



## **THESIS BOOKLET**

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**The potential of high street management as an urban revitalisation tool in  
Hungary**

booklet for the PhD thesis

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## **1. Focus of the research**

### **1.1. Aim of the research**

The lively main streets of many Hungarian cities have become deserted in recent decades, while shopping malls have taken over the functions of these symbolic spaces on the periphery of the cities. What can city governments do to turn their main streets back into vibrant, service-rich places? One of the major urban challenges of the second half of the 20th century is the social and economic crisis of city centres, for which several theoretical explanations and practical solutions have emerged in recent years.

This dissertation aims to present the possibilities of Hungarian municipalities in the revitalization of city centres through the tool of main street management, which is less known in Hungary. As an under-exploited and high-potential option among the tools of local government in other countries, the research focuses on the role of local government real estate management as an under-utilised area of service development in city centres.

### **1.2. Research history**

In 2017-2018, I had the opportunity to participate in the research project KÖFOP-2.3.4-VEKOP-15-2016-00002 "Monitoring of Local Government Development II" of the Municipal Coordination Office of the Ministry of Interior, where we tried to explore the organisational and participatory mechanisms of Hungarian municipalities based on empirical research conducted in more than 50 municipalities in Hungary. One of the main findings of the research was that one of the most important factors of municipal success is the presence of a community with a sense of place, which can be contributed to by the presence of a local symbolic main street or main square.

After participating in the comprehensive national research, I worked in parallel with my doctoral studies at the Office of the Chief Architect of the Hegyvidék Municipality of Budapest XII District, where I gained insight into the municipality's architectural, urban development and property management procedures in connection with the development of the main street of Böszörményi út. Finally, between 2019-2022, I worked at the Association of Climate Friendly Municipalities, the largest thematic association of municipalities in the country, where I

gained further practical experience in the formal and informal functioning mechanisms of both small and large municipalities.

### 1.3. Research questions

Research questions	Research sub-questions
<b>Q1. What social and economic processes have led to the emergence of urban subcentre developments and, within this, high street management?</b>	Q1.1. What urban events and socio-economic needs have given rise to urban revitalisation / urban subcentre developments / high street management?
	Q1.2. What spatial processes were the main urban events of the 20th century?
<b>Q2. Which actors involved in the process of urban revitalisation (in the context of high street management) can be identified and what are their objective functions?</b>	K2.1. For which actors could the results of the practice of highway management be of key importance in the Hungarian context?
	K2.2. Which actors could be key to the implementation of highway management practices in the Hungarian context?
<b>Q3. What are the socio-economic drivers of municipal urban regeneration (including high street management)?</b>	Q3.1 What tools do Hungarian municipalities have in the field of high street management and retail management?
	Q3.2. What factors support / hinder the success of municipal high street management?
	K3.3. How can the governance practices of Hungarian local governments be integrated into the framework of urban history and urban governance theories?

## **2. Methods**

### **2.1. Interviews with experts**

The research is primarily based on 96 semi-structured expert interviews - in Hungarian and English - conducted between 2018 and 2023. The expert interviews were based on an online survey and a snowball method, so the composition of the interviews was determined by the willingness of the invited interviewees to respond, in addition to the primary professional aspects.

The expert interviews were conducted in three parts. In 2018-2019, I conducted so-called preparatory expert interviews with experts from abroad and Hungary, as well as with representatives of foreign municipalities and professional organisations. In this phase, I mapped the role of high street management in urban revitalisation and identified the main tools, areas, stakeholders and challenges of high street management.

The largest part of the expert interviews was made up of municipal expert interviews, which I recorded in 2022, where the interviewed interviewees were the heads and representatives of the property management, architecture and urban development offices of the municipalities of the Budapest districts and the Hungarian county municipalities.

