INFLUENCE OF PLANNING AND CIVIL INITIATIVE, AS A FORM OF PUBLIC INTERVENTION, ON GENTRIFICATION

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The main purpose of this paper is to establish the connection between gentrification and planning, as a form of state and civil intervention, along with citing instances of local community reactions to negative effects of gentrification. The work examines how these two forms of public intervention, by means of implementing measures/actions, influence positive and negative effects of gentrification and contribute to maintaining balance between them. Furthermore, it explains how they act in service of public interest. The main criterion for the selection of research examples has been the form of intervention implemented (measures/actions, that is, their diversity). Most examples have been drawn from the USA where, on account of its liberal economic system, the power of planning is weaker, negative effects of gentrification are more dominant and gentrification itself is considered a negative phenomenon. The main objective of the analysis is to determine how to minimize the negative effects. A small number of examples presented have been taken from developed European countries, since those states exert stronger influence on planning and the state/community is more responsible for housing problems and existence of different groups of individuals in the community. Those instances illustrate the maximization of positive effects. In addition, some examples have been drawn from transitional, post-socialist Balkan countries where anti-planning attitude is dominant and negative effects of gentrification are more present. Given their effects on gentrification, the most successful measures/actions, applied in the form of public intervention, ordered by category, are as follows: affordable housing, jobs, local regulations, partnership and direct actions.

Key words: gentrification, positive and negative effects of gentrification, planning, civil initiative.

INTRODUCTION

Gentrification, which started as a spontaneous urban renewal process, has been attracting attention of wide range of experts (urban planners, architects, economists, sociologists, demographers, etc), managing structures, students, public, etc, for the last 40-50 years. Since it is a complex, profusely written about process, this study will begin by briefly presenting the main regulators of the process, followed by a thorough examination of the connection between gentrification, planning and civil initiative. The main goal of the paper is to establish the relation between planning and gentrification. However, the research led to conclusion that the role of a local community is also important. When planning does not function efficiently and on time, the local community assumes the main role and with intensive campaign, along with non-profit and non-governmental organizations, contributes to minimizing negative effects of gentrification. In conclusion, the paper states the most successful measures/actions summarized by category, considering their effects on gentrification.

PROCESS OF GENTRIFICATION AND ITS EFFECTS

Term gentrification

Term gentrification has no real translation into the Serbian language. The situation is similar in other countries, less developed than the United States and European Union, where this phenomenon is hardly new. The word is definitely of English origin:

- “gentrify” → “convert (a working-class or inner-city district etc.) into an area of middle-class residence” (Oxford English Dictionary, 1993, p.583).

The term ‘gentrification’ was first coined and used in literature by the Marxist urban sociologist Ruth Glass in 1964, who used it to describe the changes occurring in housing projects of the deprived central part of London - East End (Atkinson, 2002, p.2). In other central cities of West Europe and America this phenomenon was noticed later - in late 1960’s, when its study began. The process reached its peak in the mid 1980s and in the end of 1980s. Its interpretation differs:

- among urbanism professionals – the process is usually assigned to the category of urban
reconstruction and, in a broader sense, regeneration, and in an even broader sense – urban renewal. Gentrification is sometimes renamed regeneration, renaissance or revitalization, and it could be introduced into planning documentation, or become a part of a city policy, under that term. “These expressions do not all implicate the same process, some of them may qualitatively differentiate, yet gentrification is the most inclusive term” (Nedučin et al., 2009, p.68).

Kennedy and Leonard differentiate between processes of revitalization and gentrification. They state that the USA is presently experiencing another wave of gentrification (Kennedy and Leonard, 2001, p.1) and that, under certain circumstances, revitalization efforts of the federal government, states, cities and non-profit organizations can lead to gentrification (Kennedy and Leonard, 2001, p.2). For that to happen, all three specific conditions must be present – displacement of original residents, physical upgrading of the neighborhood (particularly of housing stock) and change in neighborhood character (Kennedy and Leonard, 2001, p.6). Process of gentrification “under the discourse of regeneration” (Smith, 2008, p.80) “many politicians, developers and other financiers present as an important urban strategy for renewal of cities” (Milanović, 2011, p.67). Similarly, Badcock states that “by the 1990s, gentrification had been seized on by politicians and urban managers in Europe, North America, and Australia as a strategy for bringing the inner city “back to life” and as a catalyst for urban renaissance” (Badcock, 2010, p.306).

