – attack communist thinkers for experiment of Marxism abandoning the freedom of mankind (Torring 1999). They argued against the closed system of thought and theoretical orthodoxies, which they were keen to remediate with progressive critique. Marxist theorists had regularly faced with the dilemma of why capitalism did survive and flourish despite of the striking injustice and inequity keeping the system moving?

Marcuse claimed that cultural solidarity is the most significant weapon in the hand of the capitalist state continuously creating and maintaining 'mass attitude' (Allmendinger 2002. p.83.) and acceptance for state policy. Creating solidarity through deliberate effort for establishing identity turned out to be captivating power against group consciousness. Similarly, Baudrillard assumed that cultural domain of capitalist structures avoids Marxist progression, due to overwhelming appearance of 'simulacra' within consumerist society. Simulacra are the image of reality fostered by power-holder which makes impossible to observe reality. Both theorists argued about consumerist images and symbols overshadowing inequity and injustice of capitalism thus prevent people to struggle for freedom and justice.

Besides of the profound structuralist perception it is striking both at Marcuse and Baudrillard that social equity and equal allocation of properties deemed to be an intrinsic value and the ultimate aim of society, meanwhile achieving the final goal (revolution) was hindered by capitalist societal system with emerging inapposite barriers just as cultural solidarity and 'sensing noise' (simulacra). Both authors



emphasize the importance of group identity which opposes social progression – in terms of cultural identity, in contradiction to Marxist class-identity. Process of identity formation as well as striving after hegemonic articulation of identity-linked values become the key consideration of the revival of Marxist principles at Derrida and other neo-Marxist discourse theoretical thinkers. Concept of hegemonic articulation is assumed to be worth to pick up later on the study.

In contradiction to the structuralist super structure – which fosters and regulates societal order – *intentional approach* assumes micro-scale orientation and local actions steered by individual decisions. Intentional approach puts emphasize on the free will of actors (individuals or formal/informal groups) as a driving force of societal act (Allmendinger 2002).

On the solid foundation of agent-based considerations public choice theory was developed on the domain of neo-liberal governance theories. Argumentation of public choice doubts unbiased agents (particularly in public administration, where modernist ideas about neutral civil servants still matter of common knowledge) and assumes that all agents are committed to their individual goals and act according that without special moral considerations. Public choice is based on rational behaviour of agents to purchase extra profit. Some critics argue however that clear economic motivation is just as unrealistic as assuming non-committal, uninterested and value-free parties concerned in a highly motivated situation. Hayek and Friedman conception about “irreducibly complex society” (Allmendinger 2002. p. 98.) results losing control over societal action, where the only rational behaviour on behalf of governance is to ensuring public good on order to liberalize conditions for total freedom of choice. In the same place they call attention to the risk of populism and frequent and short-term electoral promises referring to exclusive consideration of rational choice gaining political and personal advantages. Meanwhile Tullochs argues with overwhelming bureaucratic scene, which – whilst following its own interests – maintains and reproduces itself utilize its special power for individual goals (Allmendinger 2002). Communicative theories, like collaborative dialogue does not fit into institution-driven settings of self-interested agents, despite the fact that both has an intentional view and has evolved on the solid base of institutional approach alike. Reasons for distinctive opposition is that communicative policy making is valued as reclaiming civil autonomy from misleading institutions (Innes and Booher 2003). Communicative theories being vital concepts of intentional social theories will carry on later in the study.

In reflection to extremist view of structuralism and intentionalism an integrated approach has evolved which combines arguments of individual (agent) action and the pressing circumstances of societal structure as equally important determinants for social action. In consequence of fusion of structure and agency plasticity of structure became evident and influence of the conscious actions of agents (strategic learning) was getting explicitly emphasized. Giddens contributed to that process with development the very impressive theory of structuration, which puts emphasize on interactive formation of structure – mutual interaction between individual’s behaviour and the structure – as well as challenges taken for granted values attached to structure (i.e. determinism) and agency (i.e. merely conducted by individual conation) (Allmendinger 2002).

*Modern versus post-modern debate* is valued on the one hand as an epistemological-paradigmatic discussion by scholars, on the other hand as a merely methodological question by others. Since its designation refers to an epoch coming after a well-defined period it is also suggested that post-modernism does not have a canonized body of theory: it defines itself as follow-up of a surpassed conceptual construct.

Post-modern is a critical approach to cognition, a normative claim to the reality. It is an emerging risk for relativism, 'celebration of difference', but in the same time it is also an understanding of (popular) culture and for a certain extend it is a further level of philosophical evolution of society. Post-modern science has developed a completely new screen to the world which penetrated into other spheres like culture and politics. Post-modern theorizers claim exceeding modernist world view and scientific analysis and forced back orthodoxy and reductionism caused by exclusionary argumentation of modern science. Criticises argues however that the post-modern uses and reconstructs modernist concepts and doing nothing but remediate the deficient realisation of modernist project.

Modern–post-modern debate might be outlined with propounding diverse cognitive aspects post-modern expect to surpass modernist paradigm.

*Modern* cognition of reality is the epistemological approach of the Enlightenment created completely new scientific paradigm which emerged parallel with reviving Europe after religious wars and which went hand in hand with expanding modernist system of production. Repudiating of metaphysical speculations Reformation movements has the epistemological aspiration to establish a new basis for determining what truth is but also to build new foundation for social stability (Fisher 2003). To modernist paradigm innovative principles were attached such as reason, empiricism, science, universalism, progress, individualism, uniformity of human nature and freedom (Allmendinger 2002). However, the project of human emancipation had some intrinsic deficiency which had lead to oppressing shortage in realisation, just as the emergence of bureaucratic institution (Pounds 2003, Herber et al 1995, Kurtán 2007). Modernist thinking was anchored in the positivist philosophy of recognition which trusts only in genuine observation of reality (Herber et al 1995). Recent flaring of positivist idea (neo-positivism) has oriented social science towards "to generate a body of empirical generalizations capable of explaining behaviour across social and historical context ... independently of specific times places or circumstances" (Fisher 2003). Criticism was addressed to its key concepts of absolute truth, instrumental rationality and exclusionary argumentation which combination proved to be the omnipotent judges of what could be defined as knowledge and what is ignored by it. Individual responsibility has been subordinated to the power of unquestionable scientific truth as well. Lyotard depicts modernism as a meta-narrative namely as "over-arching explanation of framework that dominates others" and doing so it destroys or abandons any other concepts which could not be approached by the screen of modernity (Allmendinger 2002. p. 159).

Famous scholars defend the concept of modernity, just as Jürgen Habermas who claims for 'finishing the unfinished project of modernity' with rejection of absolute truth and introduce a more pluralist conception about reality (Allmendinger 2002, Healey 2006).

The *post-modern* change is attached to a comparable adjustment of system of production in the case of shifting from high-scale industrialism into post-Fordist mode of production than transition from small scale manufacture to industrial production was in the period of Enlightenment (Bernek 2002). Significant changes have occurred with emerging information technologies besides of changing organisation of production and consumption, but also on the field of societal communication and interconnection. Becoming information technologies a massive part of everyday life has led to creation of notion 'information society', which denotes new economic demands, new profile of occupations, land use and spatial patterns and changing interpretation of popular culture (Allmendinger 2002. p. 161-162).

Amin designates three different domains of post-modern where significant change contributed to the post-Fordist debate. He outlined massive changes inherently in governance, production and consumption coincidentally with "changing substance and role of norms, rules and ethics" (p. 163.). Becoming conspicuous of values and moral considerations standing apart of modernist way of thinking indicated new curiosity and novel motivation for observing the reality outside us. This intention expresses itself with unique susceptibility for the world bounded in and dissembled by modernist theoretical frames (Allmendinger 2002).

Amin interpreted post-modern as a rather *historical phenomenon* (Allmendinger, 2002) as necessary consequence of historically and context bounded development of society. He approaches scientific debate about modern-post-modern from the point of which extent is governance able to lead societal action within a complex reality appeared with post-positivist understanding. Amin argued that deficiency in adjustment of governance and societal order is down to that fact of methodological reductionism of science (Amin 1997). Duality of ontology and epistemology – opposition of existent reality and the cognitive process in science – leads to reductionalist social science, he adds, which were attempted to untie by a plethora of thinkers. Giddens' structuration theory, Jessop's contingent necessity or actor network theories all tend to comprehend how individuals and structure are relate to each other.

Amin (1997) core investigation is directed to unveil how multiple agents operate according multiple rationalities with maintaining systemic unity. His conception represents a post-positivist interpretation concentrates on structural arrangement, coherence and operation principles and pays less attention to reasons and driving forces of societal reality. Individuals – agents – are locked into networks of association, claims Amin, where complexity of society is rooted in interconnection of networks. Characteristics of networks are to be traced back to diverse behaviour originated in different rationalities, contextuality, different strength of internal ties within networks and power relations. Amin's concept of domination is based on inherent and structure-bound understanding of power, since it is originated from the power of individual actors. Institutional set-up is of outstanding importance and contributing to shape the quality of networks defining collective practices and organizational logics.

Contextuality is emphasized also at Chavance and Magnin since different cultures of social interaction, diverse reciprocity and trust may generate unique path-dependence, they claim (Amin-Hausner p. 12). Chavance and Magnin focus on the formation and characteristics of market economies in Central Europe, namely for which extend does former institutional traditions (organizational logics and variety)

determine establishment and which form of capitalism. They conclude referring to the circumstances of the early ninetieth that both Polish and Hungarian governance structure contains a number of different style of coordination methods (both Western and Eastern examples), but that hybrid bears marks of post-socialist transition (Chavance and Magnin 1997). Furthermore, Amin and Hausner depict post-soviet states as founding themselves in systemic vacuum, where the main intention of government was to build-up the state again. Illuminating reconstitution of Central and Eastern-European states through concept of interactive governance it shows formation of a novel power block which seeks to build up institutional design to ensure potential for strategic action. They claim however, that in the Post-Soviet region still imperative approach dominates actor behaviours through recombined state-hegemony, which hinders emergence of non-state publicity and institutions, an important pillar of interactive governance (Amin-Hausner 1997).

Amin and Hausner (1997) rejected both social constructivism and spontaneous formation of societal order, in contradiction to that, claimed that order is always contingent and determined at the same time. That conception formed the core of Jessop's idea of contingent necessity to advance how to manage social complexity (Jessop 1997). Jessop assumes that in order to reach lower level of uncertainties of societal action it is needed to reduce and structure complexity, which requires proper cognizance and self-organisation.

Remarkably different strand of idea about post-modern is however a rather *ahistorical conceptual construct* advanced by the *French school* with the contribution of thinkers like Foucault, Derrida, Baudrillard and Lyotard. Upheaval of 1968 called attention to threatening relation of knowledge and power within deGaulleian regime offended due to its heavy-handed governmental style, traditionalistic and repressive societal model and strong interventionist economy. Many French school thinkers had strong affiliation to Marxist scientific analysis of which shortage became obvious but explicitly actual with coming out of oppressing malfunctions of capitalist state. Lyotardist meta-narrative has been abandoned since it glosses over different truths of reality which could be interpreted as a shift to a world with different but equally veritable certainty.

Baudrillard argued with rejection of any universal order and developed the notion of hyperreal, "a state where all referentiality and meaning are lost" (Allmendinger 2002. p. 166). Reality is hidden by simulacra (an image makes truth impossible to observe) which includes also code of acceptable reality. Baudrillard's concept about overcome hegemonic power is manifested in hyperreality and simulacra with the idea of symbolic exchange within practicalities of everyday life.

Foucault's anti-Marxist approach turns his concept radically different from other French School thinkers, since his concept is based on the principle of 'difference over totality' (Allmendinger 2002, Hubbard et al 2002). He uses notion of power with a rather conceding understanding, in contradiction to Marxist structuralism where power was binding limitation getting in the way of human prosperity. Far-reaching Foucaultian concept is focusing on societal role of power "setting norms which ensures societal conformance" (Allmendinger 2002. p.165). Societal norms and codes are everyday manifestation of hidden power structuring our life and determining our behaviour. Power flows through social reality, pervades every sphere of life but its direct articulation becomes clear in merely a little cases (Hubbard 2006).

From the influential life-work of Foucault two ideas will be highlighted in more detail: his conception about power and idea of governmentality based on his theoretical construction about domination. Governability is a theoretical approach concentrating on local centre of power since, arguing Foucault, power is generated on micro-scale rather than outcome of the structure. Advancing institutionalist approach he argued that state arrangements are not only 'servants' of social change but accumulating scale of power, thus it became an "autonomous producer of discourse" (Uitermark 2005). Foucault, adds Uitermark, understands "modalities of power have their origin in local confrontation and setting...constitute an overall heterogeneous pattern – dispositif – of domination" (Uitermark 2005. p. 146). Critics, however, discredited governability due to it fails to take full account of social change since its voluntaristic approach underrates institutional context.

Post-modern shift exerts impressive influence also on cultural analysis on the field of race, class and gender studies, with the main result of illuminating different worldviews oppressed by dominant discourse such as masculine, paternalistic doctrine. Emphasizing 'irregular' assumptions and rationality of those who had no possibility to feature regular course of order implicates to distinguish more or less different epistemological lifeworlds, referring here to wide spreading feminist theories or rediscovery of non-western sciences (Fisher 2003). Evolution of that approach underlines also the vagueness and contextuality of the notion of scientific truth which are rather interpretations or beliefs than empirically confirmed aspects of reality. Attempting to explore how different social ethnic or cultural groups construct understanding on their own reality has therefore exceptional importance in order to reach complexity of social change (Fisher 2003).

As closing the outlook of modern versus post-modern science, I am citing Allmendinger (2002) again, who calls the attention to some analytical phenomenon of post-modern social theories. First, break-down of transcendental meaning which defines valid knowledge and explains all societal occurrence with universal concept. Then, he argues, disappearance of absolute certainty has postulated fragmentation of interpretation about truth leading to pluralism of different views. Third, he cited illuminating of power as hidden driving force of societal control. He also emphasizes that analytical scale for post-modern investigation is the micro-politics, which also postulates some frightening difficulty. For instance reaching local consensus is an inherent priority derived from post-modern thinking might raise significant resistance on local level due to emerging risk of any theoretical formed (i.e. external) limiting rules. Which – considering the huge number of locally settled compromises required by post-modern thinking – could hinder social act. Scientific relativism might cause "endless confrontation over the validity of research claims and [ ] give rise to a full-scale politics of 'counter-expertise' (Fisher 2003. p. 217).

## 2.2. GOVERNANCE THEORIES

Governance is meant here as vertical and horizontal chain and networks of legislative, executive and administrative power (Hansen and Sorensen 2005.), which also include cognitive processes of creation of notions and choosing values. Concept of governance points out that beyond the operation of the state there are other important mechanisms of the management of the society, “such as community and market with their guiding principles of spontaneous solidarity and dispersed competition (Gottweiss 2003. p. 255).

Scientific thinking on governance theories has a sensitive point of harmonising power of leadership on different spatial scales. Uitermark (2002) points out, that re-territorialization of capital accumulation and governance i.e. changing spatial level of leadership is related to changing arrangements of spatially unbalanced power, and in the same time, re-scaling mutually shapes institutional behaviour. *Re-scaling*, he added, transforms not only geometry of dominance, but perspectives of actors and way of exercises of power. Changing power geometry postulates novel practice of urban politics, bringing about new conditions for public administration. Local governance becomes exposed to spatially unbalanced growth, since reallocation of state founding follows local economic tracks: all of that might lead to extreme fragmentation within localities’ capacities to successful governance. Uitermark’s normative claims on re-scaling focuses on intelligent urban policy making advocating, that in order to create reflexive local government both institutional rationalities and ‘technologies’ characterises diverse governmental level are needed. Therefore he developed an analytical framework combining regulation approach evolved by Jessop and the Foucaultian governmentality. He claimed, that “if the state is considered as an organic whole that evolves in an open-ended and complex yet intelligible fashion, state theory should address us to as much as possible genetic modulations that constitute this development” (Uitermark 2005. p. 160).

Foucault’s interpretation about governance goes beyond institutionalist traditions of policy science and focuses on government as assemble of mechanisms and practices exerting for control and adjust social life as well as determine direction of conduct. Foucault pointed out that interpretation of government dominated by the state might be proved as historical phenomena, ‘the *governmentalization* of the state’ which certainly appears to be doubtful with the emerging network society (Gottweiss 2003). Gottweiss adds that state-dominated government has an extraordinary ‘knowledge-dependence’ where knowledge is used to ‘monopolizing problem definition’

Jessop’s *regulative approach* starts from the principle that state serves different purposes using different logics, e.g. state exercises strategic selection in terms of appointing action and in the same time makes room for competing strategies for hegemony. Jessop’s conception about state assumes that strategies and structures are mutually interactive co-constituting each other (see also contingent necessity). This is the main reason, why, as Uitermark (2005) claims he fails to explore the nature of relations of governance between different spatial scales. Uitermark also criticises state theoretical regulation approach due to its ignorance for institutional environment (disregarding microphysics of power) and unsteady argumentation about pivotal role of central state and its rationality in local state

transformation. Jessop's state theoretical regulation approach claims for a mostly centrally initiated reflexive design of local governance, which absorbs that state logics affects local governmental arrangements. Doing so, regulation approach fails short to take into account of cumulative effects of local developments as well as in avoiding to recognise local power relations, even if it could contribute to understand macro-processes of governance (Uitermark, 2005). Uitermark's position in the debate of governance of change is to consider both microphysics of power (governability) and institutional settings rooted in actor's activity (regulationist approach) (Uitermark 2005).

*Regime and growth coalition theories* has developed in the US where post-war local governances in order to reach a decent level of growth were in bondage to property development and other investment interests which had driven them to establish stabile local alliances between administration and businesses. Conglomerates like these in course of seeking for a respectable level of investment and capital flow have amassed coordinative power in a broad scale which led to develop urban power alliances, *urban regimes* (Healey 2006 p. 23). Regime theories assume that political power is negotiated and dispersed Propagation of entrepreneurial governance types is going on also in Europe (like in Copehagen, Amsterdam, Hamburg, mid-size UK cities) manifested in growing networking and civic activity to join forces in order to struggle for external founding. This points out micro-social relations of local actors as community of interest and leads to evolve a co-ordinated network of government model. Due to still significant financial influence of national state on urban growth as well as less centralised localisation of business European urban regimes are led by local public governments which have hold over controlling investments activities prior to businesses (Mossberger and Stoker 2001).

*Growth coalitions* are also spatial associations of agents launched usual by the state, such as public-private partnerships for realizing flagship-projects, urban development corporations or local enterprise council. Growth coalition is Europe is widely used to exert influence of central state on local growth, setting frames and development guidance via central funding programmes and sponsorship. Advancing political debate on theoretical level, urban regime and growth coalition reflects Gramscian idea of hegemony, which is based on the assumption that political reality constitutes struggle for hegemony obtaining political and moral intellectual leadership, which hegemonic force becomes a state (Torfing 2005. p. 11). Torfing claims that actual interconnectedness of institutionalized state, economy and civil society forms historical block, which is an articulation of hegemonic struggle. Politics is the mediator of power struggle, thus determinants of politics are owner of hegemonic power.

An *institutionalist approach* of social sciences claims that formal institutions are important in framing local politics and social interactions since they regulate human behaviour (Hansen and Sorensen 2005.). Neo-institutionalist scholars however shift from the more specific meaning of formal institution into a more normative and cognitive category of societal organizing power on the theoretical basis of the claim that institutions regulate behaviour by structuring interactions (Hansen and Sorensen 2005. p. 95.). Rational choice theorists interpret institution as game structure which regulates self-interested habit of network actors. Constructivists, however, see institution as given structure of meaning, a background

against actors proceed with discerning each other and the situation (Hansen and Sorensen 2005. p. 95.).

On the basis of concept of institution-bounded societal action *actor network theory* uses a constructivist concept about organisation and coherence of society. Key assumption is to reject the supposition that power belongs to anybody within complexity of actors, but it is a construction produced by the network (Hubbard et al 2002). Power is thus not an inherent concept assigned to individuals or positions, in contradiction to Amin's post-positivist approach to interaction-network-strategy based governance method, but a driving force that emerges from interconnectedness. Power is in addition, recognized as being allowed to designate or exclude actors from network, and does not have anything to do with political power conception. Actor network theory emphasizes that network are effective as far as they can create "ability to act", which strongly depends on strength of relationship between actors (Hubbard et al 2002. p.194). Force of association is essential since the actors confirm and maintain networks which give them power thus strengthening individual 'attractivity' through identity and discourse is a mutual beneficial intention.

At that point I make mention about new ways of transforming public sector and institutional leadership which is conceptualised as *new public management* i.e. orientating public leadership into the market. New public management has its origin in the eightieth evolving as an organisation answer to urging problem inertness and limited reactivity of public institution. In order to reach more reflexive leadership structure measures like creating a dynamic mixture of variant size public agencies and accommodating competence amongst them were seen as needed. New public management makes a point of clear difference between politics and administration in order to increase independence via making a number of decisions free from political interference (Andersen 2005 p. 139). That might benefit through that "politicians should concentrate on the general and 'genuinely political', and that the relation between political and administrative institutions should be changed from one of hierarchy to one of dialogue and mutuality, where political only decides in the last resort" (Andersen 2005 p. 139).

Amin argues interlocking networks and strategic action to governance however he rejects the assumption that interconnecting networks per se create social order, quite the contrary this is both a result of human action and social design (Amin and Hausner 1997). Jessop's concept about interactive social design focuses on actor interdependence at various levels (interpersonal, inter-organisational, relations between institutional orders) is a key contribution to good governance, according to Amin. Malleable input to interactive societal design is strategic guidance, a self-regulative mechanism of interconnected structures (Jessop 1997). Power relations within interactive structures does not mark domination, but rather guidance, arbitration and facilitation – thus, power is seen as endogenous quality of the structure. Interactive governance thus incorporates three main domains: "interaction as procedure of social change, networks as agents of social change and strategy as a method of structural problem-solving" (Amin-Hausner 1997. p. 20). Jessop identifies principles of effective governance by defining simplified models of reality to reduce complexity, building capacity for social learning through strengthening interdependence, strengthening coordination between different social forces and



creating common world view to frame and unify individual action (Jessop 1997. p. 100).

### **2.3. DISCOURSE THEORIES**

Following section intends to summarize development of theory of discourse concentrating on its implication into domains like governance, planning and local action. As Fisher highlighted, one basic ambition of politics is to change social reality which manifested mostly in struggles on socio-political determination of the circumstances which define it. Politics, he added, is “about establishing definition of and assigning meaning to social problems” (Fisher 2003. p. 216). The work does not desire to give a comprehensive overview how idea of discursive construction has changed scientific debate in general, but tends to explain conceptual progress to support the understanding of recent development.