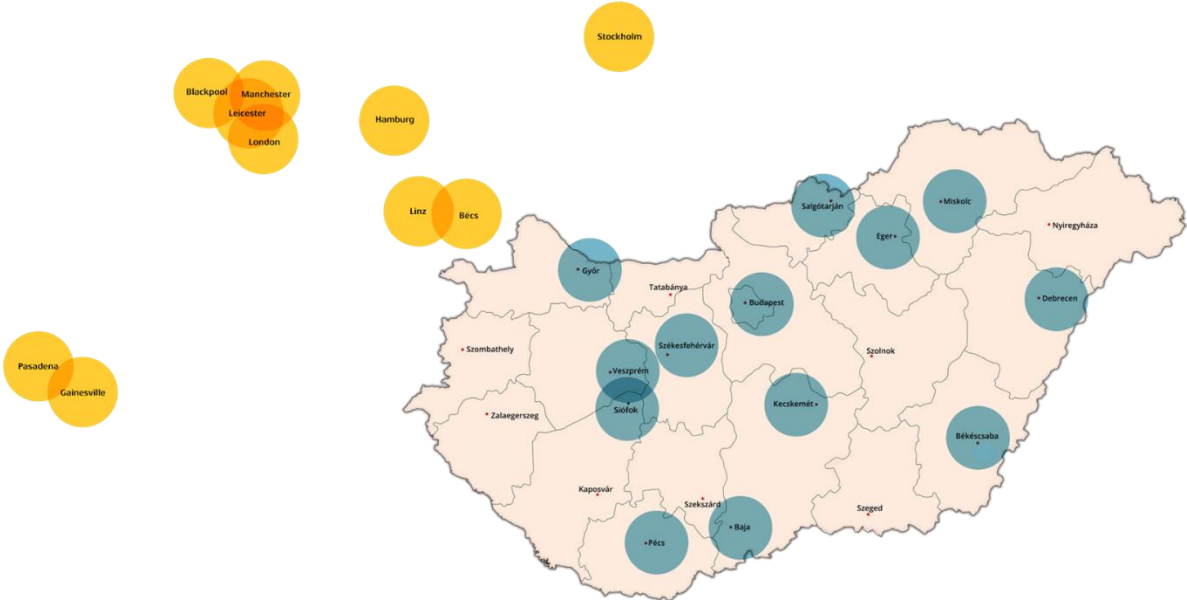
Finally, after the workshop discussion of the draft thesis, I conducted some final academic peer interviews to validate my results, which greatly helped me to synthesise and interpret my research findings scientifically.

### **2.2. Field visits and case studies**

The research included two field visits abroad and several field visits in Hungary to provide practical support for the literature, interviews, and legal and strategic documents. The two field visits abroad involved visits to cities in England, the first to Birmingham and Leicester, the second to Manchester, Blackpool and Liverpool, and expert interviews in the locations studied. In Hungary, in addition to visiting the subcentres and main streets of Budapest, I also visited several cities with county status for field visits and interviews, with a particular focus

on the five Hungarian regional centres (Debrecen, Győr, Miskolc, Pécs, Szeged), as well as the cities of Hódmezővásárhely, Siófok, Székesfehérvár and Veszprém.

*Locations of the expert interviews*



**2.3. Document analysis**

The third pillar of the research methodology is legal and strategic document analysis. In this chapter, I examine the legal framework of municipal asset management in the Budapest districts and the five regional centres with the largest populations among the cities with county status. For a total of 28 Hungarian local governments under study, I conduct a comparative analysis with the following documents related to asset management: (1) the existing local government ordinance on asset management, (2) the existing local government resolution(s) on asset management, (3) the local government concept, (4) the local government strategy, (5) the local government plan, (6) the economic programme or business plan.

### 3. Results of the thesis

#### 3.1. Structure of the research

The dissertation consists of seven main chapters, in addition to Chapter 1 Introduction and Chapter 9 Conclusion. Chapters 2 and 3 provide the theoretical and historical framework for the research, and then the dissertation funnels into a discussion of high street management and, within that, retail management tools. Subsequently, chapters 5 to 7 focus on the Hungarian context only: while chapter 5 examines the role of Hungarian municipalities in high street management, chapter 6 reviews the functioning of municipal premises management, and chapter 7 examines the tools of municipal premises management supporting high street management. Finally, the results of the dissertation are discussed in Chapter 8 Discussion, which leads the reader to the conclusion.