Political discourse analysis assumes that actors (identities) are not expression of objective interests but linguistically formed discursive constructions (Szabó, 2003). Post-modern human geography define discourse as ‘framework that embraces particular combination of narratives, concepts, ideologies, and signifying practices relevant to a particular realm of social action, key focus on the new cultural geography was the spatial meanings that are transmitted and reported through different domains and texts so as to reproduce power’ (Hubbard, 2006).

Discourse theory was developed in the late 1970s years as a novel epistemological response to worsening interpretational shortages of structuralist social analysis. Key approach of discourse theory places it into post-structuralist scientific domain, core topics such as knowledge paradigms, identity formation and discursive construction of norms, values, symbols evoked by ideas of post-modern thinking (Torfing 2005). Direct origin of the idea – reflecting the inherent aspiration of structuralism to search for universal regularities – is introduced by Saussure who assumed that structure of the language is assembled by pairs of meaning and expression: a signified object has a definite and unambiguous signifier. That idea of decomposing structures was challenged by Derrida – and launched the initial debate of discursive analysis – who assumes that nothing can be tracked down and fixed its meaning due to every meaning, every signification, every view of the world is in flux (Fisher 2003. cited Derrida, p. 249).

Changing understanding of dominant ideology about politics due to the crisis of post-war predominating state has lead to the project to achieve a better analytical framework for understanding societal changes (Torfing 2005). Structuralist social theories were compelled to be on defensive by progressive critics many of them are originated from former Marxist thinkers. Early attempt to find a new social analysis emerged with the use of language (socio-linguistics, discourse psychology, critical linguistics) aiming merely at theorizing the real or hidden motivation on different way of parlance. That intention was exceeded by introduction of discourse interpreting as exchanging of idea embedded in the social reality. Epistemological foundation of novel approach of discourse was advanced by Michael Foucault rejecting transcendentalists approach to discourse (metaphysical fundamentalism) and differentiating object and subject of discourse (Foucault 2002). That concept formed the theoretical basis of critical discourse analysis, which clearly set down that power

and discourse are reciprocally interconnected, since discourse contributes to the transformation of social and political order (Torfing 2005. p. 7). Foucault interpreted discourse as a “wide set of social practices” and put ‘rules of formation’ in the focus of his inquiry about how content and strategies of discourse could be created (Torfing 2005. p. 7). Foucaultian concept of genealogy focuses on evolving of subjects through individual and social development, so as he claims a strongly historic and contextual approach, which forms the core concepts of central areas of his work: “questions of knowledge, relations of power and his understanding of subjectivity, ethics and the self” (Mottier 2001).

Famous ideological debate was evolved by inconsistency of Habermasian and Foucaultian conception on how to form social action (Flyvbjerg 1998). Different power conception postulates different rationality attached to social reality. Foucault claims that power and discourse are mutually constitutive and all social phenomena are constituted by power struggles. Meanwhile, according to Habermas’ theoretical foundation, communication and communicative rationality is the driving power of constituting social reality, thus power evolves through communication (Torfing 2005). Discrepancy in cognitive experience of social act indicates a more fundamental conceptual question which is formulated as tension of modernity (Flyvbjerg 1998). Foucault understands Enlightenment as relocate new mechanism of power into a less visible level of dominance, which operates through reasoning. Reasoning and rationality at Habermas is seen however quite the contrary of that, namely as “source from possible emancipation from power” (Mottier 2001 p. 330).

Eliminating the ‘transcendental’ centre (by Foucault) which serves as basis for social order postulates that all social phenomena became matter of discourse. Recent development explains discourse covering all social phenomena since their meaning is determined by discursive creation of rules and differences, thus discourse is “coterminous with the social” seeing that claim for example at Derrida (Torfing 2005. p. 8).

Derrida’s approach to discourse based on deconstruction of binary hierarchies, namely division those privileged included into power and the inferior outsiders excluded from access taking part in discourse. Outsiders and insiders mutually maintain category of in and out and legitimize definition of what makes ones being included or excluded. However, argues Derrida, binary hierarchical world is pervaded with destabilization forces evolves from definition of admission or exclusion. That definition process is made by politics, thus discursive formation of being in and out is the exercise of power (Torfing 2005). Laclau and Mouffe have developed a synthesis of post-Marxist, post-structuralist and postmodern political theory. Their conception points beyond discursive construction of social reality and claims against differentiate discursive and non-discursive phenomena. Laclau and Mouffe argue that “seemingly non-discursive phenomena like technology, institutions, and economic processes are ultimately constructed in and through discursive system of difference” (Torfing 2005 p. 9).

*Cognition of power* is a central enquiry of discourse theory as a key driving force of social change. Even Foucault’s understanding of power was shifted as it is to be found in his archaeological writings from a structuralist approach of sovereign power (historical and context-dependent emergence of hegemony) to discursive power emphasizing its productive aspects. “Power is neither a relation of dominance, nor a capacity to act, but the ‘conduct of conduct’ which refers to the ways in which

discourse regulates actions by means of shaping the identities, capacities and relations of subordination of the social actors” (Torfing 2005 p. 8). Poulantzas emphasized a more actorless view of power, as according to him, power is outcome of the local institutional settings and not a materialisation of high-scale societal processes (Uitermark 2005.) Meanwhile, Jessop’s concept holds the view that power is in the nature of societal structure and it is rather a system characteristic than motivation for social action (Jessop 1997.) Hajer’s intersubjective and procedural conception of power however refers on the manner how institutions and actors are getting incorporated into discourse and how inequalities, disequilibria, division and other categories are being defined within discursive processes (Hajer 1995 p. 49). Habermas assumes that intersubjective approach makes also communication as form of power due to it is able to overcome maleficent domination (Allmendinger 2002).

Theoretical establishment of *principles of discourse* at post-structuralist thinkers like Laclau and Derrida (Torfing 2004, 2005) comprises five key characteristics. First, discourse is the context of all social action, which constitutes the relational systems of meaning, just as definition of difference or equivalence. Post-modern discourse does not accept any absolute centre as fundamental and determining origin of inclusion/exclusion, but discourse contains “tendentially empty signifiers will tend to function as nodal point to partial fixation of meaning” (Torfing 2005 p.14). Second argument is the hegemonic struggle through articulation of meaning and identity. Formation of meaning may be a hegemonic practice by those who are in winner-series which postulates consequences that drive towards totalization of the understanding is preferred by privileged power holder. Thirdly, phenomena of social antagonism are important characteristics of post-modern discourse. It refers to the constitutive outside, the ‘threatening Otherness’ as cohesion power defining the inert identity as the opposite of the excluded thus stabilizes discursive system of meaning. Dislocation, fourthly, refers to the dynamic and adaptive capability of discursive system. Dislocation signifies the ability to create a new hegemonic struggle and shift the discourse to one system into another in case of confrontation with inadaptable programmes or values. For instance, managing current societal change constitutes an open and inclusive discourse instead of applying autocratic leadership discursively created by a few privileged. At least, split structure describes discursive systems, which means that “it has a failed structural identity” (Torfing 2005. p. 17.). Identity of the subject is failed to define, due to dislocation of the discourse which drives towards fragmented cognition of subject’s characteristics. Diversified identity, however, could be re-unified through social antagonism – e.g. identification of ‘arbour of evil’ by Bush administration, creating an inner cohesion amongst those who aspire to fight against it.

Carver (2004) claims a definitive shift from rationalist world view towards a linguistic oriented reconstructive conception of how the reality is constructed from meaning carrying by the language. He argues that all phenomena we have knowledge around us gained significance through that we have attached meaning to that. Due to that achievement, language went beyond the interpretation as a method with which we denominate objects and argue about their existence. Language is the expression of our life forms, a measure to create and articulate our subjectivity, to develop and practice social activities, to constitute and act within power relations and to produce and maintain institutions. Language is of course also a medium for

communication between speaker's narratives, which is meant as an individual ensemble of meaning. Carver argues that human thinking is not able to leave its linguistic frames to control the verifiability of its assumptions, due to the recognition that a narrative could only be compared to another narrative and not with the reality itself. Referring to thinkers like Kuhn, Feyerabend or Harraway Carver sets out that even scientific verification is embedded in narratives and power relations thus (scientific) truth is also a category of power. On the basis of the previous achievements Carver defines key question of discourse analysis that who declares themselves as holder of the truth and with what kind of power-infused narratives do they strive for justify their statement? According to that interpretation language is surface, rather than a neutral medium which is used for recognising language, and less 'deep' reality. That approach is usually applied for theories like constructivist reconstruction of social relationships or critical analysis (Carver 2004).

Mottier (2004) argues that at the focus of inquiring discursive reality is to reveal the relationship between identity, power and politics. She adds referring to Saussure that (political) identity is not an existing content but rather given relations which emerged from differentiation of individuals from those others. Identity is therefore a structure, of which social and political meanings are context-dependent. Identity-formation has also been attempted to analyse through the emergence of public policies e.g. what kind of social-sexual identities have been produced and articulated by immigration, retirement or unemployment policies (Mottier 2004).

In sum, we can set down the fact that the development of discourse theoretical approach of politics results to evolve three main strands, three differently prepared and canonized discourse schools based on diverse philosophical and epistemological assumption. Critical discourse analysis has emerged directly from structuralist scientific tradition, focusing on discursive phenomenon of social equity and injustice. Scholars like Teun van Dijk, Ruth Wodak, Norman Fairclough seek for relationship between linguistic, political and social structures (Szabó 2004 p. 137). Another strand is advocated by Ernesto Laclau, Chantal Mouffe, Jacob Torfing, Aletta J. Norval, David Howart who are committed for post-Marxist understanding of hegemony, as it was propounded on the preceding pages. The third school for discursive theory is the hermeneutic-oriented discursive political science which deals with definition of what is political and designated by scholars like Terrell Carver, Kari Palonen, Matti Hyvärinen (Szabó 2004). Discursive approach in the Hungarian social science has also appeared since the beginning of the ninetieth and achieved a rather similar status within political science than in the Western countries however it is mainly limited on interpretation of hermeneutical social theories within political science (Szabó 2004).

Application of discourse theoretical approach in the field of political and social sciences are widely used, not to mention its socio-linguistic and literature relevancies. Two essential applications may add details to our debate on governance and power on the merits: this is using discursive approach to understand local polity and its relationship with governance and implication of discursive policy creations.

Hansen and Sorensen (2005) deal with the question how a local polity is produced under circumstances of local leadership and how characteristics of certain polity do affect ways and means of local policy creation. March and Olsen argue that

“central element in the governing of society is the construction of images of commonality and collective identity” (cited by Hansen and Sorensen 2005 from March and Olsen). Discursive polity is therefore constructed by political processes, postulates a community hold together by stable structure of meanings. Hansen and Sorensen use the interpretation of Laclau and Mouffe about dislocation, hegemony and floating signifiers. According to that concept, power struggle is crystallized around floating signifiers (organising metaphors), which become more and more fixed during the process of dislocation and creation of new discursive polity. As a result, new hegemony emerges where organising metaphor will gain a rather structuring function. Meaning – discursively admitted or rejected – forms the framework for (local) politics and condition for power struggle (Hansen and Sorensen 2005).

Case studies of two Danish towns have shown how policy processes within two different polities dislocate discourses through relatively dynamic politics. Organising metaphors created during the relocation process postulate significant differences within changes of local polity according to how actors have felt connected with them at the beginning of policy process. Key aspects to elaborate a successful societal change within the two communities were the wide-spreading participation in discursive policy formation and, as result, the emergence of commitment for driving themselves toward to create a more adaptive polity, which, according to Hansen and Sorensen, has a direct and advancing effect to local policy process.

Applying discourse theoretical approach in the field of policy sciences achieved broad acceptance since the end of the eighties years (Hajer 2002.). Priority aim of the instrument-oriented policy analysis was to advance efficacy of governmental policies, which project proved to be inadequate since it is failed to answer the question of what kind of role does narratives and language have within production of public policies. Linguistic turn has advanced policy analysis with adequate approach to uncover dominance patterns within policy making. That achievement added significantly to the policy debate, since linguistic articulation of a phenomenon could have considerable effect to cognitive elements of a policy, like what is at the stake, who may have responsibility, what is to achieve etc. Hajer claims that narrative is a significant element of policy creation and therefore key concern of policy analysis (more important than output-data) due to narratives are themselves political mechanisms through which consensus are created and cognitive changes are achieved.

Argumentative discourse analysis, adds Hajer, is the established approach of discursive turn in political science. Argumentative discourse analysis focuses on the combination of how discursive creation of reality and concerning political practices interconnect with the production of social structures associated by actors taking part in the discourse. This assumes to deal with interlocking notions like discourse, practice and meaning. Argumentative discourse analysis is therefore about a positioning game, about how actors locate their selves through usage of language, how they position each other with discourses. (Hajer 2004).

Hajer (1995) carried out argumentative policy analysis to an empirical-oriented research which deals with the question whether a social problem could be interpreted as a political problem depending on the narrative it is talked about. He argues that fitting of emerging environmental problems into existing institutional arrangement only depends on how they are framed and defined.

Hajer claims, that discourse is defined as „ a specific ensemble of ideas concepts and categorisation that are produced reproduced and transformed in a particular set of practices and through which meaning is given to physical and social realities” (Hajer 1995. p. 44.). He cited Schattschneider when argues that political organisation is the mobilisation of bias, due to they make use of inert conflicts and suppressions. Hajer also admits that political conflicts are hidden in the definition of the current problems (this question is condensed around what aspect is included and what is excluded from definitions) which postulates that incorporation of definitions should take into account during analysing political processes. Claiming that, Hajer goes beyond understanding of political organisations as mobilisation of bias and adds social constructivism to the debate.

## **2.4. LINKING DISCOURSE AND COLLABORATIVE POLICYMAKING**

In the previous chapters I took an overview on general theoretical foundation of governance and discourse seeking to embed them into epistemological debate of modern versus post-modern scientific approach with the attempt to illuminate what kind of intrinsic tensions subsist within more or less solid body of theories. The following two sections aim at contextualise discourse within the frame of governance activities of agenda setting and decision making, in order to clarify practical linkages of theoretical basis of discursive analysis to policy making activities.

Post-modern theories assume mosaic-like variety and inextricable complexity of the world around us which is encompassed with straggling interdependencies of actors and individuals. Thinking about our common issues should continue within an extremely fast changing environment accelerated by cumulative interconnectedness. Public issues are inherently ambiguous and uncertain meanwhile institutions seek to guarantee stability are not able to keep up discipline of fast-forward value but generating uncertainty also by themselves. Social diversity is come to evaluate as prominent endowment during policymaking, which “begins from these diverse roots and community is as often the outcome as the origin of it” (Laws and Rein 2003). Empiricist analytical design has been usual failed to account for network complexity since it aspired to catch the universal regulations behind reality with assembling data and creating models about socio-economic processes (Fisher 2003). That complexity of internal motivations, of power structures and of operation logics supposed to be comprehended through inquiring of their functioning mechanisms – their interconnected complexity of relations.

Complexity theories advocated the interpretation of chaos as ordering principle for social complexity under incalculable changes. Chaos theory goes beyond the concept of bounded rationality (Hayward and Preston 1999) originated from Herbert Simon (Allmendinger 2002) in terms of confirming the non-linearity and path-dependence of very complex systems (Urry 2005). Turbulence and rapid changes destroying feasibility of planning are manifested in current “destruction in population, hunger-forced extermination, labour displacement, institutional demise, and environmental degradation” which might be interpreted either as a systemic way – disorder at micro level which solves equilibrium at universal scales – or understand as a downward spiral ending at total destruction (Farazmand 2005. p. 349). Radical

uncertainty of knowledge and decision making calls for some precaution in according to avoid risks emerging from lacking information (Torgerson 2003).

However, chaos is predictable in a way of a higher rank order (bounded equilibrium or chaordic systems) where not outcomes but guiding principles and possibilities might be foreseen. Self-organisation and adaptability are inherent values of chaordic organisation. Application of chaos theoretical approach in social theories may assume direct linkage with discursive understanding of reality: both emphasize the importance of shared knowledge and information as well as the significance of values as main motivation to act. "Values allow for coordination without control and for experimentation and adaptation without lawlessness" (Tetenbaum 1998). Maintaining a comfortable level of disorder to stimulate debate which furthers joint fact finding and the development of collective values is the common foundation of discursive and chaotic approach to social act. In other words rules of disorder might serve as frames of reference in an unforeseeably complex social reality where discursive formation of policies is the fine-tuning of social setting. Interestingly enough, discursive approach is also very beneficial to enquire how innovative concept of chaos and complexity theory has been diffused within very different scientific accounts using the theory of metaphor construction. Chettiparamb (2006) points out that constructing and reinterpreting metaphors of chaos and complexity in any fields of science is a popular and beneficial way for theory transfer.

Various social theories attempt to deal with recently recognised complexity of social arrangements and act, Habermas' concept on communicative rationality is one of the mostly cited and most fertilizing amongst them. His communicative approach forms the basis for develop a normative concept of collaborative policy making (Innes and Booher 2003). He drafts an interconnecting scheme of interactive networks of individuals (the 'lifeworld') and the context and operational mechanisms of the 'system' which dominates lifeworld. Importance of communication becomes visible within the interpersonal communication where individuals or agents try to reach agreement "on the basis of reciprocal understanding, shared knowledge, mutual trust and accord" (Allmendinger 2002 p. 188). Valid communication – which has to fulfil the criteria of legitimate representation, sincerity, comprehensibility and accurate statements – is the method, with the help of actors convince themselves with arguments and reach mutual consideration and agreement about collaborative act. As Habermas claims, this is the way of policymaking free from predeterminations and from oppressing dominance, which reflects communities' real wishes and commitments in order to reclaim life-communities, their right to act from overwhelming institutional context used to regulate their lives (Allmendinger 2002, Healey 2006).

Concept of Habermasian communicative act embedded in social complexity establishes theoretical foundation for collaborative policy making (Innes and Booher 2003). It is important to point out that there are to be found slightly shifting accents between concept of communicative rationality and discursive formation of reality. Habermas focuses almost solely on truly procedural way of reaching joint agreements and put less emphasize on political issues' change of content (Allmendinger 2002). In contradiction to that, discourse theorists interpret discursive formation of meaning and content as a universal principle of creating and changing identities, notions, symbols in compliance of power geometry emerged also through

articulation of dominance. Communicative rationality prioritizes to reach agreement on a mutually convincing way, but does not tell anything about the quality of the result. Habermas assumes that an important precondition of communicative process might be more or less prevalent equality of actors (Innes and Booher 2003), however disregards unequal power relation amongst them (Healey 2006).

Accepting that our world has reached a level of complexity where control mechanism does not prove to be viable or realistic anymore, the only possibility to adjust chaotic reality to social needs is to increase adaptiveness of social systems and to make communities suitable for belief-invoked act (Innes and Booher 2003). Adaptive system is meant as having capacity to learn, evolving through feedback and adds to increase common knowledge. An explicit linkage of discursive and chaotic accounts could be caught up by exploring how complex adaptive system is intended to reach by articulating shared identities and meanings, and by evolving new and open heuristics of common issues' debate such as sensitive attention, respectfulness and mutual responsibility for common interests (Innes and Booher 2003). Collaborative planning model, as Innes and Booher furthers the debate, eventualises recognition of mutual interdependence among actors which might lead to an agreement to satisfy multiple interest, finding a win-win solution for complex problems. Following that line i.e. to recognize that inherent solutions might evolve from collaboration it conveys the suggestion of whether leaders of political power do have any relevance in case of managing society if theoretically any kind of complex problem is able to remediate through finding joint agreements? Is communicative action enough for putting stress on changes of stiffened institutional arrangement established for serving political decision makers if the former power holders loose out from their significance? Innes and Bohher introduce the concept of fluid institution as an organisation form which provides adaptive responses and accountable and self-generating systems based on positive feedbacks. Emergence of new institutional context is envisaged based on capacity building for managing complex networks applying measures like recruitment and managerial support rather than agenda setting and executing exogenously emerged programmes (Innes and Booher 2003).

Creating a new level of relations between civil society, the business sector, and the state implicates evolving sensitivity and capacity to learn but also to find the spatial scale for cooperation. As Healy et al (2003) point out that scale should be the mutual overlaying set of business activities, public affairs, and everyday life on local level in order to promote area-based integration of social act within the frame of local governance. Healey et al (2003.) assume that 'territorial innovation milieu' determines qualities of social relations and knowledge on a certain place creating a particular institutional capacity. Local communities' adaptiveness is emerging from cohesion of the communities as well as the extend of integrative attitude towards problems of common concerns contributing to institutional capacity, meanwhile adaptiveness is possible to characterize on the basis of interconnectedness and quality of relations within local policy networks, social capital at hand as well as inherent trust amongst actors. According to collaborative model the process of institutional capacity building requires joint effort of sharing knowledge and relational resources as well as mobilization of capacities. The model design raises attention to the differences of Habermasian communication act and discursive articulation of reality. Healey et al assumes that the relational resources of the given institutional context frames the availability of knowledge and selectively put in motion mobilization capacity



characterized by opportunities at hands and different kinds of techniques to utilize that opportunities. Critics are attached to the weakness of the overwhelming procedural rationality of communicative account where power is seen as repertoire of relations available to utilize (Allmendinger 2002), a phenomena which exists only if connections are activated.

Incremental movement towards an adaptive system may also happen through shifting discourse in terms of raising new practices. Discourse of public issues however is processed parallel either in a visible dimension which is the surface of the debate, and at a hidden level where covert struggles are take place and where 'mobilization of bias' is brought to bear. Healey assumes that transformation of discourse may occur at the visible dimension of debate but could not take roots without the acceptance of the informal power holders (Healey et al 2003).

Another important question is raised by operating collaborative networks in case of social movements exclude themselves from process of joint fact finding and push political forces from outside preventing to achieve far-reaching consensus (Innes and Booher 2003). Suspicious behaviour of civil society towards the public institution is rather typical than outstanding phenomena but undoubtedly is to be considered as a predetermined conditions to handle. Local partnerships within the frame of special purpose bodies might be able to settle doubts attached to public agency's practice of narrow-mindedness, arranged ideas in the pipe-line and using civil organisations for legitimize political agendas. Further critics against public sector agencies are concerning the misuse of resource-allocating and regulative power of the public administration meanwhile looking at public discussion as 'device to deliver their policies'. Establishing a policy community may further the evolvment of personal responsibility and empowerment to act to avoid perceiving policy process as a hierarchic and predetermined route of agenda formation where actors "whichever level they were, [ ] felt that the power of decision making lay at a higher level" (Healey et al 2003 p. 81). An important implication of collaborative processes is the recognition that challenging traditional politics at multiple level of discourse may accelerate the infiltration of common knowledge into hidden levels of power therefore pushing transformation from many directions (Hajer and Wagenaar 2003).