#### 3.2 Socio-economic processes that led to the emergence of urban subcentre developments and high street management

Research question	Research sub-questions
<b>Q1. What social and economic processes have led to the emergence of urban subcentre developments and, within this, high street management?</b>	Q1.1. What urban events and socio-economic needs have given rise to urban revitalisation / urban subcentre developments / high street management?
	Q1.2. What spatial processes were the main urban events of the 20th century?

**K1.1 The decline of town centres and urban high streets after the Second World War, despite the emergence of shopping centres, left a social, economic and symbolic void, which has reawakened the social demand for liveable, function- and service-rich town centres.** Following the Second World War, the degradation of city centres began in Western cities and, to a somewhat different extent and with a phase lag, in the Central and Eastern European region, triggering a significant degree of suburbanisation and urban sprawl. Urban interest groups, recognising the economic and social importance of city centres, have taken



developmental steps to regenerate them, which has been accompanied by the return of the middle class to city centres, and thus by gentrification and reurbanisation. It was from this approach that high street management grew and professionalised in the 1980s and 1990s as a specific, locally focused area of urban management. The second half of the 20th century can be seen as a socio-economic pulse in terms of city centres, with the urban middle class moving out of city centres (suburbanisation, urban sprawl) and gradually returning to the urban core (reurbanisation, gentrification), depending on the livability aspects. Livability and its components, such as service wealth or walkability, have become increasingly important in urban planning and the discourse on urban development in the second half of the 20th century.

**K1.2 Main street management and urban revitalisation can be understood at the intersection of the disciplines of urban geography, urban sociology and urban economics.** The socioeconomic history of urban cores in the 20th century from the perspective of Hungarian cities should be examined in three areas, North America, Western Europe and East-Central Europe. Main street management is nothing more than the professional coordination of local interest groups. A review of the international literature on high street management and interviews with foreign experts quickly revealed that the essence of high street management is coordinated cooperation between local stakeholders. High street management is a low-cost coordination activity that can be used to align the interests of local stakeholders and thus create more liveable city centres.

**3.3. The actors involved in highway management and their objective functions**

Research question	Research sub-questions
<b>Q2. Which actors involved in the process of urban regeneration (in the context of high street management) can be identified and what are their objective functions?</b>	K2.1. For which actors could the results of the practice of highway management be of key importance in the Hungarian context?
	K2.2. Which actors could be key to the implementation of highway management practices in the Hungarian context?

**K2.1 The results of high street management practices are key to the local population, where the success of local businesses is a prerequisite for a vibrant and service-rich city centre.** The local entrepreneurs involved in the management of the high street have a significant impact on the functioning and competitiveness of the town centre, both economically and in terms of the community. In addition, learning and applying existing expertise and methodology in the field of shopping centre management is key to the successful implementation of high street management practices. The approach to shopping centre management can bring significant added value to the field of high street development and management and should be applied to high street management practices.

**K2.2 Hungarian municipalities play a key role in the implementation of highway management practices.** The importance of the pro-active role of local governments is justified by three main aspects: (1) the public sector has the highest level of trust in local governments, (2) local governments know the local specificities and local interest groups, (3) the low level of the initiative of the business and civil sector in the post-socialist region makes the stimulating and facilitating role of the public sector even more necessary. Other initiators of high street management activities could be investors/real estate developers, NGOs, trade unions, government, municipalities, and citizens.

### **3.4. Municipal urban regeneration and the socio-economic force field of high street management**

<b>Research question</b>	<b>Research sub-questions</b>
<b>Q3. What are the socio-economic drivers of municipal urban regeneration (and within this, high street management)?</b>	Q3.1 What tools do Hungarian municipalities have in the field of high street management and retail management?
	Q3.2. What factors support / hinder the success of municipal high street management?
	K3.3. How can the governance practices of Hungarian local governments be integrated into the framework of urban history and urban governance theories?

**K3.1. Hungarian urban local government property management is the most significant untapped potential and the most neglected urban development tool.** The majority of Hungarian urban local governments do not make use of municipal property management as an urban development tool. The primary criterion in the bidding process for municipal premises is the amount of rent offered by the bidder, to the detriment of the urban development aspects of the premises' rental, and the public utility of the market. The most untapped potential for retail development lies in the successful management of municipal premises, both in terms of quantity and quality. The Hungarian local government apparatus can carry out master street management activities through several additional instruments and specialised offices. In the municipal apparatus, a specialised office can be assigned to each of the 6 main areas of high street management (physical urban fabric intervention, transport development, property development, retail development, campaign organisation, event marketing): (1) architecture-urban planning, (2) urban management-urban development, (3) tax administration, (4) property management, (5) public culture, communication, tourism.

**K3.2.1 The success of Hungarian local government property management is significantly limited by the dominance of the administrative operational logic over the other operational logic identified in the research.** Bureaucracy and institutional attitudes favouring the status quo are the main protagonists of Hungarian urban governance. The political and administrative operating logic is the most fundamental in the functioning of local government. These are the two operating logics that are most prevalent in municipal affairs and are often overshadowed by the other two identified operating logics, development and management. Local government decision-making can be covered by four operational logic, which is expressed in different degrees of competition within and outside the organisational levels. A municipality can be successful - in the management of its premises or the performance of its other functions - if it can integrate the four identified operational logics as far as possible, i.e. if it can to some extent satisfy the political, administrative, development and management operational logics simultaneously.

- **political operating logic:** The primary objective of operating according to a political operating logic is to increase political support, maximise votes and build the necessary coalitions.

- **administrative operational logic:** The administrative operational logic aims at full compliance with the law or at least the appearance of it.
- **development operational logic:** The development operational logic aims to implement the steps necessary to achieve a longer-term vision.
- **management operating logic:** The management operating logic seeks to maximise local government revenue in the short or long term.

Based on the representation of the operating logic of local governments, the Hungarian urban municipalities studied can be classified into four clusters based on their operations in terms of premises management:

- **visionary strategists:** The main characteristic of visionary strategists is a clear strong developmental operational logic, alongside which all other operational logics are less significant.
- **managing entrepreneur:** Managing entrepreneurs are, as their name suggests, characterised primarily by the primacy of administrative and management operational logic.
- **managing operators:** Managing operators are characterised by the fact that their activities are undoubtedly guided by the management operational logic, with a low incidence of other operational logics.
- **off-the-beaten-trackers:** In the sample there is a municipality where only the political logic of operation predominates. Finally, the sample contained a municipality where short-term revenue maximisation is not combined with a strong development operational logic.

**K3.2.2.2 The success of Hungarian local government property management is significantly supported by several legal and non-legal instruments.** The legal instruments are (1) rent rebates and free occupancy, (2) rent rebates, (3) right of first refusal, (4) simplified letting in case of unsuccessful tenders, (5) fixed term lease, and (6) group tendering and sale. Municipalities could achieve further significant results in the field of highway management by amending their municipal property management ordinances and their decisions on the rental

of premises within the current national legal framework. By properly coordinating and optimising their human and material resources, municipalities can achieve significant urban development success through the use of municipal premises management, success being a matter of proper coordination rather than financial resources or available assets. The scarcity of municipal resources, which has become a trend in recent years, can also make municipalities more creative, innovative and efficient. Municipalities also have several non-legal, coordinative, small-scale development tools that could be used to support mainstream street management objectives: for example, (1) complex town centre development programmes, as presented in this thesis, and (2) local entrepreneur mentoring.

**K3. The theories of urban governance discussed (elitist, structuralist, neo-Marxist, urban regime, community decision theory) offer adequate opportunities to explore the factors behind the formal decision-making of urban actors in Hungary, especially of local governments.** Among the theories of urban governance, the one that comes closest to the Hungarian model of urban governance is the urban regime theory.

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