## **2.5. LINKING DISCOURSE AND DELIBERATIVE POLICY ANALYSIS**

Concept of deliberative policy formation has emerged independently from discursive theories but has numerous key principles common with it, which I attempt to clarify in the followings.

Instead of applying empiricist measures to follow „even-more rigorous empirical research design" to exert control on society post-empiricists illuminate argumentative characteristics of facts and emphasize the importance of debating and move ideas to the centre of evaluation (Fisher 2003. p. 223). Stone emphasizes that post-empiricism looks at discourse as a „creative and valuable feature of social existence" (cited at Fisher 2003. p. 223). Theorists – holding the view that experimental scientific account fails to generate adequate social act – claims that post-empiricists approach to evaluating policy ideas is therefore not a task of scientific analysis anymore, but an assessment of transformational impact on different interpretations of the same social problem by diverse agents and individuals.

Post-empiricist research design and discourse theoretical foundations form the underlying principle for a divergent planning school holds the view that policy analysis and planning – throughout its argumentative character – adds much more to the social reality than only strategic concepts and guidelines. Fisher and Forester were one of the first who adapt post-empiricist epistemology into planning with stressing the importance of the “content-specific rhetoric character of analytical practice” (Fisher and Forester 1993. p. 7). Applying argumentative (using Fisher and Forester’s concept 1993) or deliberative (referring to Hajer and Wagenaar 2003) policy analysis agents are aware that conscious application of rhetoric, problem selection and analysis, organizational identity and organizational processes make them able to form discursive reality (Fisher and Forester 1993). It is needed to recognize that the idealistic concept, that representational democracy automatically leads to the formation of communities failed to be proved. Therefore fundamental rethought of practices of political leadership should be set down as compelling requirement, if we adhere to the principle that a reasonable strategic orientation is required within all communities (Hajer 2003. p. 96).

A main concept of contemporary social theory on which basis a new array of policy analytical framework has been developed is the network society. It was firstly interpreted in the context of social sciences by Bruno Latour, who attempted to re-establish holistic approach in social scientific esteem and to emphasize co-constitutive character of formation (Murdoch 1997). Fertilising concept was raised also by Giddens who emphasizes coexistence through webs of social relations within society (Allmendinger 2002). Co-developing structures reflects current geometry of power by determining the formation of rules of behaviour as well as by controlling allocation and flow of resources (Healey 2006). Evolving network society has raised a number of challenges to policymaking, in order to “stabilize socio-economic systems, manage socioeconomic development, and resolve conflicts and crises, through agreements, commitments and compromises which are often incomplete and ephemeral” (Orillard 1997). First of all, changing manifestation of politics requires new scales and spaces of politics and policymaking, avoiding also “mismatch between the scope of the problem and the existing territorial jurisdictions” (Hajer and Wagenaar 2003. p. 10). At the same time the optimal spatial scale has to fill the requirements to be facilitated for finding new types of conflict resolution. The reason for establishing new public domain is the recognizance of mutual interdependence which pushes political changes to being exercised on a level of multiplicity of interest. Driving forces for network formation – such as recognized interdependences or trust – is however rarely available at a certain place in a given time, therefore policymaking – which is seen traditionally as a solution – should use for “finding formats that generate trust” (Hajer and Wagenaar 2003. p. 12). For that reason process of policymaking gains a more complex function, namely it becomes the generating force of interactive public debate seeking for orienting communities under the extraordinary complexity of network society.

Deliberative approach to public domain avoids insisting on deep social crisis and rather orients its focus more on problematic institutional design which might be derived to wide spreading shortages of public agendas within biased politics (Hajer 2003). Normative account on institutional design strive for developing policymaking aims at empowering communities to establish their legitimate decision making processes putting strong emphasize on what they consider as legitimate decision.

Deliberative policymaking favours interactive policy creation which adds significantly to preference formation process within a community seeking for defining 'good causes' worth to fight for. Policymaking plays a significant role in creating new communities hold together by deliberate choice of and struggle for definite public domains. Interactive agenda setting creates 'secondary reality of politics' which follows the communities' intentional preferences as well as forms alternative institutional rationality overcoming classical-modernist politics. Analysis of policymaking as empowering communities to continue with "critical dialogue based on claims, concerns, and issues put forth by various societal groups" is therefore essential element of interactive politics (Hajer 2003. p. 103). Worth to emphasize the contribution of Hajer pointing out that deliberative approach does not assume any power free network of dominance in contradiction to communicative rationality.

Deliberative policy analysis has the core aspiration to stimulate societal transformation into the direction of an adaptive self-innovating community with the measures of practically useful analytical toolbar. Underlying theoretical foundation of deliberative analysis is introduced by Fisher and Forester's argumentative turn as well as Yanow's identity of public policies which is rooted in reality-forming character of language. Deliberative use of language as they claim constructs the issues at hand through selective attention and neglect, inclusion and exclusion of agenda setting in course of policy analysis (Hajer and Wagenaar cited Fisher and Forester 2003). Abandoning scientific programme of objectivity, validity or generalizability raises the problem of relativism which might lead to an atomized, deconstructive political analysis losing the scope of strategic thinking. Fisher and Forester however countervails the accuse of relativism claiming that policy and planning arguments are practical productions as they are social commodities and doing so they are always provisional creatures of the context of practice. All that implicates that good policy arguments progress planning process on account of their deep embeddedness within social reality (Hajer and Wagenaar 2003).

## **2.6. LESSONS TO LEARN**

In previous sections I have attempted to give an overlook about confusing variability of scientific theories developed around understanding local leadership under circumstances of changing needs for governance. I have bestowed special attention to epistemic question of what is reality and how to capture that, which has been outlined in the section of modern versus post-modern debate. As a next step of getting to know about scientific concepts, I have presented a rather positivist account on leadership discussing diverse theories about governance trying to conceptualise it as structures and relations. Since structuralist view might fall short to embrace real driving forces of local leadership, I have introduced discourse theory putting decent emphasis on theoretical evolution and diverging interpretations. Discourse theoretical account attempts to put leadership affairs on a different level of cognizance in order to generate innovative scope for interpreting governance as dominance, 'speech-act', and possibilities for leadership via categorisation, floating concepts and anchoring identities. With establishment that new scope for leadership, in the last two sections I have endeavoured to contextualise the approach in relations with communicative and deliberative approach on shaping common act. Since that reviewing provides an opportunity also to compare theories as an analytical basis for

the further work a theoretical guideline might be traced as result of processing scientific literature. Hereby I sum up theoretical framework proposed to apply for analytical sections:

1. The survey is oriented to empirical enquiry of local leadership matters to capture a more realistic view
2. Analysis will be made on account of scientific approach of discourse theory, not to be rejected structuralist understandings of governance as explanative factor
3. In course of analysis deliberative approach will be taken more into account due to its practicability and more realistic power-orientation
4. Adapting an institutionalist approach is the core belief of the current work, therefore an evolutionary analysis will be established on formation of local institutional arrangements
5. To unfold local features of interconnectedness within urban planning issues an actor network approach will be applied

### **3. GETTING CLOSER – RESEARCH DESIGN**

#### **3.1. RESEARCH DESIGN AND OBJECTIVES**

As analytical frame of the current study intends to reveal non-visible patterns of dominance on local leadership via discursive formation of decision making, empirical methods dominate research design. It embraces primary data gathering not less significant than personal experiences as well as secondary data of analysing policy documents and interviews completed with relevant actors of 'official' and 'real' local policy network.

Several personal interviews are made from 4<sup>th</sup> to 30<sup>th</sup> of May in 2008 with agents actively taking part in urban agenda setting bearing in mind the decent scope of interests might result antagonistic views during analysis. During the interviews I have applied Hajer's analytical frame to discourse analysis (Hajer 1995, 2003) expanded with questions concerning structure and relations of local actor network. Interviews have last for around 60 minutes. Every one of the interviewees are practicing planners or agent actively work with urban issues.

It is worth to emphasize that the current work does not seek to apply a case study approach due to its insufficient access to information and lack of opportunities to establish on-site action research. Since subjective creation of concepts and categories are at the focus of the study, considering and balancing of different aspect is a sensitive task to avoid overwhelming accentuation of one particular view. Qualitative interviews have sought to generate primary texts focusing on process and circumstances of creating subjects. Howarth (2005) raises a couple of critics for reactive linguistic data-creation, pointing out that significant asymmetries are assumed between interviewee and interviewer, which hinder perfect understanding. Pre-existing ideas and subjective outlook might bias interchange of knowledge raising the problem of using information for legitimization intuitions and hypothesis. During the analysis I did the task of balancing different views with good faith aspiring not to exclude or lessen even the rather distant views.

Current work might not be completely unbiased by personal beliefs and interpretations since the author used to take share on that urban policy network for two years (2005/07) playing part of a project manager at a municipally owned urban development and communication agency, which enabled her to collect experiences on operational aspects of actor network in urban development policies. Hence personal experiences might result that particular agent's performances and habits might be elaborated in more details than others. Due to that inevitable evidence balancing different views during analysis and synthesis is double-checked with bona fide intention not to give room for any deformation or bias deriving from personal categorisation.

As the current work aims at comprehensive overview and contextualisation of urban politics at a particular place, broad focus of data gathering and desk-based research of institutional and cultural circumstances was considered necessary to apply (Hansen and Sorensen 2005). Focus of desk-based research of the current work has rather contextual-orientation and deals more with illuminating institutional and cultural arrangements than concentrating on semantics and pragmatics of text

analysis. As secondary data source I have attempted to analyse urban planning documents set out in the last decade as well as examined scientific materials focusing on practical elaboration of Budapest planning discourses. Monograph on operational and development model of Budapest edited by Pallai (2005) has have a particular influence on my work. Multilateral discussion about future and required planning model of Budapest took part on occasion of an urbanism conference in 2001 has inspired my work as well, considering that scope of opinion-formers have covered almost the same range that I attempted during my analysis.

As real time experience I must also mention 'Futurbia' Participative planning process on long-term urban agenda which was launched in the first quarter of 2008 and which is coming to its finish around autumn of the same year. Conference-participation as well as online documents of the programme has provided me an inspiring opportunity for on-site inquiry.

Current study focuses on dealing with analysing the following questions:

1. Who are the actors of the urban governance network, how did they emerge as local agents and on which way do they express and promote their interests? How do they interact with each other?
2. Which are the institutional contexts of current decisive configuration at urban development planning, how did it coevolved with changing structures of power and what kind of development trajectory is determined by institution and polity together?
3. Where is real power for urban change located within urban networks? Which agents do dominate urban discourse and on which way, when and why is it achieved? How and by whom are core values created framing strategic thinking about the city? For what extend do values and identities define policy making and decisions? How and by whom are agents ignored or included into policy making?
4. What are the bottlenecks of the policy and decision making processes? How far can organisational transition within the public administration contribute to develop efficient urban governance in the field of development policies? On which point or at by which agents might be fostered institutional transition?

Chapter 4 and 5 contains analytical sections meanwhile Chapter 6 deals with outlining the current decision making model of Budapest. Chapter 7 outline recommendations on how to improve existing arrangements and processes of the model, finally Chapter 8 intends to give comprehensive answers to the research questions.

### **3.2. METHODOLOGY FOR DISCOURSE ANALYSIS**

As it was elaborated in the preceding applying discursive account on developing new concepts of how to overcome social conflicts and crisis might be assessed as an alternative approach to understand and act within social complexity of network society. Discursive theories are especially focusing on unfolding hidden power relations as a driving force behind visible struggles, where power is conceived

as 'political act of inclusion and exclusion that shape social meanings and identities' (Torfing 2005). Harré and Billing define research focus of discursive analysis as all the ways and means in which people actively produce social and psychological realities (Hajer 1995). Davies and Harré on the basis of positioning theory claim that meaning of rules, categories and other established content "only have meaning to the extent that they are taken up" thus exploring process of meaning formation might be approached on the way how dominance structures – hidden in the discursive course of implication – penetrate our practice of policy formation (Hajer 1995 p. 55). Discursive analysis is a problem-driven research where – before inquiring social phenomena of great concern – political context, circumstances and practices of politics is to be interrogated in contradiction with theory-driven research which rather "vindicates a particular theory" (Howarth 2005. p. 318). The following section aims at collecting different approaches to practice of discourse analysis with the special goal of outline issues of great concern at research design and to find a comprehend frame to the analytical part of that work.

Dealing with diverse deliberative realities where meaning is changeable and biased by power relations it is essential to develop more or less fixed or routinised understandings on concepts. Debating and in the same time developing concepts and issues requires to evolve a genuine narrative of events and facts defined themselves in relations with the context, which allows actors to form ideas about and connect or disconnect to the widely accepted interpretation of the reproduced sequence of occurrences. Story-line furthers to cluster knowledge, to advance positioning of actors in relations with the story line and to create coalitions amongst them (Hajer 1995. p. 63). Policymaking in general applies a particular kind of story line amalgamated with a professional vocabulary according to the predetermined categories of meaning of the policy initiators. Agenda setting process starting with a definite story line bears significant impact of dominance in terms of it condemns other agents to a reactive role or – in case of fundamental disagreement – to the radical response of get off the debate. Hajer remarks also that positioning theory bears some limitations due to that "in political reality to argue against routinised understandings is to argue against the institutions that basis on specific, structured, cognitive commitments", which means that the importance of institutional practice goes beyond a fixed set of meanings (Hajer 1995. p. 57).

Discourse analysis may serve as systemic software of researching discursive politics, best understood as a research programme or paradigm as Howarth claims (Howarth 2005 p. 317). Doing so, it concentrates on how commitments (cognitive and social) of agents are reproduced following institutionalized regulations of behaviour (routines), as well as illuminates those processes and situation where the routines are contravened (interpellation) (Hajer 1995). Institutional arrangements – structure of social organisations and associations, relations existing or lacking amongst them, commitments biased by the network of agents, regulations and informal norms emerging from operational routines – are both the pre-conditions as well as background of politics. Meanwhile policymaking, which challenges institutional design and routinized organisational processes – and agents standing behind them –, seeks to resist significant changes. Institutions are the hardware of politics which "needs discursive software to operate and producing effects" (Hajer. 1995 p. 60). Thus, running discursive programme on an institutional hardware put into motion with interest-bound story line, actors might experience the multi-interpretability of a

coherent idea. Problems are understood according to the actor's different field of scientific background, theoretical foundation, and openness for argumentation. At the time when different courses and interpretations of the same problem are able to link together producing a synergic new domain, policy discourse might be pushed ahead towards a significantly innovative discourse. Connecting up previously stand-alone domains progresses political debate with forming discourse coalition and creates novel metaphors.

Howarth (2005) puts emphasize on the fact that prioritizing issues placing before others or neglecting phenomena during setting the research design is itself part of discursive inquiry of social reality. Process of problematization raised by Foucault means the first general steps for observation and contextualisation of a particular issue which becomes a domain during the process of recognition ('being offers itself to be') and gains acceptance as a problem. Thus, clarifying reasons and criteria of selection and recognition is the very first task of discursive analysis (Howarth 2005).

Cross-section of Hajer's discursive analysis was outlined previously with the view of indicate analytical frameworks of further research as well as bring the reader nearer up to understand the key aspiration of the current work, namely to identify with hidden mechanisms of selection, categorisation and decision procedures of leadership which leads to local act (or non-act). This section was intended for providing the reader with a systematic guideline on a particular type of post-modern societal analysis to get them to know on how to deal and evaluate empirical findings of the following chapters. As my key aspiration was to apply both traditional and alternative epistemological screens in understanding how and by what cognitive processes decisions have been made in urban development planning in Budapest, I wished to provide the reader with the opportunity of a twofold analytical aspects enable her/him to see how this mixed approach particularises variety of conditions of urban planning.

Hajer's analysis 'distilled' step by step from his various works (Hajer 1995, Hajer 2003, Hajer and Wagenaar 2003) was chosen as methodological basis on account of his interest for operational arrangements of governance as well as his concept's strong operational anchoring to planning practice. His scientific account has a definite explanatory power by which procedures social act is being formed or prevented, which postulates applicability of Hajer's analysis for theoretical founded planning action.



## **4. FRAMING INSTITUTIONAL ARRANGEMENTS OF URBAN DEVELOPMENT IN BUDAPEST**

### **4.1. INSTITUTIONAL SETTINGS AND EVOLUTIONARY PROCESS OF URBAN POLICY MAKING IN BUDAPEST**

The following section aims at revealing historical evolution and peculiarities of the Hungarian institutional settings focusing on sketching the background, driving forces and cultural limits and possibilities of creating urban policies in Budapest. The current work has the strong belief in discrediting relevance of transition theories as scientific framework for interpreting social reality in Budapest in the recent years. The fact of successfully finished market transition and of establishment of market economy was officially recognised by entering Hungary into the European Union in 2004. Meanwhile, the progress of social transition towards forming self-managing, politically aware, cohesive communities might be interpreted rather ambiguous.

Period of shaping post-socialist Hungarian society and establishing and improving the democratic state and market economy was coincided with the crisis of Western government and politics. Globalisation which permeated national and local leadership schemes as well as growing complexity of social reality (information society, network society, global environmental crisis, reorganization of geopolitical power) illuminated the traditional government's incapability to regulate "the new flows running through society" which induced a "crisis in political representation and their loss of legitimacy at national and local level" (Jacquier 2005. p. 365). Concept of shortcomings of Western politics and government were clear also at the period of the post-socialistic transition, however, were not yet widely accepted and responded by system ideologists of the transitional Hungarian elite. Politics of opening up reintegration of Europe has diverted attention from leadership and controlling problem – at least for those short blessed time during that Western concept of democratic government might fertilize the more or less receptive Hungarian public mind for setting leadership structures. Unfortunately, that period has finished soon with transformation of reformist spirit into political reality, which has had to face with the gruelling programme of stabilizing economy and with establishment of new institutional arrangements enable carrying out democratic transformation. Problems like alternative concept on public control or regulating diversified citizen's need for political activity were recognised as less important or as marginalised issue for political modernisation. During the ninetieth, while cities in Europe have challenged traditional government based on paternalistic interventionist politics and have struggled for restructuring urban policies carrying out their global position as propelling force of regional economies, Budapest was engaged with laying down the institutional basis for local democracy, rationalizing public services, balancing the budget and establishing the financial and operative basis for municipal operation. Strong decentralisation policy for re-establishing democratic state resulted ambiguous administrative settings hindering the development of an organic strategic planning scheme would be able to remediate extreme complexity of post-socialist transformation. Starting with the ninetieth European cities developed the concept of urban governance and integrated urban planning widely recognized and improved as necessary and efficacious approach which leads to that "fragmentation and

redistribution of power and the multiplication of centres of decision making are now the norm” (Jacquier 2005 p. 365).

Meanwhile growing institutional arrangements in Budapest failed to frame appropriate responses for globalisation’s pressure due to mainly introverted fiscal politics and prioritization of consolidating operation of public services. During that period strategic thinking has focused on maintaining operational ability, but concrete development concept has remained unstructured and concentrated around some floating, symbolic ideas<sup>5</sup>.

The collapse of the socialist state has been followed by an expedited restructuration of government and politics which postulates that regulative circumstances were still flexible at the municipality level also in the first years of the transition. In 1991 the local government system has been elaborated on two levels – district and municipal – which brought about an administrative model contains 23 autonomous districts with elected leaders and own budget and which settled the Municipality of Budapest endowed by the same rights and responsibilities but with a distinctive role of coordinating spatial processes and all intergovernmental issues having a regional importance (Pallai 2005)<sup>6</sup>. Following section discuss only issues on Municipal governance and strategic spatial planning on Municipal level: developments strategies are however elaborated also on district level referring to administrative area of each districts (sub-municipal level).

Hungary now might be characterised as a unitary state with strong local authority level (Tosics and Dukes 2005). However, due to extremely small authority units at local level – which could not provide vital condition for operation – and also down the fact of the regulative endowment of an outstandingly high share of state reallocation, local governments have a strong dependent relations with the central state being subordinated to political debates around annual budget and funding programmes for local communities. Under these conditions changes of leadership in the post-socialist Budapest could focus exclusively on incremental reform strategy in course of restructuring local government (Pallai 2005). First part of the transition process was denoted to financial consolidation and reorganising management activities at the Municipality of Budapest. Evolutional progress of remodelling public administration had to face since an early stage with different pace of transformative potential of politics and administration, thus a significant challenge was to overcome the barrier of the old planning and management routine immanent in a post-socialist administration<sup>7</sup>. Technocratic professionals have been evolved into the driving force of modernisation already during the socialist regime (coexistence of monolithic party machine and the power of technocrats correcting ‘shortcomings of system’) (Konrád

---

<sup>5</sup> It is important to lay down that consolidation of the budget and re-establishing operation ability of the Municipality of Budapest has been proved to be a very successful programme might serve as model for cities in transition.

<sup>6</sup> The settled system is an ineffective and unnecessary duplication of local governmental units with a number of ambiguous rights and competences resulting interferences between the two levels. The current government model was intended originally to serve as provisional administrative framework. However, territorial administrative units are also laid down in the Constitution, thus current setting of two-level municipal administration is entrenched with the highest implied guaranty.

<sup>7</sup> The socialist council system have been operated the same administrative units than the current situation (22 district councils and the Municipal Council) practically without any autonomy. Departments of the local administration were executive bodies of central ministries and organised on fundamental sectoral politics and regulated by normative resource regulations (Pallai 2005).

and Szelényi 1989) and became a leading group during the course of transformation. As Pallai (2005) points out, during the early period of state re-structuration, trained group of technocrat served as a narrow political community whose advisory role for steering transition of local government is not to be belittled. Just as their arrogant, exclusionary argumentation and conflict management culture which had far reaching influence on decision making procedures on local decisions.

“Two days ago an unknown young architect has submitted a plan to the Municipal Planning Council [...] at the next session of the Council I recommended simple to remove the item from the agenda. Look out, this field is located at the Danube-embankment! If the same plan would be submitted to our university department as a degree project, I would not propose to let it pass for defence. Why I feel being authorized to say that? I am empowered by the city, by my profession as architect – who did not complete any single plan of a building, who is merely able to say whether a violinist plays false notes, even when XY composer’s work bears less quality than others although it was written in the same style.” (Interview with Gábor Locsmándi, 2001)

Doctrine of technocratic approach used to have a far-reaching impact on local government in Budapest. In a peculiar way – but similar to the Polish case – staff of civil servants did not significantly changed during regime change within local administration which implicated on the one hand the ‘holding office’ of obsolescent, mainly technocratic values and routines of public management but in the same time granted „continuity in the reform management in terms of the same persons being involved in the preparation of the reform ensures coherence and facilitates the management of the reform” (Pallai cited Kungla 2005. p. 17.).

For the first years of the new century due to a strict financial politics, terms of city operation turned to be consolidated and solid basis for elaborating a future-oriented urban development model was established. Pallai (2003) and her research fellows set down a comprehensive monograph about future terms of city operation and development, summarizing it as a liberal Budapest model. The Budapest model embraces a stabilized frame of public utility management as well as set the ways and means of a new urban strategic planning system. Planning model outlined by Pallai follows a line of incremental, endogenous-oriented comprehensive planning based on gradual decision making. At the time, predictability and inbuilt checks and balances counted as significant achievements with regards to former practice of one-by-one deliberation. Model has established by Pallai called strategic real planning, which is meant as consideration of planning decisions within the frame of an iterative process provides however a rather languorous process of deliberation. In addition to that that scheme is extremely exposed to politically biased decision meanwhile actors like businesses and public agents might get room fro taking part within the model only symbolically. Despite of the overwhelming administrative and political intervention the Budapest model proved to be the first work which has interpreted urban management and development as an integrated field of activity.

Comprehensive planning has had only weak roots within the municipal spatial control mechanisms which has rather concentrated on general land use and building plans. However, spatial planning lost most of their regulative power in course of establishing the two-level government. During the development of modernised strategic planning schemes, policy makers have had to deal with the heritage of case-by-case decision making, supply-oriented planning practice and the absence of any feedback and monitoring mechanisms (Pallai 2005). Despite of the institutional

resistance and turbulent conditions around town management, concept of long-term thinking and strategic development has gradually infiltrated into public issues of great concern in form of the Mayor's election programmes. Breakthrough of strategic thinking to take the lead of urban development however has failed to reach during the ninetieth and the process – due to significant institutional shortcomings – rather took an evolutionary direction towards step-by-step modernisation of planning arrangements (Booth 2005).

Urban renewal and improving quality of life has evolved as the first priority topic of urban restructuring which was fed by the widely accepted beliefs of most of the urban planners in office that the City of Budapest should develop an exit strategy from crisis through set off urban revival frameworks on urban agendas (Interview with István Schneller, 2001). The metaphor of Budapest as heritage city which is able to provide a pleasant and particular urban life quality at the same time, has dominated comprehensive planning schemes at the Municipal – but less at district – level. It exerts significant influences on agendas of 'preservative development' contributed to low activity of high-scale private investments that period. Beyond the large scale contextual foundation of urban renewal, practical reason has been given handle to stop the fast growing outflow from Budapest into the outskirts. Revitalisation had to solve both the strategic goal of creating attractive urban environment and competitive residential quality enables keeping or luring back citizens. Adoption of continental public-public cooperation schemes as guiding principle for urban development is stemmed from that period and dealt as evidence also in forthcoming urban agendas. Under turbulent conditions of financial and organisational consolidation of local government an independent expert-cooperation has come forward with the suggestion to internalise the complex domain of urban regeneration into the strategic urban policies via setting frames and procedures for exerting one-off privatisation revenues for catalysing renewal. Goals and agenda was set by the Concept and the Initiative for Urban Renewal of Budapest applying measures like co-financing physical restoration of buildings and public spaces, which operates up till today. Later on discerning complexity of the domain of local social politics, the programme was extended with the model programme for integrated social urban renewal (Interview with Iván Tosics, 20. May 2008).

As Jacquire claims, evolution of the concept of urban governance is seen as a response for the architecture and town planning oriented urban government of the Fordist period (Jacquier 2005). Parallels might be drawn between replacing Fordist urban model and (theoretically) opening up of strategic decision making schemes in Budapest at the end of the ninetieth. A step further towards multi-actor urban leadership was done by outlining diverse vital forces of urban growth in conformity with European evidences and according to internationally applied remedial actions.

The policy of opening up leadership to accept and involve widely interpreted local actor's preferences did not only orient local government towards the private sector. Increasing sensitivity of governance for broader social complexity of local settings has also postulated an evolutionary opening for human sciences and social politics – decade-long dominance of technocratic approach seemed to be bearded down with including social aspects into strategic urban agendas. Renaissance of social policy and its official acceptance within urban agendas might be interpreted as an adequate reaction on negative effects of globalism exerting its influence in

Budapest – such as growing social differences, lagging behind social dynamic of particular groups, segregation and gentrification – and gaining space to an even greater extent. At the same time cognitive transition to introduce strategic thinking into urban policies (shift from city operation and control towards conceptualisation and struggling for realisable future goals) gathered head the demand for setting down development frameworks for Budapest (Interview with Pallai, 2001). Just as in the case of the Urban Renewal Programme, elaboration of long-term urban vision was set in motion by an independent network of local planners in the year of 1997. Series of public consultation were hold involving opinion-makers providing them with a selection of alternatives about the city's future (Interview with Tosics, I., 13. May 2008). During the consultations actors came to consensus that it is a strong requirement for a post-socialist dynamic metropolis to evolve a strategic plan for controlling organic development which plan has also to assign cost calculation and accessible budget to the strategic goals. Cross-checking necessary expenses with resources available within the public budget has resulted the crystallization of a few number of strategies focuses on opening up urban development for private capital (Pallai 2000). However, scepticism towards strategic agenda setting was tangible, also on behalf of executive officials, such as István Schneller, Chief Architect of Budapest at that time.

“A proper plan, people say, is whose resources could be foreseen (at the time of entering into the official agenda - added by the author). A slightly banal example, but if our ancestors would take the same view about that, the Hungária Ring Boulevard would not exist at present.” (Interview with István Schneller 2001)

Shifting strategic thinking was on the other hand brought about through infiltrating business-driven interpretation of urban growth.

“New concept of the role of the public sector, which acknowledges that wealth is created by businesses, and the public duty is to create the necessary conditions for their operation, playing the role of the facilitator and coordinator of the action of others” (Pallai 2000. p. 10).

Underlying argumentation of new agenda has oriented to re-positioning structural urban elements of strategic location launching growth with setting flagship projects to involve businesses. According to the formers, the Municipality would undertake an initiative role to speed up urban restructuring and fulfil its responsibility as coordinative actor contributing to inspiring business environment with setting attractive regulation system (Pallai 2000).

As consequences of a more integrative policy environment policy goals have been getting diversified. The Urban Development Concept passed by the Municipal Assembly in 2003 interpreted urban development as a complex domain contains also social political goals but focused outstandingly on self-generating capacity of the city through improving competitiveness. The work has followed with the elaboration of the Mid-term Urban Development Plan in 2005 advancing and conceptual guideline. Elements of competitiveness oriented measures have penetrated into the Mid-term Programme and have been advanced significantly like the accent on spatial re-structuralisation or improving life quality as groundwork for competitiveness. New socio-political orientation has added goals of keeping social integrity, contextualised social factors and illuminated social cohesion as a fundamental community resource for a successful development strategy.

“District governments tend to fulfil new functions: they operate as ‘lightning-conductor’ between economic crisis and impoverishment, on the field of handling social problems of the handicapped. Central government throws the responsibility upon local governments, saying, this is to manage on local scale. Meanwhile, local governments retort that without any national founding programme they could not solve the problem. Conditions manifested in Budapest are the results of all of that.” (Interview with János Ladányi, 2001)

Debate about what should be in and what ought to be out of the urban development plan provides an opportunity to analyse which actors have been able to exert the most significant influence on formation of urban agendas. Both Urban Development Concept and Plan were elaborated by a consultant consortium led by the same advisory team. Wide set of public consultation methods were used in both cases (Interview with Tosics, 2001). Planning workshops of the Urban Development Concept have come near to ‘brainstorming’ in terms of it has opened a wide and inclusive room for different interests, meanwhile working with the Development Plan has required more concentrated focus of debate. Common characteristics of the planning design proved to be that both process were preceded by a preliminary analysis of state of affairs and outline of possible visions, which evaluation were exerted to open debate during the consultations. That postulates that the basic narrative was already set down in advance which refer to a dominant position of initiators already at the beginning of the work.

Regardless of valuation whether social political priorities are best located within urban development programmes, elaboration of the Mid-term Development Programme put issue of urban governance into a somewhat more inclusive trajectory than it would follow in the case of a clear-cut business-environment oriented guideline, suggested by the Budapest model. The Programme drafted an optimal spatial structure of the city aims at reaching synergic effects being in the service of the complex socioeconomic goals and putting down a consensual list of projects (selected by narrow circle of interests) assessed to be needed in order to create a dynamic city. The Programme proved to be detailed enough to send clear signals to the market and elaborated also a founding programme to realise appointed goals.

Still, we have to plead that the Mid-term Urban Development Programme of Budapest is a traditional paternalistic development strategy based on the primacy of the public domain. It has set immobilising system limits without concerning organisational and procedural aspects of developing shared meanings, joint fact-finding as well as stimulating effects of coming to a mutually agreement together with policy actors convincing them about urgency of common action.

Being realistic however, critics in the preceding might concern rather the complex endowments of institutional arrangement in Budapest. Actors of local policy network ought preliminary to perceive their mutual responsibility in order to consciously enforce the evolutionary transformation of the local political leadership into open and adaptive urban governance. Recognition of mutual interdependence does not seem yet to reach the ‘critical mass’ for realizing the mutual benefits of acting together. Organic process of evolvement network-like relations and behaviour has still to overcome the tradition of vertical schemes and hierarchic relational patterns and routines.

Institutional arrangements concern relations between actors, juristic ‘infrastructure’ of regulations, informal customary law controlling behaviour which all together set limits and possibilities for social act. As Tosics and Dukes (2005) claim that national policy framework for urban development strategies controls policy

making process with full severity – however in case of lacking national urban policy, model of public administration bears influence on process of urban policy formation, applying routines and given institutional ‘rationality’. Pallai adds to that “quite often the success of a project depends on the involvement of internal expertise and on the internalization of the new ideas through informal approvals” (Pallai 2005. p. 33).

Beyond endowments of public administration good governance requires grassroots initiatives able to recruit local communities to sort out shared values worth to straggle for. Reaching that goal assumes skills to form civil organisations. Democratization process in Hungary has implicated also the rebirth of idea of local political community as well as the empowerment of civil society. As Roninger assumes democratic reconstruction of political power in the post-socialist countries of Central and Eastern Europe affects the redefinition of community prioritizing participation and equity in rights and responsibilities<sup>8</sup>. Civil movements and new solidarity in Eastern Europe have proved to be instrumental due to its organic dissident-origins, which might have less beneficial effect to the process of fine tuning local polity (Roninger 1998). Dissident traditions of social movements in Hungary has been partly overshadowed with a western-like eco-radicalism during the last two decades, however a definite progress was achieved in the institutionalisation of civil initiatives.<sup>9</sup> Social movements are usual organised around a vision, an ideal set-up of conditions bearing the inherent possibility of impracticability. Evidence of unrealizable goals might cause self-exclusion from policy network, implicates an outside political force weakening ability to reach joint-agreement (Innes-Booher 2003).

Issue of governance emerged parallel to the contextual change for local democracy. These two issues are equally part of the same domain: notion of governance has been developed to remediate obvious shortcomings of democratic decision making as well as democratic participation is considered as a convenient measure to create adequate respond to complex reality failed to achieve by traditional government. As Blanc and Beaumont (2005) point out interpretation of local democracy might be at variance in terms of what we understand under ‘local’. Jacques (2005) claims that new politico-administrative structures going on to emerge based on spatial homogeneity and real organising activity which postulates the decomposition of the formal spaces of representative democracy and creates communities of coexistence. With strengthening area-based approach the former communes (the local level) are getting polarised polarizing into neighbourhoods as well as on a strategic level cohabiting communities set up metropolitan areas. Under conditions of multi-level governance “each tier [are] raising specific issues about democracy” which “cannot be analysed at any one territorial level in isolation” (Blanc and Beaumont 2005. p. 410).

---

<sup>8</sup> Avoiding misleading conceptions about open and participative character of Hungarian transition it is needed to emphasize that reformulation of communities focused predominantly on evolution of strong local autonomy, meanwhile conceptual liberalism and involvement was mostly perceived on reorganizing central government.

<sup>9</sup> Place-oriented local civic organisations could be found also in growing number in Budapest, which usual improve a direct relationship with the opposition-identity of the regime-change in terms of challenging authoritative control or at least which is thought to be authoritative regime.

## 4.2. ACTORS AND RELATIONS WITHIN URBAN POLICY NETWORK IN BUDAPEST

This section aims at drafting relational network which has been evolved around municipal-scale urban policy making in the last more than one decade. Building up networks of partnerships, professional consortia, workshops, civil associations is a definite product of opening up strategic decision making to local actors. Doing so, flaming-up debate around domain of urban development has broken through former hierarchic-clientilist relations and mobilised professional and civil knowledge and other relational resources. Due to synergic effects and emerging new schools of planning, process of networking shows exponential growth therefore real impacts being exerted on ways and means of government of that rising new model might not predict at the very moment. In the followings leadership structure as well as actor network developed around urban policy making is to be analysed layer by layer concerning lower aggregation scale toward the higher ones.

Generally speaking, civil society in Hungary has started to boom during the ninetieth. Those, who had played initiating and leading role within civic movement took their root in 'defrosting soil' of 'slowly fermenting' socialism, have changed after the transformation of regime into the politics and become member of the narrow elite embraces a few thousands (Kuti without date). Due to that civic legacy – and also the city's leading position in the country offers fertilising milieu for non-governmental initiatives – Budapest has a relatively well developed civil sector. One quarter of all civil organisations has been located in Budapest in 2003 with almost 30 thousands full-time employees (KSH 2003). Multitude of organisations however tells a few about area-oriented local civil societies might be able to become policy actors giving voice authentically to localities' wishes. Releasing local organisations assumes a rate of social cohesion – but cohesive communities are not preconditions of setting civil movements.

In consequence of seize and density of the city, but also due to the socialist quantitative development disregarding microstructures of the society, cohesive local communities have been considered to be no priority during the previous regime. Turbulent socio-political conditions after the collapse of the socialist state has resulted significant migration from the central areas into the outskirts and a significant inflow from the countryside. Changes which restructuring the spatial arrangement of the population like segregation and gentrification contributed also to weakening the cohesion of local communities. Neighbourhood-scale planning has been lacking in the socialist era in Budapest, therefore area-based communities have relatively weakly embedded within planning culture. On demand side, participation within the public life might not have long tradition since civil sector has only emerged in the last two decades, the motivate power on behalf of the citizens is mostly lacking or could not yet come upon in an organised form<sup>10</sup>. In general citizen's habit is still dominated by hierarchic structures and by the idea of paternalist state. Behaviour of local politics – irresponsive electoral campaigns – contributes to delay the cognizance of limited

---

<sup>10</sup> There might be significant differences amongst sub-municipal areas according to habit like civic pride and political awareness of the citizens. A neighbourhood whose members have experience about operation of political administration and perceived the force of community cohesion may exert more power on local politics than those whose preparedness in civil rights and ability to bring people together is not sufficient to safeguard localities' interest.



budgets and the need for political choices: therefore they keep going false cognitive mechanisms and does not act for advancing culture of public politics.

District and municipal governments embrace formal local leadership structures under the influence of political rationality: politics of power penetrates into local political domains probably deeper than in the Western European countries. Extended political administration and bureaucracy contributes to determine public issues according to the narratives of power and disregard problems could not be linked to political dominance (Interview with Richárd Ongjerth, 9. May 2008). Being a common talk means being part of the political reality which postulates that civil dialogue still has a low priority<sup>11</sup>. Interdependence of political leadership on different levels of government seems to be orderly; two-way accessible pier-like political structures might be assumed on the political scale. Public administration serves as executive bodies of the political leadership divided by sectoral planning. Innovative power of the administration is rather limited and its activity is mostly restricted to carry out instructions raised by political debate. Cooperative skills are generally not a feature of institutional routines, due to the fact that formal collaboration amongst multi-level governance is not regulated by legal rules, therefore it depends on personal insight and individual efforts.

Consultation and cooperation between district and municipal level is occasional, based on case-by-case agreements. Municipal government has no power over local decisions, since the municipality does not have permission competence over district plans. However, successful cooperation still exists: in that cases recognizance of interdependence and shared goals leads to reconcile plans and to an increased motivation to resolve differences. Successful cooperation has a deep personal foundation: the human factor contributes to advance complex planning measures for a great extend.

Incompetence of public administrative bodies in the case of managing complex urban problems implicates the involvement of professional expertise. That sphere comprising independent consultants, university professors, civil planners and engineers, academics etc. contributed expressly to the recognizance of metropolitan problems, to raise issues, to suggest new approaches and to shift emphasises in scale of spatial deliberation. Experts target elected political leaders and potent executive head officials with innovative ideas: importance of personal relations in that case could not be overstressed. Main access point of innovations into the planning schemes is therefore completed through expert network organised around municipal and district leaders. Informal professional guard enables straggling growth of relations amongst actors within the network; getting in and being excluded is however regulated by the multiplicity of the actors. Sorting out problems considered to be remarkable to implant into political debate is regulated by most dominant and trustworthy actors. Introverted orientation as well as particular logics of the expert network organised around the Budapest strategic planning domain is widely criticised.

Due to explicit commitment on behalf of the political guideline of Budapest that public sector is required not to intervene into business domain, formalised meeting

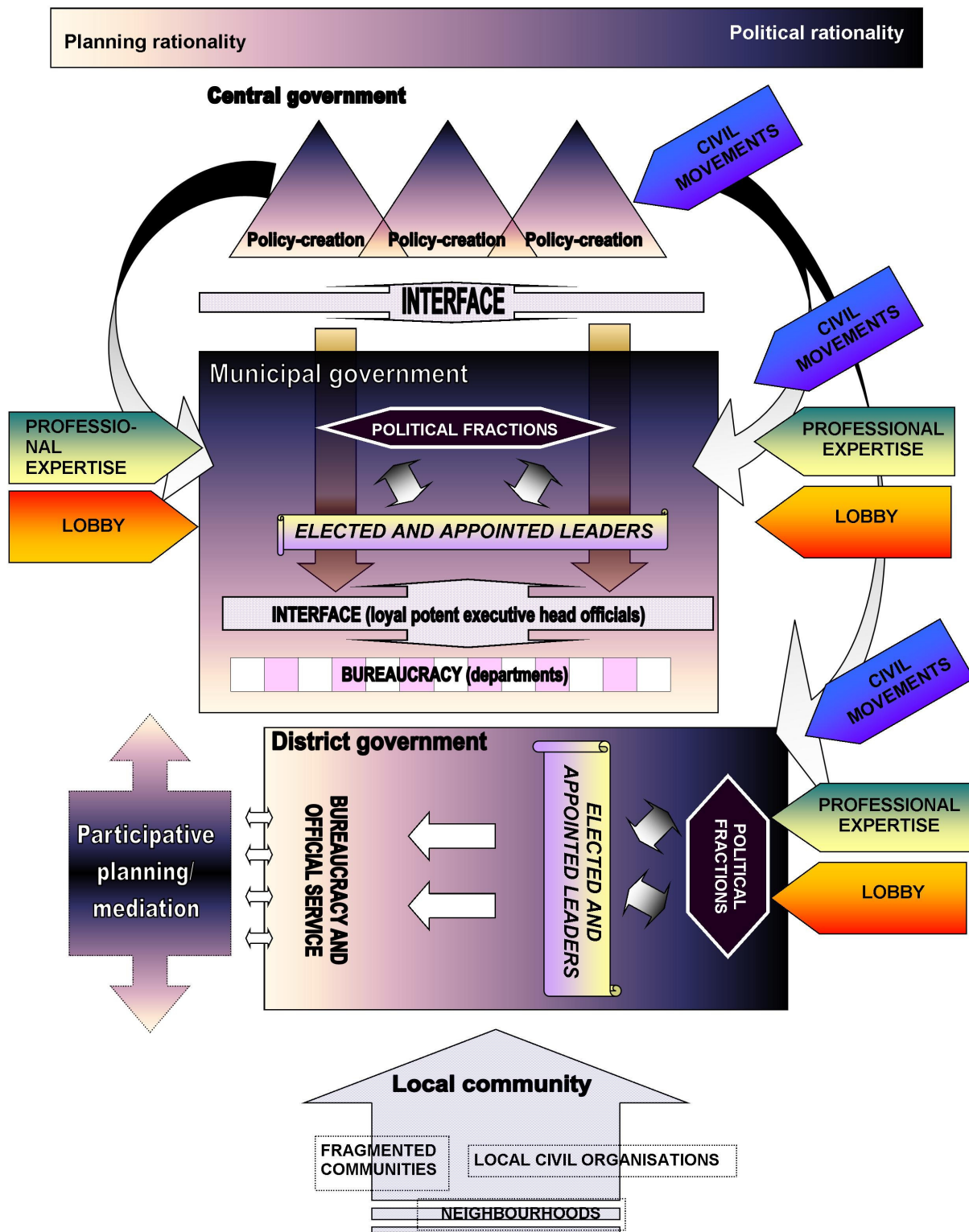
---

<sup>11</sup> Civil movements on a nation-wide scale have opened politically independent debate about imperative problems with significant local impacts – those which were factually abandoned by the central state or agendas which were elaborated without social basis – like climate change, transformation of the state-owned health service, reform of state budget etc.

points between political leaders and businesses are lacking. Lobby groups could bring into contact with the public administration via case-by-case negotiation. These informal relationships serve as important entrance point into strategic planning schemes beyond the network of professional expertise. Lack of transparency and accountability as an outcome of informal relational frames form a basis for fierce critic on behalf of legal protection organisations and citizens.

Ministries and nation-wide planning organisations have an extraordinary importance in the case of a centralised country like Hungary. Development policies are concentrated currently within one ministry in charge of several portfolios i.e. the National Development and Economic Ministry. Relationship between the central government and the Municipality of Budapest were charged with tensions since the reorganisation of strategic spatial planning in the ninetieth. Capital of Budapest is an oversized centre of the country which dominance has been growing with sharpening competition amongst European cities. Development policy of Budapest has strategic importance for the whole country's growth. Tensions between centralised state and Budapest bearing the most national competitive capacities have been laid to political debate and regulated solely with short-term contracts. Underdeveloped institutional arrangements to coordinate national-wide policies on local scale have led to turbulent conditions in an intensified planning period like preparation for receiving European funds in the very last years. Pier-to-pier coordination between multiple levels of government is not possible due to underdeveloped, sectoral institutional setting on lower level of politics therefore putting European guidelines into local environment depends mostly on institutional capacity being enabled to be mobilised case-by-case. Apart from ambiguousness of relations under conditions of multilevel governments it has to be claimed, that innovative ideas are usual transferred from central to local level, which however rather falls short in contributing shifting government control into a more fluid and sensitive direction.

Finally, I attempt to mention powerful agents of business sector, whose role and extend of influence is rather ambiguously judged (Interview with Demján, 2001). The fact that permanent institutional interface between public sector and business sphere is a score spot within local leadership might take us to the assumption that negotiating business driven local project is the matter of unregulated, non-transparent and unaccountable political deliberation. Number of sources calls attention to extraordinary risks of misusing administrative power due to politics falls short to 'acknowledge' officially common influence of private interests into public agendas. Since real power of business sphere remains usual in obscurity, one main aspiration of the current work is to reveal its relevance and concrete scope for action exerting on decision systems.



4. Figure Relations of local actor network in Budapest

## 5. DISCOURSE OF URBAN POLITICS IN BUDAPEST

This chapter seeks to reach a comprehensive analysis on urban development policy making and governance in Budapest. Policy making is understood here in a wide sense inasmuch as process of agenda setting embraces institutional practices, power relations of formal and informal decision making, selection and prioritizing issues, routines of dominant discourse by keeping away or selective admission of local knowledge and priorities as well as dynamics of interactions. Hajer's methodological guidance is applied as theoretical foundation based on analysing dynamics of policy making, identifying topics set the public in motion as well as cognitive experiment of local knowledge (2003). Hajer's interpretation on policy formation focuses on changing linkage between policy discourses which might fertilize and push local policy into reflexive practices. He uses tripartite analytical frame for investigation nature development discourse in the Netherlands: he puts emphasize on terms of policy issues, on formation of discourse coalitions and on particular institutional routines in which discursive practices are embedded (2003. p. 103). Analytics of urban discourse propounding in the followings is rested on Hajer's categorization. However parallels between analytical features of ecological modernisation and formation of complex urban development policies might be assumed it is needed to remark that completely fitting categories would be unrealistic due to disharmonious territorial scales, availability of detailed information and nature of interests' involvement. It is to be underlined that the Dutch versus English case of eco-modernism perform a run-in policy practice with significant theoretical foundation meanwhile the Budapest-case is a rather emerging endeavour of seeking ways and means to find real-time solutions to complex urban challenges.

Terms of discourse implicate structures of meaning able to direct debate into one or another dominant understanding of associated elements of reality. For instance the primate of equity-oriented social-politics produces very unlike (in terms and in scope) urban public parlance than a corporatist exclusionary practice, which differences might overpeer within common talk. Frame of terms embraces vocabularies of certain debate (such as 'solidarity' or 'business milieu'), story lines, myths and metaphors operate as generative statements linking elements of reality into a coherent narrative. It contains also such unconscious cognitive achievements which build direct (epistemic) relations between previously unknown fields of recognition (e.g. understanding nature as infrastructure able to develop).

Formation of discourse coalition is key issue for creating adaptive policies able to respond reflexively to oppressive challenges of governance under the conditions of crisis of local leadership schemes as well as to respond to the urging need for re-positioning the city within floating geopolitical power space. Linking previously not connected domains (in the Dutch case, nature conservation and economic development) leads to create and recombine diverse discourses giving impetus for identifying a new set of policy practice.

Institutional practices might create an inspiring or hindering environment for linking domains and 'formalizing' discourse coalition. Inherent routines and informal behaviours may advance interconnection of meanings or contribute to adjust feedback mechanisms for instance or even exert influence to policy action in another way. Institutional procedures might be recreated via forming discourse coalitions and have an extraordinary effect on policy results.

## 5.1. TERMS OF POLICY DISCOURSE

Evolvement of urban planning in Budapest was already discussed in the previous chapter. As it was outlined, local practice of centralized planning (implementation planning) of social era has been phased out with regime change. Within the institutional vacuum of the young local autonomy administrative habits of centrally directed political hierarchy have tended to resist to any reorganisation aspirations. Under circumstances that no stable political leadership have been able to balance the shock of regime change, administrative routines have maintained everyday operation of the city as well as professional technocrats assembled as 'city-innovators' around local government have contributed to define urban discourses. Understanding normative foundation of urban planning has been evolved organically with slowly changing institutions however remained rather conservative in goal setting in terms of preferring traditional values and putting emphasize on preservation of historic ensemble and settlement structure. Endogenous resource-orientation as well as strong separation of public coordination from market (avoiding any kind of intervention) according to the Mayor's liberal politics might be interpreted as symptoms of a hierarchically socialized, market-free planning culture which could not set position the emerging external interests. On the other hand administration could not sufficiently reflect on increasing community expectations on a highly emotionalized spectrum of values characterizes Hungarian common thinking.

Citing the far-sighted political theorist István Bibó (for a brief period Minister of State during the Hungarian Revolution in 1956) historic character of the Hungarian nation has been conditioned individuals and communities rather to escape into socio-political deadlocks and to induce communities to withdraw into themselves (like a spasm) in case of cataclysmic historical events which have obliged communities to face with the reality. He claims that hierarchical, status-oriented self-interpretation of the Hungarian society holds back and compromises progressive societal changes, namely bad habit become fixed during centuries (just as legacy of feudalistic privileges) is an obstacle for adaptive reorganisation of the society itself (Bibó 1948). Illuminating how up-to-date Bibó might be today he points out that individual reactions are combined very diversely in course of shaping societal habit. He adds that the process during that collective societal responses are set up from individual reactions might be able to being influenced via collective narratives, purposive behaviour, conventions and deliberate programming.

Sixty years after Bibó has put these words in writing Jenő Ranschburg, academics in psychology seems to repeat these arguments. There is a society, he claims, which has proclaimed, "Ladies and Gentlemen, tomorrow from eight o'clock we'll change to democracy". Citizens of socialism, however, might not become democrats from one day to the next, but rather seek for utilize loopholes and political margins of democracy as they learned from previous generations. Ranschburg also advances that categories of evil and good, what is for adoration and what should be bear malice have been permanently determined by the state during the XX. century, which mental attitude has been passed on over generations. That has a strong implication to current public activities of emotional politics characterized by cult of personality and fundamental political alignment (Ranschburg FN 2008).

Turning into conservative values in planning depicts also a kind of 'flee from reality' e.g. rather avoiding any proactive step than to risk to fail. First chief architect

of Budapest, István Schneller<sup>12</sup> has recognized a radical shift within urban planning from interventionist towards initiative-regulative action and had less favoured of strategic planning. Urban Development Concept of Budapest which has been elaborated during his period of appointment however has pushed common thinking into the direction of a more strategic direction.

In my interpretation diverse discourses of urban politics are set up by institutionalised schemes of understanding shaped via individuals' values and arguments. In Budapest issues of urban discourses are fairly similar to those of Western European cities, flavoured with domains following from institutional weaknesses of the young democratic state. In the following I attempt to sketch main terms of discourses propagated by diverse agents in Budapest.

The general narrative of urban development raised during the elaboration of the Concept has proved to be the recognizance of complexity of the city as a living organism, being not only physical framework of activities required to provide the functional needs of citizens. Institutional inadequacy of socialist planning has resulted failures in urban reflexivity in terms of replying to the problems of the past (e.g. providing housing en masse, functional public spaces disregarding urban design) which has led to falling short to notice increasing needs for urban diversity and attractiveness. Reconciliation process of elaborating the Concept however has turned antecedent absolute principle of fulfilling the requirements of city operation towards offering attractive place to live and providing diverse lifestyles for citizens. Emergence of the narrative has been resulted by perception the reality outside of everyday operation via moving beyond minimal requirements for maintaining standards of life. Re-defining geopolitical location of the city within expansive European space as well as recognize that citizens might have inevitable expectances for their living and working conditions has provided a radical change in overview of position and role of Budapest, which led to ongoing re-definition of normativity of urban planning. Conservative, supply-side understanding of urban development has embraced progress as grading up operation to a higher level of service provision. Some current interpretation of planning tends to shift towards coevolving standards of urban quality seeking for being elaborated on a broader platform of decision making like in the case of Magdolna-quarter urban development programme<sup>13</sup> (Interview with Dániel Horváth, 13. May 2008).

That narrative has created the metaphor of "liveable city" which not only 'tolerates' their citizens but offer them a new quality of life. Transforming downtown and subcentres' public spaces into pedestrian streets or establishing angoras has come into sight as first step of establishing citizen-friendly community rooms which enterprises were retributed with remarkable approval on behalf of both citizens and local businesses. A complex myth evolved around symbolic phrase of liveable city referring to repositioning of the World Heritage Danube-banks.<sup>14</sup> Single-sided functional usage and abandonment has kept away citizens from organic symbol of

---

<sup>12</sup> István Schneller has occupied the position of chief architect of the Municipality of Budapest in 1995-2006.

<sup>13</sup> [http://www.rev8.hu/csatlmanyok/proj\\_dokok/proj\\_dokok\\_5.pdf](http://www.rev8.hu/csatlmanyok/proj_dokok/proj_dokok_5.pdf)

<sup>14</sup> Two times eleven kilometres which contains riverside area of the city bear the marks of supply-based functional planning of the past sixty years and make place for urban motorways, brownfields and more or less abandoned summer resorts. Private initiative for upgrading riverside areas has launched real estate development in the recent years.

the city up till now and breaks relations between them might induce to rethink local identity. That extraordinary – and now missing – link gets connected with ‘liveability’ story line in course of repositioning the Danube as place of ‘good life quality’. Based on international best practices of urban riverside policies a loose and broad set of measures attempted to put together to re-structure riverbanks invoking cultural/educational and public space-oriented projects like ‘Gasworks’ and ‘Warehouse’.



**5. Figure Myth of a liveable city – the Warehouse Project at the bank of the Danube. Recreating urban-river links to reshape local identity**

Source: [http://www.hg.hu/cikk/kozraktarak\\_magyar\\_holland\\_modra](http://www.hg.hu/cikk/kozraktarak_magyar_holland_modra)

Development of another story line of mutual interconnectedness has added significantly to the debate of urban growth, achieved however just a little interest up till now which might be derived to its infancy in contemporary Budapest. Recognizance of interdependence and the inevitable downfall of single action has called attention to integrate information from different spheres of professions and common knowledge as inevitable requirement for successful social act. Involving notion like cooperation and cooption of international and local actors into parlance of urban changes should be esteemed as a radical cognitive achievement. Agents and citizens who were conditioned to vertical structures of sectoral directives where entities were separated to maintain hierarchical integrity had have to face with the shocking innovation of network-like organisations. Adapting institutional behaviour to horizontally organised social act resulted time-lag and inhomogeneous dynamics in cooperative capacities of actors and individuals. Smaller market-oriented organisations like consultant consortia, architecture bureaus, some civil organisations succeeded to pick up pace of urban changes under the condition of network-like operation. Immobilized institutional structures however like public administration or dominant ‘gigantic enterprises’ first of all on the field of engineering (former state-owned companies) have followed a rather moderated transformation trajectory hindering their adaptiveness to cooperation. The less pressure of market competition the organisations have to face with, the limited capacities are build for network-operation. Most recent achievements of recognition of interconnectedness refer to

the growing significance of active and environmentally- and politically-aware citizens ready to collaborate with the government. Active and conscious local cooperation is increasingly assessed as a necessary condition for progressing urban changes. With the latest survey on priority values of urban actors six from eight focus groups identified collaborating local communities as factor of success (professional institutions, culture, socially oriented civil organisations, architects, academics, independent intellectuals). Worth to mention that the two groups did not mention the involvement of local people as basic requirement for a dynamic city was the group of chief architects<sup>15</sup> of Budapest as well as group of local and locally-oriented green civil organisations (Futurbia Budapest 2008). Also important to stress that commitment for public involvement – following the Arnstein's ladder of citizen participation – is much to be said for giving real decision power to citizens and doing so it goes beyond the current municipal exercise concentrating rather to tokenism (Healey 2006). Giving an example I raise the case of the Budapest Airport, Hungary's main connection point to Europe and to global flows. The airport is situated in the outskirts, close to the administrative boundaries of Budapest within the fragmented political space of the less developed south-eastern sector of the metropolitan region. Recently when operation of the aviation service was privatized, a robust real estate demand has been evolved for properties situated next to the airport. Investors started to lobby for nearby properties at local governments one-by-one which resulted that simultaneous encounter of multiple demands might lead to mutual downfall of new developments. To avoid crisis of collapsing projects – this might be as much harmful to investors as local communities – local governments start to cooperate on a platform of reciprocal benefits and setting spatial plans to harmonise investment interest with local possibilities. Majors of neighbouring communities who 'have not ever met with each other' before engaged in recognising their interdependence of business opportunities and started to act as an interdependent community on the account of reciprocity and cooperation. Currently majors of neighbouring communities are working together on reconciling how to settle market demands i.e. what kind of spatial arrangement might advance balanced development.

Emerging narrative of multiculturalism and diversity of lifeworlds provided probably the most organic story line of Budapest, due to the fact that value of multiculturalism is a traditionally prioritized feature of the city. Culture is a rather soft domain able to generate consensus amongst different interests which might be also derived to the exceptional capitalizing capacity of culture requiring diverse skills than physical infrastructure improvement. Phrases like "Pearl of the Danube", "City of eclecticism" reflects a more conventional, rather 'export-oriented' concept of urban culture which might not be affirmed by everyday life of a post-socialist metropolis. Current narrative of the last years like multiaspect host city of Balkanian, Eastern- and Western-European cultures added national flavour to that, or the phrase of "meeting point between East and West" has been reached a higher level of awareness and legitimizes culture as development factor of urban planning. Co-evolution of myths and facts is confirmed by growing number and scale of agora-like initiatives which reflects also extraordinary dynamics of grassroots multicultural projects. Booming of non-profit civil organisations usual lodged in abandoned industry building gives place for a number of artistic groups like the panartistic Trafó,

---

<sup>15</sup> Chief architects undertake the task to control spatial implications of urban growth of their competence, with regulating land use issues and spatial development within their administrative boundaries together with elected decision making bodies.



the underground Tűzraktár/tér, or the post-modern Krétakör theatre company. Symbolic institutions like the previous or emerging new formations consciously aspire to organise their networks and movements of variety which adds more to socio-cultural urban renewal than banal and abstract slogans. Existing cultural variety as well as dynamic art world has been also reflected via the survey dealing with the question of what foreign people living in Budapest recognize as metaphor of the urban life. Citing the survey they characterize Budapest as a 'Multi-feeling City', 'Something for Everyone' or 'Crossroads of Europe' (Futuribia Budapest 2008).

At that point I have to add my doubt on whether Chinese, Turkish or Russian-Ukrainian minorities of Budapest would emphasize the same points if they would be asked about the current issue. They probably would count on balkanized permitting procedures and extraordinary sophistication of entrepreneurial and taxation system able to utilize regulation loopholes as most attracting symbols of Budapest. Evidence of diverging ideas raises attention to some significant shortages might be derived to selective involvement of multiplicity in course of process of identity formation. It is a significant difference whether Budapest is defined as 'Meeting Point of Cultures' or as 'City of Tax-dodgers'.

Setting up narratives gives an outline also on antagonistic relations between local agents. As controversial issues solidarity and levelling socio-economic disparities have emerged as an autonomic discourse of urban development. Conception of state secured social equity derived from socialist interpretation of values is probably one of the deepest embedded principles amongst planners with social scientific background, who were getting to increase their influence within agenda setting since the late ninetieth. Submitting solidarity story line on the merits was contested, dividing agents according to ideological stands and normative concept on urban development. At first, nobody questioned that solidarity is an inherent principle of sustainable growth, as the Leipzig Charter on Sustainable European Cities has recently established. Beyond that point however, quarrel flared up around whether maintaining coherence of local community (i.e. promoting equity and decreasing social disparities) is a task of the state or this is an inherent attribute of current urban changes whose socio-political consequences are required to diminish. Opposite stands were getting pervaded by general political antagonism of 'laissez-faire' non-interventionism and taking responsibility by the state for social cohesive communities. Setting explicit guideline on whether Budapest should be a liberal metropolis or a socially rich city proved to be spiced by political reality of uninterrupted coalition government embracing both the socialist party and the rather neoconservative liberal party. On a third unspoken level, that debate reflects the conflict between old school supply-side welfare-fetishist political school and the strategic track of attracting and growing. Antagonism like this advances urban policies with the varieties of arguments and deliberation, to progress the evolvement of a balanced urban development guideline on broad consideration.

Hajer claims that epistemic figures, "rules of formation that underpin theories/practices [which]... are not formulated in their own right" might set an unconscious frame of linking ideas together (Hajer 2003. p. 104). Following that line I point out the significant cognitive development which has been achieved by recognizing that the city is not a stable pool of people and activities, production and infrastructure required to accommodate diverse function, but rather a magnet which –

depending on its drawing power – may attract citizens and actions. If it fails to do that task well, it loses its significance.

Another – and probably even more significant – epistemic achievement was to make stakeholders aware that urban development is not an incremental process by all means. Cities might change by leaps and bounds and are able to accommodate more development demand that results from endogenous endowments. Recognizing non-linear character of urban change incorporates particular Central and Eastern European spices of interpreting growth. Time is flowing according to a different pace at deeper continental part of Europe where communities have always competed with catching up Western dynamic of growth. That intention has failed repeatedly due to existing time lag to an ideal-typical Western progress on the one hand but also due to more relaxed ‘continental’ flow of time characterized ‘remote’ areas of Europe which have not been exposed to ever-changing circumstances resulted by higher mobility. Under condition of weak socio-economic stresses on institutional transformation, steps of progress might be seen in isolation, might be analysed and narrated as incremental phases of an ever-improving transformation. Dynamic of time seemed to be accelerated by political integration of Hungary into the European Union, which postulates that separable steps of progress analytics (derived to little number of factors of reality need to count with) has crumbled down and increasing complexity resulted non-linearity in urban changes. It is easy to see that facing with such radical change like accelerating time might last for generations to be perceived by the community, which is a basic precondition to catch hold of non-linear feature of current growth tendencies.

## **5.2. DISCOURSE COALITION AND METHODS**

In the previous section I outlined three major narratives which were evolved in the last ten years as discursive story lines: liveable and attractive city, mutual interdependence of agents postulating active collaborating communities as well as multi-cultural city as driving force of complex socio-economic development.

Discourses – ideas, concepts and categorisation, through which meaning is given to reality (Hajer 1995) – might be located with establishing and shaping their linkage to current story line. Individuals and agents through their propagated discourse set their position for or against of floating story line in course of creating cognitive and social commitment to ‘pigtail’ of elements of reality. That process of positioning defines possibilities for inter-discursive communication – made available by establishing integrative story-lines – but also sets up counterpoles of discourses. For instance, narrative of collaborating communities establishes the face between localities striving for transparent and accountable leadership, and municipal representation aims at keeping regulative and coordinative power. Creating commitment of diverse agents around a legitimate story line leads to open inter-discursive communication aims at reframing political debate as well as defining new course of social action. Broadening platform of decision making inevitably generates need for shared power which act for reshaping unrealistic state-based power relations.

Propagated topics of municipal government raising official discourse on urban development are especially grouped around structural and infrastructural

improvements as well as comprehensive strategic schemes, like raising accessibility of insufficiently used brownfield zones, setting off complex renewal programmes (e.g. “Heart of Budapest” Programme) or elaborating concepts on large-scale problems (transport planning). Discourses like these bear common characteristics of orienting to physical investment projects (triggering upgrading processes) just as much as have the general attitude of identifying municipality’s role as coordinating urban actors, supported by its regulative power. Consensus-raising power of the municipality is however proved to be fairly limited up till now which might derive from an arrogant dictating habit on a certain kind towards any non-governmental actors, but also due to a sense of incompetence and contingency in local leadership routines alike.

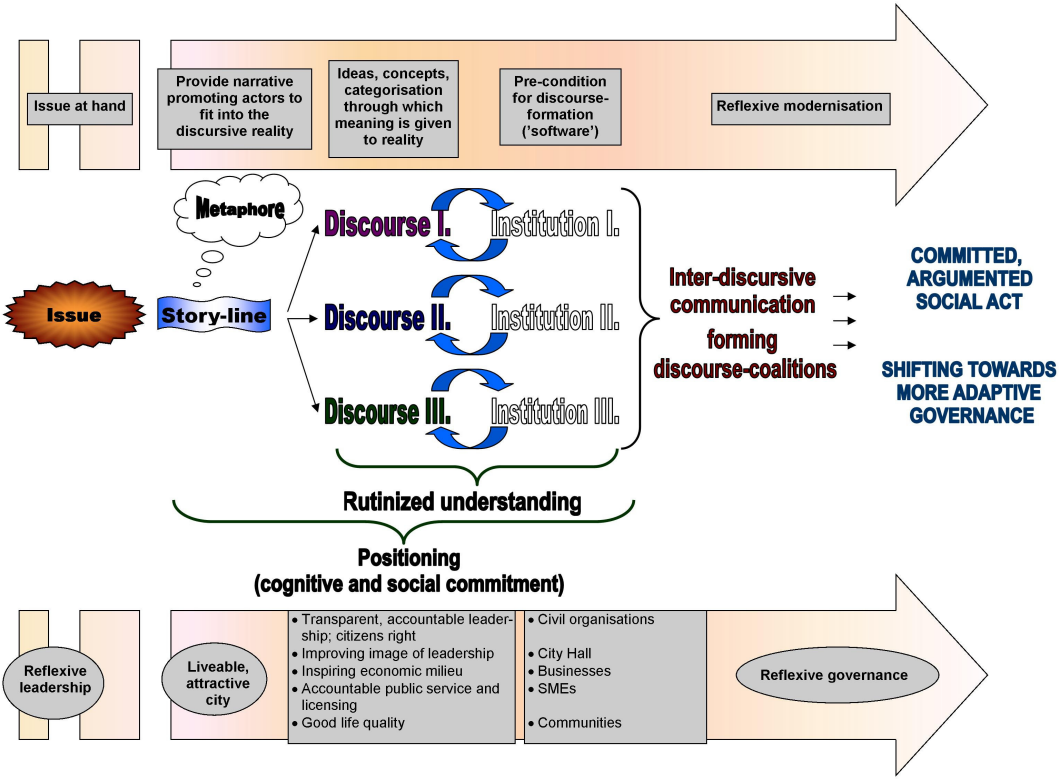
Agents who represent business interests have a very few institutional interface with strategic leadership. As a minimum requirement they should build up a good relationship with the district government. Keeping private interests away from permission procedure is an accented element of the official municipal policy on (rather unrealistic) division of market and administration. That turns the spotlight on fairly embarrassed handle of lobbying within administrative routines. Hungarian legislative model on local government has attached confidence on institutions as consignatory body of democratic legitimacy avoiding any kind of external determination or abuse. Formal law leaves procedural power to institutions to regulate introduction of any ‘external’ interest which might open door for abuses of authority (Interview with Péter Gauder, 30. May 2008).

Citizens are usually striving for good life quality and for protecting their citizen rights they felt being injured by autocratic governmental decisions. Just as individuals, civil groups are organised either on a territorial scale or around various issues approach governmental decisions with the same distrust. Since establishment of democratic institutions enables citizens involvement after the change of regime, that suspicion have to say a lot about the common experiences in citizens-government relations. Local government has been criticized on account of lacking transparency and accountability assuming that individual benefits are usual prioritized within urban decision schemes meanwhile public interests are subordinated to them. Practice of public involvement might give civil groups the impression that public hearings do not go beyond formal requirements as well as recruitment for shared fact finding practically leads to single-sided provision of information to the administration ended up with unaccountable, biased process of selection (Interview with Viktória Hegedűs, 13. May 2008.; and with Gabriella Bartha 28. May 2008).

Agents constituting assemblies with established structures and routines share common understandings (concepts and values) on ‘hot topics’ creating ‘institutional-biased’ discourses. If story lines enable to integrate diverse discourses – i.e. individual courses of parlance might define themselves as constitutive part of given narrative – agents gain a personal and social commitment to actions evolving from shared understandings.

Liveable city is therefore a very successful call signal due to urban attractiveness is understand by all party as a priority goal – either interpreted it as competitive benefit for capital investment or as good life quality or even as symbolising values and power of a community. Agents’ cognitive and social commitment to current story line however does not seem to be equal in terms of

practice, just to mention the revision of Urban Environmental Programme of Budapest accepted in 2007 after a one-year planning process. Revision of the programme was a binding liability of the Municipality and as a result of that, responsible department assessed its task as a paper to be delivered. Initial shortage of planning relates to the evidence that Budapest does not have any environmental monitoring system (data gathering is occasional, permanent monitoring system solely on air-pollution is operated by the Ministry) which might serve to trace environmental processes in the city. In absence of environmental data common parlance should be oriented to elaborate shared knowledge about what is considered to be urban environmental factors and what kind of achievements are necessary to set in the agenda? Watchword of liveable city reached broad range of professional experts and civil groups whose knowledge due to the open planning process have been build into a shared concept of good urban environment. Final concept includes a light-radical action plan with a detailed list of municipal responsibilities and actions should be elaborated, which plan however does not bear the mark of strategic consideration, i.e. was not aligned with political reality and commitment. Politicians have met the action plan at first when the paper has progressed in official protocol to committee reconciliation, when lack of political will became clear. Finally a simplified and emptied version has been accepted by the General Assembly without any binding consequences of neglecting realisation, without any built-in feedback-loop. On account of shortages of Urban Environmental Programme we might assume that also a robust story line falls short in integrating diverse discourses if institutional protocols and formal regulations unable reiterative planning processes and politics avoids to apply accountability procedures (Interview with Richárd Ongjerth, 9. May 2008).



6. Figure Shaping discourse coalition around narrative of “liveable, attractive city” - Course of social-interactive discourse (Harré-Billing) on urban governance in Budapest

### 5.3. INSTITUTIONAL PRACTICES

Protocols and routines are inevitable features of institutions “in which discourses take place and conflicts are played out” (Hajer 2003). Citing Storper interdependence of civil society, market and state should be seen as hybrid rather than pure structure, which relations indicate themselves in an unending circle of representation (Storper 1998). The following section seeks to discuss institutional practices contributing to understand how system attitudes and regulations foster or hinder constitutive actions. I will concentrate on three particular interfaces of conflicts: relationship between businesses and local government, conditions of cooperation between civil sector and government as well as intergovernmental relations.

Since administrative procedural requirements raise bureaucratic difficulties and dictates an unrealistic dynamic of institutional processes (but also due to the lacking institutional interfaces mentioned beforehand) relationships between businesses and local administration are loaded by informality and non-transparency. Surveying risks of corruption in business sector by Transparency International major shortages have been identified in legal instruments seek to regulate lobbying and public procurement (TI Corruption 2008). As the survey claims, critical risks have to be faced at interface of private and public sphere, where extreme administrative requirements as well as bureaucratic regulations hamper progress and afford chance for arbitrary ‘prompt arrangements’ raising possibilities for corruption. The study illuminates the strong intertwining of business and administrative sector establishing financial basis for electoral campaign of parties which postulates that a major share of market actors are supported by state and municipal investment and founding programmes. Trend of institutionalizing corruption proved to increase in course of stabilizing selective dispensation of justice. Deep cultural embeddedness of contravening of law as well as corrupt moral order (see section 5.1 for ideas of Bibó) tends to create a hidden level of political reality which breaks the surface of ‘official reality’ (put it on another way Healey’s first level reality, 2003) by chance causing mismatches in argumentation. I assume that almost complete absence of institutional interfaces amongst governmental units as well as between civil sphere and administration refers to overgrowing actual-political leadership structures within government which are lacking any kind of transparency and accountability (Interview with Péter Gauder, 30. May 2008).

Hegemonic articulation of power is seen also where organisational failures abuses confidence of citizens. Recent initiative of preparing long term urban vision within the frame of broad-scale participation (Futurbia Budapest 2008) bears purposes of establishing shared goal-finding and setting commitment for joint action. That initiative aims at the same time to push overgrowing incompetent local leadership towards shared power relations of governance. As in the previous has been highlighted a strengthening tendency of stabilizing hidden political order, to be more exact struggles for dominance on second – unknown – level of political reality (Healey 2003) damages citizen’s right for accountable local governance. Appraising performance of state-dominated local leadership established during the ninetieth, we might conclude with prolonged high scale urban projects to improve urban quality, wasted investments benefiting a few privileged, keeping regulative-judicial dominance of urban discourse instead of fostering an integrated account as well as maintaining paternalistic relationship with citizens hindering development of citizens’

responsibility for their locality and skills for self-management. Initiative of Futurbia Budapest applying participative measures of planning strives for establishing more open platform of ideas and concepts as a common account on making local politics accountable. A few civil organisations however charged initiative with delivering prearranged concepts of development seeking to legitimate them with public consultations. Objections of civils were twofold: first, they criticise selective or distorted inclusion of civil ideas into the long-term programme, and second they claim for complex feedback system for monitoring progress of priority goals during the programme. Due to fail in fulfilling claims a couple of civil organisations decided to neglect further cooperation with Futurbia initiative. Reflecting to that case I would like to illuminate major institutional shortages derive from institutional modernisation of local governance falls behind time. Reaction of civil organisation in that case seems to be fairly paranoid, however, might be proved to be reasonable considering their experiences with local government. They decided to quit planning process to avoid to legitimate completion of the paper, which might result that discourses they propagate will not be admitted into 'official' narrative and become excluded from common debate. On the other hand they expectation for monitoring visionary statements put down in the long-term concept might assume to be extreme. Still, that claim might turn to be understandable if we consider that the Municipality previously charged civil-state relationships with breaking pledges, misleading communication, turning civil support to the account of itself, in point of fact, mutual trust would be unrealistic to presume against the Municipality. Argumentation falls short on the point that even civil organisations assume paternalistic, one-sided connection where localities' expectation should be completed by local administration. Due to lacking information (like information of public interest, withhold by the administration) citizens and civil organisations are not able to embrace complete system of local management which leads to unrealistic expectations towards local leadership. On the other hand local government ought to be able to realize that non-transparent institutional operation have an adverse effect on their public support, however they still fails to fulfil requirement of accountability. What might be good reasons for hindering flow of institutional information worth for politics to lose their electors' support? Referring to procedural failures made by project designer I quote to privileged role of the initiator able to give a general frame of debate and to the key concepts which is usual biased by the client (in that case the Municipality) or by the planners themselves. That postulates exclusionary effects for those discourses, which are not privileged by project designers. In addition to, project designer has set a preliminary basic story line to which agents have to position themselves. If this handicap is combined with arrogant attitude of initiator and/or project designer there is a possibility that agents will not understand twofold importance of participative processes and they will not be gained over mutual interdependence and its implications for common action. In that case the fact that civil parties failed to recognise possibilities of rescaling decision making might be the consequence of a radical dissident attitude but also of failures in argumentation why and how participative planning aims at creating shared power relations and raising accountability of governance. International experiences warn us to make clear competences and not to underrate importance of mutual trust before one initiates collaborative process (Interview with György Alföldi, 23. May 2008).

Advancing institutional practice from a different view we might concentrate also on cleanly local routines. Citing another case I refer to the action of the local government of the VI. district which has charged a planning organisation owned by

the Municipality to lead participative planning process on complex renewal programme of an inner-city square. The neighbourhood is a gentrifying downtown-community located around an inner city square, where a deteriorated but beloved and well-managed market hall is to be found. According to districts government's policy the square and the market hall should be renewed using private investments which will be allured by a PPP project on a multi-story car park under surface. First plan had to be rejected due to the fierce opposition of a civil organisation set together by local people and independent intellectuals across the city which has incriminated local government with corruption and abuse of power. Discourse raised by that civil organisation is to protect the market hall and open air market operating on the square from unaccountable contracts made by local government enables to hand over the building's right of usage to private partners. Due to other interventions of doubtful legality within the district civil's attitude towards the local government based on suspicion and open hostilities, wherefore the district government has abandoned the plan and contracted the planning organisation to create a common management plan about future usage of the square. Civil organisations and citizens have welcomed the initiative their enthusiasm however were getting diminish soon. They have raised complaints about selective weighting their arguments against an unknown interest advocated by the planning agency.

"I am certain that we have conscientiously performed our duty during the negotiation process of elaborating the development guideline on the Hunyadi Square. The SM (*the planning agency, added by the author*) has appraised however our multilateral communication – we has opened up our correspondence with SM to all of interested, considered that this is a participatory project – as an attack. We have answered also to those interim report and final proposal which we never received from SM, we have sent our resolution directly to the local representatives. SM has used to expect us to communicate solely with them meanwhile we have known that we really have to exert influence on the local government." (Interview with Gabriella Bartha, 28. May 2008)

At an advanced stage of planning subsurface car park has been retrieved to plans as a necessary financial requirement for renewal. Civils offered stiff resistance against that variant, arguing with cutting down trees on the square, with unacceptable function change of the market hall as well as with transforming micro-scale milieu due to increasing traffic. As cons planners have retorted with accusing civils to look after number one when they claimed against pay parking and defending neighbourhoods from any kind of improvement might attract others. They have also called attention that civil opposition is against holding office of current local government, tucked away of anti-development discourse. They claim, that real ends and aims of that particular civil organisation – hidden by the official debate – might be formulated on a way that they would prefer to preserve neighbourhood's image as it is today as well as they opposed any kind of privatization and any physical investments on account to avoid any risk of corruption. In that case, failure of participation might be derived from 'simulated' discourses on behalf of both parties as far as none of the agents represent the concept what they are striving for. Civils had a strong but hidden no-change strategy which appeared in face of local philanthropists, vetoing against external interests. On the other hand, planning agency gave up its formal independence when it took up a position on a binding element like construction of car park as inevitable requirement for renewal: it failed to fulfil its role as unbiased facilitator thus contradicts to its own arguments.

Intergovernmental relations under conditions of overwhelming influence of political leadership are of high importance and due to regulative features of the system, institutional routines generate a number of activities in their own right. Triggering effects like involving innovative solutions may indicate nature of hidden institutional regulations as well as inherent sequences of act. Taking an example, European funding schemes have forced local government of Budapest to face with constitutive challenges of programming and project setting which has required completely different management skills than which were available by operative routines. Due to centrally coordinated work of preparing national bids different levels of government had to cooperate on the entire range of vertical administrative hierarchy to launch projects which are proved to be worth for support. System of national tendering operation favours short-term results which has given preferences to projects in an advanced state of progress and have subordinated projects bearing highly complex socio-economical content. Exclusionary factor of selection favouring rather simple improvements prior to complex projects is to prove beneficial outcomes of the agenda which turns out to be unrealistic in case of soft socioeconomic goal setting. Therefore complex priorities of urban policies might find their way into realisation on a rather limited way. On the other hand professional skills of administration bear the marks of strong sectoral division which position is made worsen by overregulated institutional operation reflects relational schemes of a bygone world of hierarchical direction. Attitude of civil servants, political directives as well as unrealistic procedural regulations make administration incapable to innovate or to find reflexive solutions inside of the institutional frame. Administration moves in the line of the least resistance and does not try to find new way outs, risking to challenge confirmed institutional routines. To illuminate current failures of institutional setting I might invoke experiences on European Structural Found pre-bidding procedures has been completed during the year of 2007 which aims at defining priority projects able to found from national allocation in the budget for the period 2007-13. The City Hall has set up and submitted a portfolio dominated by fragmented physical construction projects in spite of the fact that the municipal government currently runs two highly integrated urban development programmes (Podmaniczky Mid-term Urban Development Programme and Hearth of Budapest – downtown renewal programme). Assessment procedure has awarded three projects submitted by the Municipality of Budapest proved to be fit for European founding: all of the three projects contain pure physical renewal investments, like hospital redevelopment or reconstruction of an inner-city highway bridge. The City Hall has failed to join forces of public and private agents for elaborating coherent multi-aspect projects even if political and regulative conditions would enable them to do so. Lacking political commitment for cooperation with the districts leads to fragmented activities and non-harmonised spatial development (spontaneous urban development). Institutional unproductiveness however does not crop up as an issue to deal with due to lacking feedback mechanisms, or if it does so, regulative and administrative deficiencies are blamed for insufficient output (like lacking regulative protocol for mandatory collaboration). As it has been found out from the intra-administrative selection procedure, which was wrestled with difficulties of insufficient institutional capacity, complex urban goals with integrated socio-economical content have been failed to be integrated into agenda setting.

Decision making within the administrative body produces also institutional routines which reflect interests of the most influential power holders. Six years ago, in the year of 2002 the City Hall has declared its commitment to carry on legitimate



conversation on reframing ideas of urban development with involvement of broad range of experts and to set up the first urban development concept of Budapest. Fierce public debate on what would be necessary in the city has started to become rigid during the process when arena of discussion has started to shift from brainstorming towards strategic discourse. Political commitment has been proved to be insufficient to assign budget to the accepted concept, which has become emptied and generalized during the debate. With advancing planning process Mid-term Urban Development Programme has defined an extended list of desired projects reflecting on poor financial conditions of the city enables it solely to break structural bottlenecks using European funding<sup>16</sup>. Recognition of strategic possibilities however has led to decreasing scope of action, to narrowing debate on opportunities and public discourse has become weightless tittle-tattle. Citing an example for how to exclude arguments from agenda setting I illuminate the municipal development programme for the former Gasworks owned by the Municipality<sup>17</sup>. As a flagship project of the City Hall proper and detailed planning process has taken shape involving public, private and civil actors alike. Many alternatives have been elaborated and offered up to decision supported by arguments and broad reconciliation. Parallel with planning process, an organisational basis for a for-profit programme-company has set down which has started to benchmark real possibilities and market demands. Thus, at the time when the project proposal alternatives have come to consideration, scope of action has been already defined by market realities. Evidence of neglecting professional arguments – as the administration has formulated the procedure – has strengthened oppositional attitude of expertise and market interests, i.e. increased tension of public policy advocated by local administration and experts they hired, and market realities which proved to be more favoured during the current decision.

“It was a really touchy affair, and also a good example when my department – together with a private consultant bureau – has been requested to elaborate the general principles of the Gasworks Development Programme. The mandatory committee has let us work on elaborating wide variety of development guidelines during that bargaining of interests has been taken place in the background. We came out with a fairly concrete programme proposal which was also approved by the committee. However, in course of the progress when a development finance company has been called into life in order to manage the programme, previously accepted development principles have been disappeared from action plan and decision are being made on the spectrum of the present potentiality of utilisation and short-term consideration of possibilities. This is unfortunately also a general trend in Budapest urban planning. This is very hard to see that political and business interests become consolidated and strategic principles usually are dropped.” (Interview with Viktória Hegedűs, 13. May 2008.)

Reframing the concept or integrating planning (instead of running parallel circles) has come not to question which also maintains separation of civil planning from real conditions of urban development and keep running unrealistic bureaucratic routines.

Finally I add also some remarks referring to routines of political debate. There is a common practice that political stakeholders get connected a concept in detail only after public consultation has been finalized and paper based on shared

---

<sup>16</sup> Structural and qualitative insufficiency of urban infrastructure is one of the most pressing necessities in Budapest due to decades-long neglect of maintenance and development. Development of traffic infrastructure was subordinated for forty years to housing and industry relocation policies which postulates hard to catch up on backwardness of great expenses.

<sup>17</sup> [http://urbact.eu/fileadmin/subsites/partner4action/pdf/Obuda\\_Gas\\_Works\\_case\\_study.pdf](http://urbact.eu/fileadmin/subsites/partner4action/pdf/Obuda_Gas_Works_case_study.pdf)

knowledge get into administrative sequence of decision making. As in that case any kind of social or cognitive commitment fails to establish between politics and civils or expert community, decision making falls victim to political bargaining, which appears in the face of neglecting argumentation or formal debate.

“Order of bilateral negotiation between the administrative department and the political leadership of the Municipality gives me the impression that all parties are speaking about something else. Numerous cases of meetings – like committee sessions or any official negotiation – do not provide any opportunity for debate on the merits due to stakeholders do not answer your question, they react to an issue which has not been raised or simple evade the question. I have the impression that this is a conscious and widely used technique. I have also to add to that these session bear a lot of formality in debate, like asking for permission to speak or public voting about the acceptance on the answer, there are no chance for informal argumentation.” (Interview with Viktória Hegedűs, 13. May 2008.)

Fractions and committees adopt policies on account of limited number of internal expertise which inherently leads to decreasing variability on final outcomes. Accountability at that stage is also an unexpected requirement which postulates that in case of lacking information there is no possibility to improve decision making routines.

“Undertaking soft obligations by the elected local leadership i.e. which has not been controlled by legal rules are weightless enough to be at the mercy of consolidated political concerns. Accounting has not been regulated properly, which postulates that administration has no means to hold political leadership responsible for their decisions.” (Interview with Viktória Hegedűs, 13. May 2008.)

## 6. HIDDEN POWER RELATIONS WITHIN URBAN POLITICS IN BUDAPEST

### 6.1. PATTERNS OF DOMINANCE IN LOCAL LEADERSHIP

With the previous chapters I intended to outline current institutional settings of urban politics – as endowment for taking social act – in Budapest as well as endeavoured how different actors recognize, define as well as recombine various elements of reality in order to shape their own discourse of urban development. That analytical account was not only a theoretical experiment for understanding reality on the way of discursive theories but also has the highly normative aim of establishing statements about real power geometry of the local community in order to reframe social act of good governance. This section intends to illuminate existing driving forces of urban policy setting as well as real scope of action enabled by discursive capacity of local institutional settings

Popular interpretation of policy making in Budapest is seen as duality of actual politics and strategic policy settings rather as two extremities on the same spectrum. Planning culture of reconciling diverse interests – even in case of harmonising actors' views or balance actual needs with long-term considerations – is a slowly developing tradition but advancing via every steps which challenge traditional authoritative routine as well as every progress which empowers local communities to manage and govern themselves. That phenomenon is interpreted however on an ambiguous and misleading way in an overwhelming majority of cases, like intervention of the overpowering actual-politics into strategic urban goal setting and decision making. Discourse of opening up and broaden arena of decision making is usual understand as a new 'mangy trick' to legitimise and deliver prearranged concepts, meanwhile power of recognizing reciprocal formation of concepts and social act might be abstracted. Handling that evidence as a fact, I still argue that short-term political considerations exert even more influence on strategic decision making, that it is assumed.

At the discussion on how to form discourse coalitions in Budapest I have assumed that the local two-tier system of discursive levels which embraces visible struggle as official debate as well as mobilization of bias, is very charged with the dominance of the hidden power structures at the 'lower' non-visible level. Far reaching implication of that is that the official debate becomes highly separated from and abandoned by hidden level of decision making, and field of discourse accessible to the public becomes formal and marginalized. Citing the practice of the General Assembly, the elected body of decision-making in Budapest, I argue that locus of the official debate is the committee procedure – by the official board bearing the responsibility for a given issue – where non-invited agents do not have the right of consultation and participation is also subject to conditions. Committee procedures are however highly formalized by procedural rules, as well as do not offer sufficient possibilities for debate. During the negotiating procedures questions are not to be answered and discussion usual evades the issue at the hand. According to official routines committee members every so often do not use even their limited scope for argumentation, which might lead to the assumption that decision is made somewhere else: position of politics are set down before the negotiation which is hardly to challenge under the circumstances of lacking open debate. Committee report is

followed by dispute and voting at the General Assembly which is an even more formalized procedure (Interview with Viktória Hegedűs, 13. May 2008).

Established practice of invisible political bargaining turns out to be a successful strategy to avoid any commitment on the official discourse would be able to make decision making accountable. That happened in the case of Urban Development Concept which has become emptied at the end of consultation and negotiation process in terms of it does not contain any undertaking of obligations. In other cases, like during the programme-setting period of the Mid-term Urban Development Programme, elaboration of the 'feasible project list' able to be co-financed by European funds was a highly motivated debate where stakeholders has succeed to reach an agreement in budgeting of programme elements. That postulates the assumption that without urging pressures (in that case from supranational level) institutional capacities do not enable to engage official government to take action which might jeopardise floating positions of stakeholders during political bargaining.

Civil power to enforce interest has been getting stronger with introducing new national politics on active involvement of civil sector, which became timely with accelerating programming activities as preparation for European granting. They influence however on local politics – including even hiring independent professionals – is not remarkable (TI Civil 2008). Since the appearance of the first social movements in Hungary<sup>18</sup> well-developed link has been established between politics and the civil society. That relationship have been getting intensified by realizing that political struggles might be legitimated by civil movements as well as they could be also used for promoting governmental policies and pushing public opinion into a favourable direction. As far as elite-convergence, abstract institutions and patron-client relationships make agenda setting a formal process, scope for civil actions is getting more and more determined by political will (Korkut, 2005). Government is looking at civil organisations as they offer value added public services which should be harmonised with outsourced public utilities to reach good governance. Movements however, which could not be adapt to that cognitive frame are excluded from the category of "organisation for public use" determined by the local leadership, and receive the brand of malcontent radicals or ideologists neglecting to grasp complexity of urban management, like eco-modernist movements. Discourse of green movement concentrates rather on call unaccomplished government's responsibilities on account which has a few to do with political reality: they speak a language that local administration could not understand, since it does not refer to council decrees or any rules of administrative procedure. On the other hand, social movements arrogating citizen's rights or struggle for establishing transparent local government are directly jeopardize local stat quo. Organisations like these challenge hidden power structure on account of official discourse. They use regulative parlance promoted by the local government (i.e. legislative measures) to enforce institutional modernisation which serve as fundamental ground to their successful actions.

Professional experts amass significant power in terms of they own and allocate knowledge serve as legitimate foundation of urban policies. Expertise is widely applied on every side of the barricade, loyalty and sufficient knowledge on

---

<sup>18</sup> One of the firs social movement appeared in Hungary was the Duna-kör (Danube Circle) founded in 1984 to struggle for citizens' participation and claim for including eco-political principles within the planning process of the hydroelectric power plant system at Bős-Nagymaros on the Danube.

institutional interests is a significant filter to get hired. Elite-clicks have established their own consultant networks which then provide legitimacy to diverse discourses, used knowledge from time to time as an alternative measure on public authorisation to prove validity of policies. On a deeper level of social interactions however we might assume a more fundamental link between power of knowledge and power of politics. Initiation for planning innovation is repeatedly launched by 'independent consultants' using informal interfaces which are always on a matter of personal contacts. For instance, Municipal leadership has declared to shift discourse of urban politics onto a level of proactive city development and launched to elaborate the Urban Development Concept right after a consortium of independent planning bureaus have made leading officials convinced about urgency of action. Private initiatives like this realize policy transfer via their mutual beneficial contracts, adaptability of urban government however does not necessarily increase due to relation of knowledge and leadership rather induces on establishing a different kind of dependency. Instead of taking a role of facilitator expertise aspire to concentrate knowledge in hand of a privileged few making themselves indispensable actors of any kind of planning activity. Via their knowledge-concentration procedures they double selection interfaces deciding whether an idea or concept might be included into the official discourse on urban policies where excretion criteria are also matter of shared values established within the limited group of professionals. Expertise induced planning is however advancing innovation of institutional settings and fling open somewhat scope of discourse, which might accommodate further transformation of governance. Story lines set off by hired consultants might create new arenas of discourses which become selected and hold over via conceptions and categorisation of a closed group seeks to establish its power by pooling knowledge. If information might be used and interpreted only by a few that leads to decreasing variety and neglecting possibilities for potential synergies derived from free recombination of elements of reality.

## **6.2 RULING PLANNING STYLES AND TRENDS OF TRANSFORMING LEADERSHIP CULTURES IN BUDAPEST**

Applying the categorisation of Innes and Booher (2003) about planning styles I argue in favour of the evolvement of mixed planning models in Budapest. Considering that local government has turned to face with its exceptional importance on strategic guidance which was a slowly emerging process picking up speed rather from the beginning of the new century I assume the evolvement of two organic – rather unintentional – planning cultures. Innes and Booher categorise models on account of for what extend they are able to deal with diversity as well as how sophisticated planning routines can discern interdependence of agent's interests. They denote *political influence model* as which is based on personal relationship between the group of local leaders and the agency, where every deal is made by one-on-one bargaining (Innes and Booher 2003 p. 53). The model depicts governance relations of Chicago form the fiftieth, a system of great renown. A legitimized leader is attributed who bears support of political community and having them at her/his back allocating divisible benefits "to powerful players and amassing power through the loyalties he or she establishes" (p. 51). Planning cultures which are dominated by political influence deal usual with high diversity of ideas and concepts but do not permit agents to discover their interdependence which might undermine the leader's power (p. 53). I argue that what we see in Budapest is more

or less the evolving and stabilization of political influence model which of course bears some significant local characteristics distinguishing from the classic US case. First of all, there is no one strongman as politically accepted and widely supported person, rather, political map of the city is fragmented into particular interests, which are sustain their status quo via case-by-case bargaining. Evidence of lacking consensual guideline leads to forge ahead of issues with immediate results: under that condition raising and carrying out strategic agendas subdue negotiation positions of stakeholders due to the increasing demand for compromises. Second point on that Budapest case is diverting from traditional political influence model is that diversity of interests due to principle of reciprocity becomes restricted to those which might be compensated. This excludes interests which do not promote issues with paybacks are not suitable for short-term bargaining.

Unapproachability of local government was recognized by civil organisations soon, therefore they terminated their activity towards leading parallel discourse on issues excluded from official arenas of debate. That reflects to Innes and Booher concept on *social movement model*, however, this is still just in the tentative stage in Budapest. This model assumes recognizance of mutual interdependence of actors but “involves one or more interests excluded by the power structure, coalescing around a vision and amassing grassroots support to influence the decision through protest, media attention and sheer numbers” (Innes and Booher 2003. p. 52). Civil movements usual form alliances with professional expertise to establish their alternative analysis and critics on current issues promoted by dominating powers in order to exert political force to decision making from the outside. US model reflects Hungarian reality: broken promises and neglecting recommendation on behalf of the local leadership turned civil movements towards creating new alternatives for change (Interview with Gabriella Bartha, 28. May 2008; Interview with Richárd Ongjerth, 9. May 2008). This is however a dangerous strategy, invoking Innes and Booher, who outline that “social movements tend to be fixed in their idea of what the outcomes should be and use analysis in an advocacy rather than an inquiring way” (p. 54). After a certain point they become closed to any other course of idea due to their coalition is hold together by a compact strand of concepts. They exclude themselves from decision making due to they are not able to take into account all interests needed to reach a ‘critical mass’ to act.

In the case if we count on an incremental trend of unaccountable actual political-driven government parallel with isolation of radicalizing community issues planning will tend to move towards local corporatism. Meshing political leadership with local businesses might induce different courses of assessments whether it advances local community or not. Healey considers local corporatism in terms of reflexive modernisation as stabilizing narrow transformative focus of local settings which does not have the integrative capacity to involve knowledge and relational capital sufficient to create an adaptive system of leadership (Healey 2003). Healey’s statement however might have another interpretation as well, namely emerging and sharpening relations of business with the local administration might enforce setting down of institutional rules to avoid prevailing routines and one-by-one deals. Bargaining leads to exclusion of community interests which due to lacking institutional interfaces could not get close to political arenas where decisions are made. At the moment, businesses as well as civil movements alike are suffering from non-visible decisions, due to their initiatives get lost on personalized institutional ‘receptors’ – the politicians – where selection procedures is accomplished. Creating

accountable institutional rules regulating admission and selection of any kind of idea advancing urban change coming even from community scale or from businesses as well as introduction of code of conduct (i.e. shared values) might foster institutional modernization in Budapest and progress rescaling of local power relations.

As final conclusion I argue that discourse analysis adds a lot to expose hidden power relations, institutional arrangements and decision making patterns in Budapest, however, applicability of discourse theories as normative account on reframing the problem of local governance might be accepted under reserve. First of all, relation between discursive levels of decision making is fairly formal and limited, i.e. hidden arena for decision dominates visible discourse. In consequence of that, external issues could hardly infiltrate into decisive arenas to enter into relations with real power holders seeking for commitment and support, due to established institutional routines which serve as a self-defending fortification of internal interests. Procedural regulations as well as informal rules for institutional habit, i.e. 'consuetude' of strongmen were established on the firm foundation, that local government should be the turn-table of any idea raised in the field of urban development. Those ideas, however, might only get open signal if they find the way to hidden level of power – which means are already beyond the scope of institutional arrangements. Thus, agents those excluded from shaping dominant discourse should navigate directly into the field of political rationality. Bifurcation of institutional and political process of power to enforce interests is therefore consequence both of obsolete institutional arrangements, and of pursuit of power holder to maintain status quo to avoid any changing of current institutional settings in order to keep up their turn-table role. That intention would not be manageable without deep social disbelief, namely wide suspicion and passivity of common opinion towards public discourse which leads to abandon official arena of common debate. As a consequence, that arena might be biased by dominant discourses determined by local government. Permanent struggle to challenge official discourse on behalf of alternative and sometimes even as much exclusionary discourses of social movements have limited chance and no political support to switch arena of dominant parlance. So as implantation of variety of alternative discourses into local planning inevitably fail to approach real arena of power.

On the analytical basis of discursive urban policies I claim that for improving local decision making schemes in Budapest an astute amalgamation of institutional and discursive approach would be beneficial, which concentrates on routines and shared values to advance institutional accountability. Applying measures like organisational and operational developments lay down missing terms of references of current institutional arrangements as well as might advance foundation for a reflexive decision making system. This is a basic requirement on operational predictability: if it is failed to establish discourse coalitions might not create critical mass of efforts to challenge stabilized power structures.

## **7. IMPROVING THE PROCESS OF GOVERNANCE AND POLICY MAKING – TOWARDS A NEW BUDAPEST MODEL**

Discourse theoretical approach on observing, defining, categorising and evaluating issues on which base local decisions are made has taught us that institutional arrangements might run hidden software of operation which creates rules, conditions and values for their political environment. In the previous chapters I attempted to outline a comprehensive picture on urban development planning schemes in Budapest, approaching the subject both from traditional structuralist as well as from discursive epistemological angles. Doing so I aspired to demonstrate how genealogical approach i.e. historically driven social structures fail to offer reasons for operational motivations and mechanisms of contemporary urban planning in Budapest, meanwhile a previously invisible level of local leadership has been evolved. I assumed that both approaches are obviously necessary to understand complexities of individual and groups aspirations of striving for dominance on local level however I am convinced that hidden power scenes should be expressively accented in local policy analysis in the future. Failing to do that we would keep the pretence of a solely regulative, democratic-looking leading practice and would maintain exclusionary government protocol.

In the previous chapters I seek for deep structures of dominance as well as tried to outline how institutional routines co-evolve along with hidden power structures. We saw how politics neglect initiatives rose on visible arenas of discourse and how it direct common debate into the field of mobilising of bias. On account of analysis it can be laid down that despite of inspiring narratives of urban development, establishing discourse-coalitions are not followed by reframing of policy making. Politics rather avoids taking any kind of commitment would enforce them being accountable. That evidence permanently hinders to set institutional frames for joint action. Doing so, local power holders maintain invisible up-stages of political bargaining, which however creates non-transparent conditions for argumentation.

Taking as evidence that decision are made in narrow groups of stakeholders on account of actuality of power game, a tapered focus of variance might be assumed in shaping policies. As decision making fails to take into account the broad spectrum of needs and capacities to act, political agendas are converging to a confined trajectory of 'avoiding to incur liability and keep up status quo' which implicates limited scope and temperate pace of action. This performance is definitely unacceptable having regard that current political settings fail to reflect on fierce environmental pressures and denial of civil rights. Local government gets drowned in narrow-minded provincialism inclining to think that global and local challenges could be solved via absorbing European funds. Meanwhile it ignores to stimulate renewal capacity of the city by picking up grassroots initiatives, falls short in keeping social cohesion and unbridles spontaneous spatial development. As fundamental reframing of urban policies lags behind, institutional modernization fails to come about since there is no interest to challenge current arrangements.

As consequence of the previous arguments the main guide to reach better governance and more adaptive planning is to loose binding but invisible barriers of local power structures. This is not to challenge the inevitable justification of struggle for dominance on government arena, rather to illuminate that accommodating various



concepts and values as well as enabling free recombination of them might progress adaptive complex systems like a local community to produce their best solutions for striking global and local problems. Adaptive community is not created by a good agenda set up by a number of agents, but it creates itself via synergic effects of mutual commitments joining endowments, capacities and efforts, which should not and could not be coordinated by a 'good father' allocating attentiveness, support and ignorance. The most pressing challenge for good governance is to facilitate creativity and diligence and give inspiring and mutual beneficial frame for agents to take joint actions.

I argue that key aspirations to reach more adaptive government in Budapest should include growing accountability and transparency, opening up and linking diverse levels of discourses for community and business initiatives as well as striving for empowering civil community and local leadership in order to recognize their mutual interdependence. On account of that in the following I summarize recommendations for an adaptive local governance model in Budapest.

### ***1. Adjusting consequences of public discourse***

Visible discourse has lost its significance. Credibility gap has reached a level at which public feels immunity to the most issues raised by local government. That eliminates a significant feedback mechanism to challenge local power settings, therefore act as a keeping current institutional arrangements. As it was turned out from the analysis two-way flow of information falls short between visible and hidden level of discourse, which links should be readjusted in the future. Initiatives outside of the arena might just find the means to get involved into dominant discourse if they incline to find their way to mobilise bias. Current process of political adaptation of an idea should be more transparent to reach higher variability of discourse. Course of selection and political feedback of policy making – as switchback from decisive level to official arena of discourse – is however an even more problematic field of operation, where strengthening of transparency and accountability mechanisms should enforce as basic requirement for successful institutional modernisation.

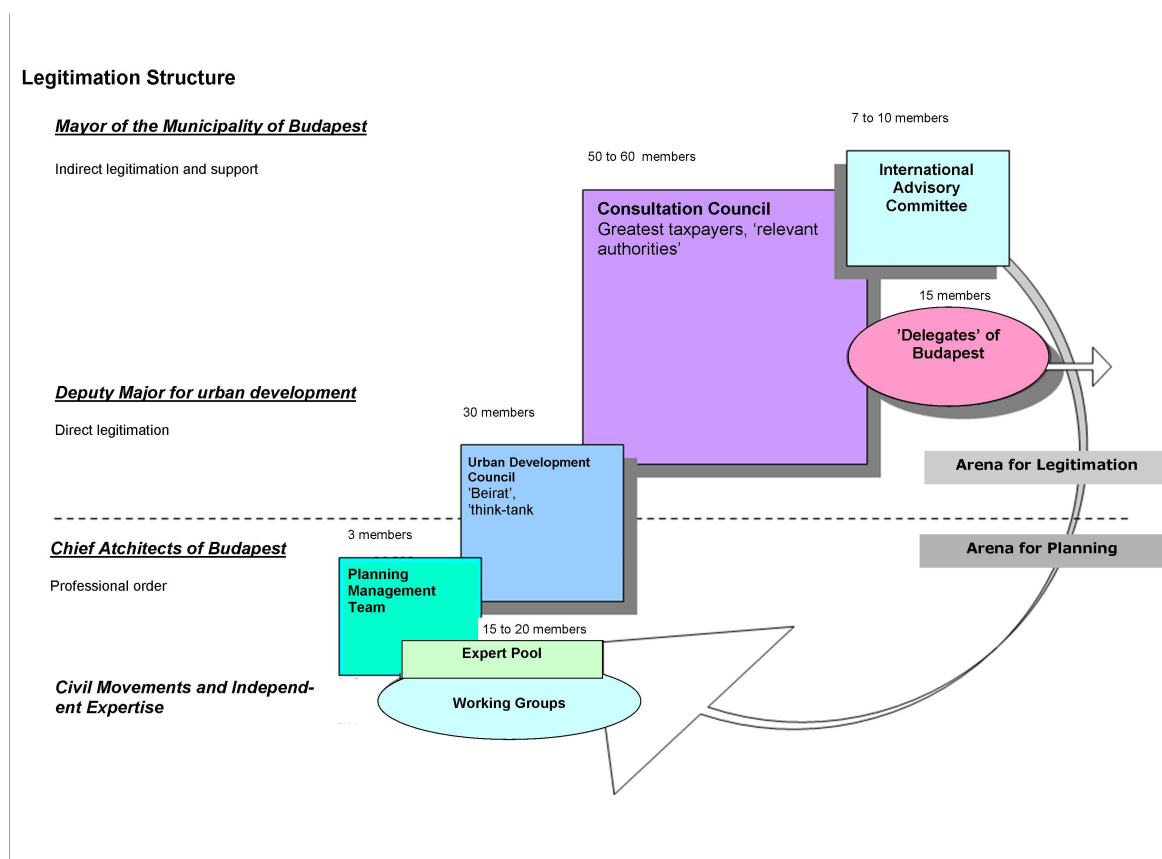
### ***2. Transparency and accountability – multi-level governance***

Keeping flexible scope for action also beyond procedural regulations is an inevitable requirement of political decision making which might also contribute to dynamism and flexibility of local government. In Budapest however overwhelming invisible decisions where community control fails to prevail over hidden arena of power results introverted governance of incompetence.

Since adversely effect of current decisive structures on urban adaptiveness is already recognised, to remediate institutional shortages a reorganisation project was recently launched to reframe local decision making patterns. Legitimation structure presented on figure 6. is a proposal on how to transform decision making arenas into a multipartite deliberative network and how to enforce shared agreement within government. That model is based on

influence of business actors and professional expertise whose involvement within a frame of regulated institutions was assessed to have a high importance in order to accommodate multilateral arguments. That structure takes dynamic corporatist model of governance as a fundamental point of departure where grassroots initiatives have not been directly accommodated. This is a key inadequacy of the proposed decision making structure which directs urban development guideline to capital-import- and investment oriented line. Transformation of decision making structure as outlined at legitimation structure might advance competitiveness, local economy and life quality of citizens, but worth to remark that rearranging power structures remain insensitive to urging problems like environmental impacts, social coherence and community incentives: those issues which have no possibility also today to reach substantial changes in urban politics.

Pointing business sphere as driving force of modernisation for local institutional settings has however a solid consideration, namely that structures of dominance have consolidated during almost two decades get broken up solely via intervention of influential interest groups. Solely powerful agents might challenge current concepts, values and routines, and enforce institutional transformation.



**7. Figure Proposed legitimate arena of Budapest – pushing local government towards corporate governance to exert external accountability control on institutional routines**

Source: Futurbia Budapest 2020 Strategy, Presentation of Péter Gauder, Studio Metropolitana Urban Research Centre<sup>19</sup>

<sup>19</sup> <http://www.studiometropolitana.hu/futurbia/letolt.html>

### **3. *Convincing experts on open and deliberative policy making***

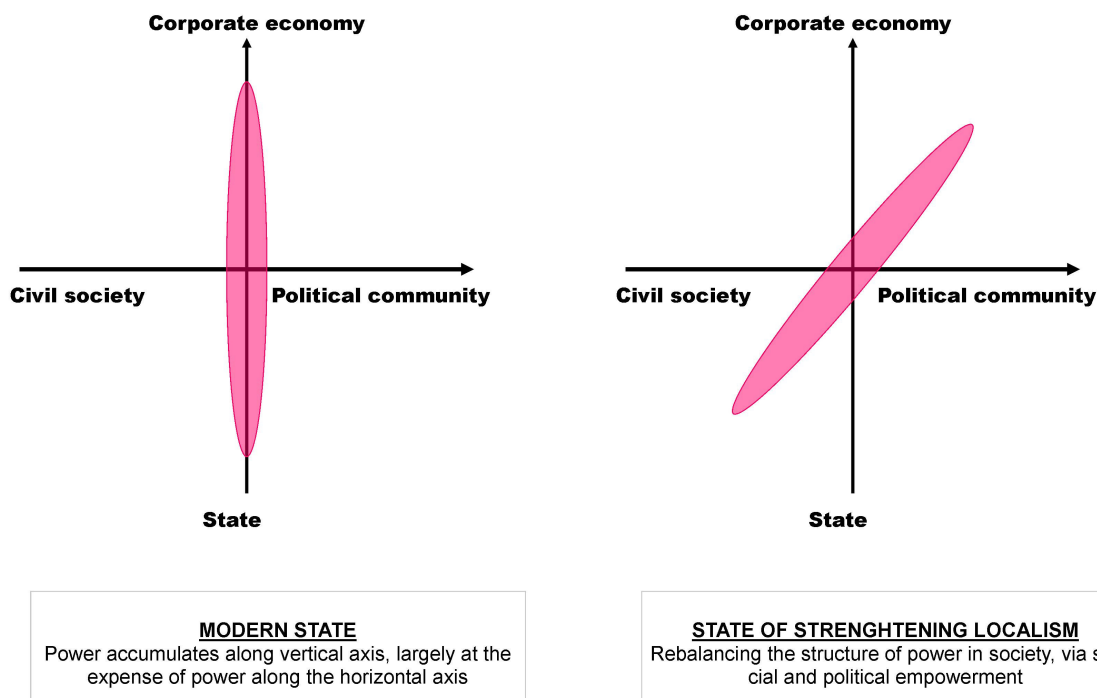
Professional experts claim significant power within urban decision making structures as much as they concentrate and allocate knowledge. Working culture of professionals reflects rather features of client-patron relationships and bear less the marks of reciprocity and mutual cooperation, thus there is a significant resistance within the system against evolving shared knowledge and reaching common statements. Experts rather behave like knowledge pool, which collects but does not provide raw information. That attitude is required to change considering that one-way flow of information hinders to create the terms of confidence as well as retaining information might also prevent evolving of discourse coalitions. Therefore new cooperative patterns to lay down foundation of multilateral network-like organisation model should be accommodated within local planning. As personal insight is of key importance experts should be convinced about aims and relevance of deliberative, actor-oriented approach as well as they should gain insight into arguments on shifting planning culture from dominant role of allocation and coordination towards facilitating of possibilities and mediating interests. Traditional way of contracting needs to be rethought to accommodate higher variability of professional actors.

### **4. *Empowering local political communities***

Friedman claims that “the market economy does not solve urban problems; it creates them” which recognition should be an urging factor us to extend our narrow-minded intellectual horizon in order to exceed state-economy ambivalence (Friedmann 1998). He argues that overwhelming state-dominated power relations should be rebalanced via empowering civil and political communities in order to invigorate more equitable decision making. That postulates that concept of civil society which traditionally understood as local businesses and NGOs should be extended with local citizenry.

To facilitate local communities to set them back into a more balanced power structure might embrace diverse repertory of measures. I am keen to advocate reinforcing communities as self-managing political entities as well as collaborative planning as a measure to create committed, self-sustaining communities.

“We attempt to resolve people on think over their personal responsibility within their own life conditions and encourage them to join forces as possibly the only exit strategy. We try to teach them that they have no other chance than gather up and act together for their better future. Furthermore, planners should follow a working method to offer liable possibilities for citizens which however should be anchored to the administrative system as well. I am convinced that our over-hierarchised government system will once collapse because of this our responsibility is to help people to get prepared to act also during those conditions. (Interview with György Alföldi, 23. May 2008.)



**8. Figure Friedman's redefinition of civil society (based on Abu-Lughod 1998 edited by the author)**

Countless experiences advance planning practice to recognize relevance of local knowledge within the course of creating circumstances for a good urban life. Fisher reminds us that “local knowledge plays an important role in problem identification, definition, and legitimation, not to mention any solutions that may be put forward” (Fisher 2000 p. 217). Local knowledge is meant here as “knowledge about local context or setting, including empirical knowledge, of specific characteristics, circumstances, events, and relationships, as well as the normative understanding of meaning” (Fisher 2000 p. 146). An even more significant point is that local knowledge contributes to our normative consideration, to what purpose do we programme our societal and institutional environment? Communities which are empowered to set their normative account on local environmental improvement might find direct links to municipal-scale decision making. Therefore endowing local citizenry with power of interdependence contributes to enforce institutional transformation on strategic level as well.

In Budapest, a far-reaching pilot programme on urban renewal is in progress based on solid consideration of the empowering local community<sup>20</sup> raising capacities for self-management. Based on local experiences of the Magdolna-programme, as well as on broad international practice, a pilot programme for community-based collaborative urban renewal would be advised to launch. The programme ought to embrace communities of diverse societal

<sup>20</sup> [http://www.rev8.hu/csatolmanyok/proj\\_dokok/proj\\_dokok\\_5.pdf](http://www.rev8.hu/csatolmanyok/proj_dokok/proj_dokok_5.pdf)

endowments, inner coherence and local problems (e.g. communities of socialist housing estates, citizens on large scale new housing projects) in order to set various self-managing community models.

Urban governance and planning model outlined in the previous shows significant difference to that which has been elaborated by Pallai and her research fellows during the first years of the new century. That illuminates diverging approach on what we think good governance is, which demonstrates cognitive change towards an adaptive community having share in managing its everyday life and planning its future. New concept on community and governance formulated in the preceding attempted to give answers to the challenges emerged recently on urban development arena. Community as understood by the author is not a power-neutral mass striving for immediate democratic leadership, which might be valued as a dangerous wish-dream. Community like this has fierce struggles for prioritizing particular interests promoted by agents of all field of urban activities, where dominance and suppression are powerful issues at stake. With reframing decision making procedures however new institutional routines I drafted foregoing becomes active for selecting concepts and values based on free argumentation and reaching agreement. A key factor of success to reach an adaptive Budapest model should be to create capacities at any group of urban community empowering actors to become open for common thinking and joint action along with starting to transform cognitive patterns of hierarchic leadership towards network-like cooperative structures.

## 8. CONCLUSION

The current study attempted to outline hidden structure of local decision making in Budapest with the deliberative aim to find routines of misgovernment and to set a new frame for local decision making. My analytical account is fully convinced with the normative concept of nature of good governance, which in my interpretation should be open, deliberative and should rest on socially balanced decision making holding Friedmann's view on redefined civil society.

My scientific account was drowned on empiricist analytics, by which I had a strong institutional approach to reveal motivations and patterns of leadership practices. Furthermore I added discourse analytical approach which focuses on invisible driving forces of local governance in order to gain a comprehensive view on how institutional arrangement reflects hidden power relations and how local leadership routines contribute mobilising bias. We experienced path-dependence in institutional settings and an incremental change within local planning and decision making schemes. It was also clarified on which ways and means political elite hinder institutional transformation to maintain status quo and keep disorder which encourages political bargaining.

I have argued that discourse theoretical approach on defining and selecting issues at hand shows how rules, conditions and values are being created for local polity. I attempted to outline a comprehensive picture on urban development planning schemes in Budapest, approaching the subject both from traditional structuralist as well as from discursive epistemological angles. Doing so I aspired to demonstrate how genealogical approach i.e. historically driven social structures fail to offer reasons for operational motivations and mechanisms of contemporary urban planning in Budapest, meanwhile a previously invisible level of local leadership has been evolved. I assumed that both approaches are obviously necessary to understand complexities of individual and group aspirations of striving for dominance on local level however I am convinced that hidden power scenes should be expressively accented in local policy analysis in the future.

On account of my empirical work I assume that discourse analysis adds a lot to expose hidden power relations, institutional arrangements and decision making patterns in Budapest, however, applicability of discourse theories as normative account on reframing the problem of local governance might be accepted under reserve. First of all, relation between discursive levels of decision making is fairly formal and limited, i.e. hidden arena for decision dominates visible discourse. In consequence of that, external issues could hardly infiltrate into decisive arenas to enter into relations with real power holders seeking for commitment and support, due to established institutional routines which serve as a self-defending fortification of internal interests. Ideas, which might only get open signal if they find the way to hidden level of power implicate that those means are already beyond the scope of institutional arrangements. Permanent struggle to challenge official discourse on behalf of alternative and sometimes even as much exclusionary discourses of social movements have limited chance and no political support to switch arena of dominant parlance. So as implantation of variety of alternative discourses into local planning inevitably fail to approach real arena of power.

Considering deep cultural and structural embeddedness of hierarchic state-society relations as well as consolidated dominance of political power, institutional modernisation might be only reached via mobilising external interest to challenge settled structures. Pushing state-led governance towards local corporativism invokes the triggering factor of private capital, the powerful sphere which is able to enforce institutional revival. Establishing feedback links between the civil society and the state i.e. develop accountable and transparent institution is the key requirement for opening up local governance for responsible communities and civic management. The Budapest model of the future therefore ought to embrace planning for empowering self-managing local communities as well as facilitating reflexive, dynamic and open strategic planning scheme on municipal level.

Turning planning principles into action the most fundamental policy implication of the current research should be to foster accountability of public bodies which launches synergic effects for decision making sequences. Evolving and clarifying legitimacy domain might also significantly contribute to challenging consolidated settings local actor network.

Further research is suggested to realise on the field of hidden institutional routines in order to define operational shortages of local administration, having an accent on informal rules and old-established habits. Doing so, fundamental basis for a new public management model should be outlined based on practical experience of public management schemes.

## **PERSONAL CONTRIBUTION (LIST OF INTERVIEWEE)**

### **Municipal Development Agency**

Gauder, Péter – Managing Director, Studio Metropolitana Urban Research Centre

Ongjerth, Richárd – Research Director, Studio Metropolitana Urban Research Centre

### **District Development Agency**

Alföldi, György Dr. – Managing Director, RÉV8 Urban Renewal and Development Public Limited Company Budapest, Józsefváros, VIII. District

Horváth, Dániel – Head of Magdolna-Quarter Social Urban Renewal Programme, Budapest, Józsefváros, VIII. District

### **Civic movement**

Bartha, Gabriella – Kincsünk a Piac – Hunyadi tér Csoport (Market is our Treasure – Hunyadi Square Group)

### **Municipal Administration**

Hegedüs, Viktória – Head of Sub-department of Architecture, Bureau of the Chief Architect of the Municipality of Budapest

### **Private consultant bureau**

Tosics, Iván, Dr. – Metropolitan Research Institute

## **SECONDARY SOURCES OF INTERVIEWS**

Schneller, I.<sup>21</sup> (2001) Városhasználók helyett városlakókat (Promoting town-dwellers instead of town-users) Conference of the Friedrich Ebert Foundation together with the periodica Európai Füzetek  
[http://www.c3.hu/~eufuzetek/index\\_2021.php?nagyra=konyvespolc/szokatlan/12-bp-schneller.html](http://www.c3.hu/~eufuzetek/index_2021.php?nagyra=konyvespolc/szokatlan/12-bp-schneller.html)

Locsmándi, G.<sup>22</sup> (2001) Conference of the Friedrich Ebert Foundation together with the periodica Európai Füzetek  
[http://www.c3.hu/~eufuzetek/index\\_2021.php?nagyra=konyvespolc/11-bp-locsmandi.html](http://www.c3.hu/~eufuzetek/index_2021.php?nagyra=konyvespolc/11-bp-locsmandi.html)

---

<sup>21</sup> Chief Architect of the Municipality of Budapest

<sup>22</sup> Architect; Chairman of the Department for Urbanism, Budapest University of Technology and Economics, Member of the Municipal Planning Council



Ladányi, J.<sup>23</sup> (2001) Conference of the Friedrich Ebert Foundation together with the periodica Európai Füzetek  
[http://www.c3.hu/~eufuzetek/index\\_2021.php?nagyra=konyvespolc/11-bp-ladanyi.html](http://www.c3.hu/~eufuzetek/index_2021.php?nagyra=konyvespolc/11-bp-ladanyi.html)

Demján, S.<sup>24</sup> (2001) Conference of the Friedrich Ebert Foundation together with the periodica Európai Füzetek  
[http://www.c3.hu/~eufuzetek/index\\_2021.php?nagyra=konyvespolc/11-bp-demjan.html](http://www.c3.hu/~eufuzetek/index_2021.php?nagyra=konyvespolc/11-bp-demjan.html)

Pallai, K.<sup>25</sup> (2001) Conference of the Friedrich Ebert Foundation together with the periodica Európai Füzetek  
[http://www.c3.hu/~eufuzetek/index\\_2021.php?nagyra=konyvespolc/11-bp-pallai.html](http://www.c3.hu/~eufuzetek/index_2021.php?nagyra=konyvespolc/11-bp-pallai.html)

Tosics, I.<sup>26</sup> (2001) Conference of the Friedrich Ebert Foundation together with the periodica Európai Füzetek  
[http://www.c3.hu/~eufuzetek/index\\_2021.php?nagyra=konyvespolc/11-bp-tosics.html](http://www.c3.hu/~eufuzetek/index_2021.php?nagyra=konyvespolc/11-bp-tosics.html)

## **PLANNING DOCUMENTS**

Fővárosi Városrehabilitációs Keret és Konceptió (Urban Renewal Initiative and Concept of the Municipality of Budapest) 1995

Szociális Városrehabilitációs Program (Social Urban Renewal Programme) 2005

Budapest Főváros Városfejlesztési Konceptiója (Urban Development Concept of the Municipality of Budapest) 2003

Budapest Főváros Középtávú Városfejlesztési Programja (Mid-term Urban Development Programme of the Municipality of Budapest) 2005

Podmaniczky Program (Podmaniczky Programme) 2006

Futurbia Budapest Dialogue 2008 – various interim papers, in progress

---

<sup>23</sup> Urban sociologist; University professor, Budapest Corvinus University

<sup>24</sup> Private investor; Owner of the Arcadom Building Contractor Company; Managing Director of the Entrepreneur's Association of Hungary

<sup>25</sup> Personal consultant of the Mayor of Budapest in urban management affairs

<sup>26</sup> Sociologist, Private consultant, Project manager of the Urban Development Concept of the Municipality of Budapest

## REFERENCES

- Abu-Lughod, J. (1998) Civil/uncivil society: confusing form with content In: Douglas, M., Friedmann, J. Cities for citizens. Planning and the rise of civil society in a global age. Wiley. 227-237 p.
- Allmendinger, P. (2002) Planning theory. Palgrave
- Amin, A., Hausner, J. (1997) Interactive governance and social complexity In: Amin, A., Hausner, J. Beyond market and hierarchy. Interactive governance and social complexity. Edward Elgar Publishing Company. 1-31 p.
- Bibó, I. (1948) Eltorzult magyra alkat, zsákutcás magyar történelem (Contorted Hungarian habit, Hungarian history coming to deadlock)  
<http://mek.oszk.hu/02000/02043/html/349.html>
- Berneke, Á. (2002) A globális világ politikai földrajza (Political geography of the globalised world). Nemzeti Tankönyvkiadó
- Blanc, M., Beaumont, J. (2005) Local democracy within European urban development programmes. Tijdschrift voor Economische en Sociale Geografie Vol. 96, No. 4. 409–420 p.
- Booth, P. (2005) The nature of difference: traditions of law and government and their effects on planning in Britain and France In: Sanyal, B. (ed) Comparative planning cultures. Routledge. 259-284 p.
- Cahavnce and Magnin (1997) Emergence of path-dependent mixed economies in Central Europe In: Amin, A., Hausner, J. Beyond market and hierarchy. Interactive governance and social complexity. Edward Elgar Publishing Company. 196-232 p.
- Carver, T. (2004) Diskurzuselemzés és a “nyelvi fordulat”. Politikatudományi Szemle. 13. 143-148 p. Translated from: Discourse Analysis and the „Linguistic Turn”. European Political Science. 2. 2002. 1: 50–53 p.
- Chettiparamb, A. (2006) Metaphores in complexity theory and planning. Plannig Theory 5. 1. 71-91 p.
- Farazmand, A. (2005) Chaos and Transformation Theories: A Theoretical Analysis with Implications for Organization Theory and Public Management. Public Organization Review: A Global Journal 3. 339–372 p.
- Fisher, F., Forester J. (1993) The Argumentative Turn in Policy Analysis and Planning. Duke University Press. 1-19 p.
- Fisher, J. (2000) Citizens, expert and the environment. Duke University Press

- Fisher, F. (2003) Beyond empiricism: policy analysis as deliberative practice In: Hajer, M. A., Wagenaar, H. (ed.) *Deliberative policy analysis: understanding governance in the network society*. Cambridge University Press 209-227 p.
- Flyvbjerg B. (1998) Habermas and Foucault: Thinkers for Civil Society? *The British Journal of Sociology*. Vol. 49 No. 2. 210-233 p.
- Foucault, M. (2002) *The archaeology of knowledge*. Routledge
- Friedmann, J. (2005) Planning cultures in transition In: Sanyal, B. (ed) *Comparative planning cultures*. Routledge. 29-44 p.
- Futurbia Budapest Dialogue (2008) Summary reports on consultation with focus groups <http://www.studiometropolitana.hu/futurbia/letolt.html>
- Gottweiss, H. (2003) Theoretical strategies of poststructuralist policy analysis: towards an analytics of government In: Hajer, M. A., Wagenaar, H. (ed.) *Deliberative policy analysis: understanding governance in the network society* Cambridge University Press. p. 247-264.
- Hajer, M. A. (1995) *The politics of environmental discourse Ecological modernization and the policy process*. Clarendon Press.
- Hajer, M. A. (2003) A frame in the fields: policymaking and reinvention of politics In: Hajer, M. A., Wagenaar, H. (ed.) *Deliberative policy analysis: understanding governance in the network society*. Cambridge University Press. 88-112 p.
- Hajer, M. A. (2004) Diskurzuselemzés és szakpolitikák vizsgálata. *Politikatudományi Szemle* 13. 161-167 p. Translated from: *Discourse Analysis and the Study of Policy Making*. *European Political Science*. 2. 2002. 1. 61–65 p.
- Hajer, M. A., Wagenaar, H. (2003) *Deliberative policy analysis: understanding governance in the network society*. Cambridge University. Press 1-30 p.
- Hansen, A. D., Sorensen E. (2005) Polity as politics: studying the shaping and effects of discursive polities In: Howarth, D. R., Torfing, J. *Discourse in European politics: identity, policy and governance*. Palgrave. 93-116 p.
- Hayward, T., Preston, J. (1999) Chaos theory, economics and information: the implications for strategic decision-making. *Journal of Information Science*. 25. 173-183 p.
- Healey, P. (2006) *Collaborative planning – Shaping places in fragmented society*. Palgrave
- Healey, P., de Magalhaes, C., Madanipour, A., Pendlebury, J. (2003) Place, identity and local politic: analysing initiatives in deliberative governance. In: Hajer, M. A., Wagenaar, H. (ed.) *Deliberative policy analysis: understanding governance in the network society*. Cambridge University Press. 60-87 p.

Herber, A., Martos, I., Moss, L., Tisza, L. (1995) Történelem 1500-tól 1798-ig (History from 1500 to 1798) Reáltanoda Alapítvány

Howart, D. R. (2005) Applying discourse theory: the method of articulation In: Howarth, D. R., Torfing, J. Discourse theory in European politics: identity, policy and governance. Palgrave. 316-349 p.

Hubbard, P. (2006) City. Routledge.

Hubbard, P., Kitchin, R., Bartley, B., Fuller, D. (2002) Thinking geographically. Space, theory and contemporary human geography. Continuum.

Innes, J. E., Booher, D. E. (2003) Collaborative policymaking: governance through dialogue In: Hajer, M. A., Wagenaar, H. (ed.) Deliberative policy analysis: understanding governance in the network society. Cambridge University Press. 33-59 p.

Jacquier, C. (2005) On relationship between integrated policies for sustainable urban development and urban governance. Tijdschrift voor Economische en Sociale Geografie Vol. 96. 4. 363–376 p.

Jessop, B. (1997) The governance of complexity and the complexity of governance: preliminary remarks on some problems and limits of economic guidance. In: Amin, A., Hausner, J. Beyond market and hierarchy. Interactive governance and social complexity. Edward Elgar Publishing Company. 95-128 p.

Konrád, Gy., Szelényi I., (1989) Az értelmiség útja az osztályhatalomhoz (Course of the intellectuals into class power) Gondolat

Korkut, U. (2005) The relationship between democratization and invigoration of civil society: the case of Hungary and Poland. East European Quarterly. Vol. 39 Issue 2.

KSH Központi Statisztikai Hivatal (2003) A 2003-ra vonatkozó nonprofit adatgyűjtés legfontosabb megállapításai (Hungarian Statistical Office Main findings of survey on non-profit sector in 2003)

<http://portal.ksh.hu/pls/ksh/docs/hun/xftp/idoszaki/pdf/nonprofagy03.pdf>

Kurtán, L. (2007) Piaccgazdaságtan (Market economy studies) ELTE Eötvös Kiadó

Kuti, É. (ed) Nonprofit szektor Magyarországon – Siegel, D., Yancey, J. Amerikai gondolatok a magyarországi nonprofit szektor fejlődéséről. (American thought on developing Hungarian non-profit sector) <http://www.nonprofitkutatas.hu/letoltheto.htm>

Laws, D, Rein, M. (2003) Reframing practice In: Hajer, M. A., Wagenaar, H. (ed.) Deliberative policy analysis: understanding governance in the network society. Cambridge University Press. 172-206 p.

Mossberger, K., Stoker G. (2001) The Evolution of Urban Regime Theory: The Challenge of Conceptualization. Urban Affairs Review 36.

- Mottier, V. (2001) Foucault Revisited: Recent Assessments of the Legacy. *Acta Sociologica* vol 44.
- Mottier, V. (2004) Diskurzuselemzés és az identitás/különbözőség politikája. *Politikatudományi Szemle* 13. 155-159 p. Translated from: *Discourse Analysis and the Politics of Identity/Difference. European Political Science*. 2. 2002. 1. 57–60 p.
- Murdoch, J. (1997) Inhuman/nonhuman/human: Actor network theory and the prospects for a nondualistic and symmetrical perspective on nature and society. *Environment and Planning D: Society and Space*. 15(6) 731 – 756 p.
- Orillard, M. (1997) Cognitive networks and self-organization in a complex socioeconomic environment. In: Amin, A., Hausner, J. *Beyond market and hierarchy Interactive governance and social complexity*. Edward Elgar Publishing Company. 57-72 p.
- Pallai, K. (2000) *Urban Development of Budapest – Visions and Concepts in 2000*. Municipality of Budapest
- Pallai, K. (ed.) (2003.) *The Budapest model: a liberal urban policy experiment*. Open Society Institute
- Pallai, K. (2005) *Leadership and Post-Communist Transformation in Eastern Europe: Lessons from Hungary and Budapest*. World Bank PREM Public Sector Group (PRMPS) Program on Leadership in Post-Conflict Countries. May 2, 2005  
<http://www.pallai.hu/index.php?content=54>
- Pounds, N. J. G. (2003) *Európa történeti földrajza (Historical geography of Europe)*. Osiris.
- Ranschburg, J. (2008) *Agykéreg és gondolkodás nélkül élünk ("We are living without grey matter and without thoughts)* Interview with Jenő Ranschburg made by Balla, I. 7. March 2008. Figyelő Net  
[http://www.fn.hu/tech/20080303/ranschburg\\_agykereg\\_gondolkodas\\_nelkul/](http://www.fn.hu/tech/20080303/ranschburg_agykereg_gondolkodas_nelkul/)
- Roninger, L. (1998) *Civil society, patronage, and democracy* In: Alexander, J. C. (ed.) *Real civil societies*. Sage 66-83. p.
- Storper, M (1998) *Civil society: three ways into a problem* In: Douglas, M., Friedmann, J. *Cities for citizens. Planning and the rise of civil society in a global age*. Wiley. 239-246 p.
- Szabó, M. (2003) *A diszkurzív politikatudomány alapjai (Basic discursive political science)* L'Harmattan
- Szabó, M. (2004) *Szimpózium a politikai diskurzuselemzésről. (Symposion on political discourse theory)* *Politikatudományi Szemle*. XIII. 4. 135-142 p.
- Tetenbaum, T. J. (1998) *Shifting paradigms: from Newton to chaos*. *Organizational Dynamic* 26. 4. 21-32 p.

TI Transparency International (2008) Civil society  
<http://www.transparency.hu/files/p/388/6524666805.pdf>

TI Transparency International (2008) Korrupciós kockázatok az üzleti életben  
(Corruption risks in business sector)  
<http://www.transparency.hu/files/p/392/3153835264.pdf>

Torring, J. (1999) New theories of discourse – Laclau, Mouffe and Zizek. Blackwell

Torring, J. (2004) Diskurzuselemzés és a Laclau–Mouffe-féle posztstrukturalizmus.  
(Discourse analysis and post-structuralism of Laclau and Mouffe) Politikatudományi  
Szemle. 13. 149-153 p. Translated from: European Political Science. 2. 2002. 1: 54–  
56. p.

Torring, J. (2005) Discourse theory: Achievements, arguments and challenges In:  
Howarth, D. R., Torring, J. Discourse theory in European politics: identity, policy and  
governance. Palgrave. 1-30 p.

Torgerson (2003.) Democracy through policy discourse In: Hajer, M. A., Wagenaar,  
H. (ed.) Deliberative policy analysis: understanding governance in the network  
society. Cambridge University Press. 113-138 p.

Tosics, I., Dukes, T. (2005) Urban development programmes in the context of public  
administration and urban policy. Tijdschrift voor Economische en Sociale Geografie.  
Vol. 96, No. 4. 390– 408 p.

Uitermark, J. (2005) The genesis and evolution of urban policy: a confrontation of  
regulationist and governmentality approaches. Political Geography. 24. 137–163 p.

Uitermark, J. (2002) Re-scaling, 'scale fragmentation' and the regulation of  
antagonistic relationships. Progress in Human Geography. 26. 6. 743–765 p.

Urry, J. (2005) The complexity turn. Theory Culture Society. 22. 1-14 p.