Atkinson states that “governments of the First World countries are nowadays encouraging gentrification through urban regeneration projects with the aim of solving problems of aged infrastructure and evident poverty” (Atkinson, 2004, p.123). Vaništa Lazarević and Đukić, after turning their attention to regeneration of cities as one of the most convincing directions of principle of sustainable development, stated that “by using existing created resources – building inheritance and its conservation, rehabilitation and reconstruction, we, in the same time, raise standard (gentrification) of the broader area, as well” (Vaništa Lazarević and Đukić, 2006a, p.72).

- in economy – it is entirely interpreted through relation between supply and demand on the real estate market or the difference in price, through influence of capital on predominantly central city neighborhoods.
- in sociology – segregation or its opposite, mixed population, migration of certain social groups to certain locations in the city, as well as displacement or, as Freeman and Braconi accurately name it, “secondary displacement – which occurs when new development or gentrification triggers raise of market rents in a neighborhood, causing existing, lower-income families to relocate because they can no longer afford to pay them. While some free-market conservatives may deny that private housing displacement is a legitimate public concern, community activists may argue that any and all secondary displacement must be prevented” (Freeman and Braconi, 2002, p.1).

- one of the most frequently used definitions is: “Rehabilitation of working class and neglected neighborhoods and their transformation into middle class neighborhood.” (Smith and Williams, 1986, p.23).

- *neutral definition of gentrification* states that it is a return of households of middle and higher social and economic status from suburbs into central urban neighborhoods, from where they moved after the Second World War (Libow, 2002, p.1).

- there is a large number of other definitions, which may differ, but they all include two common factors:
  - Physical improvement of old, central-city neighborhoods,
  - The poorer population moving out of central-city neighborhood and more affluent population moving into it.

### Gentrification as a spontaneous and/or planned process and its causes

Opposite opinions in professional literature concerning gentrification are often connected to its categorization as a spontaneous or planned process.

Originally, it did start spontaneously and it could be explained in the following way. Traditional urban growth in Western cities meant the development of suburbs in cyclic circles around the central business core. (Elin, 2002, p.8). Members of higher classes migrated to suburbs, to a polluted and neglected center. The poorer population took their place: minorities, working class, older people, etc, that is, lower classes. Prices of downtown real estate dropped drastically on the account of ruined and dilapidated buildings, shortage of resources for maintenance costs, frequent criminal behavior, socially unattractive environment, etc.

While one part finds what they have been looking for, the others consider suburbs (“suburbia”) to be failure. The old city-center is getting attractive again; there is nostalgia for pre-war urban fabric and its neighborhood. That desirability of a city-center is urged by the slowdown in building, considerations for energy efficiency – usage of existing objects, preferability of vicinity to the job... (Elin, 2002, p.81).

In spite of all the negativities of city-center neighborhoods, they attract new inhabitants for the following reasons: suitable low starting prices of houses in whose reconstruction and equipment is invested, proximity to the city-center, appeal of the city-center (visual pleasure and feeling of city-center cut out by human standard, excitement and dramatics caused by series of attractive locations, integration of functions, multiple meanings, continuity in building...). Often, this population is part of a middle/high class, usually oriented towards freedom and tolerance (Kennedy and Leonard, 2001, p.8).

Various studies have shown that a large number of new residents had no contact with the rest of natives, because they operate in a completely different social environment (Daničić, 2002, p.21). Those involved in this process of conquering the area are called *gentrifiers*. At first, it begins with the process of “mixing” residents (only observed on the city map or in statistic data, not exactly in social sense). With popularization of the neighborhood, the population structure begins to change (Daničić, 2002, p.21). The popularity of the neighborhood grows and prices of real estate and rents increase, too. The neighborhood becomes “branded”, it reflects the life style of gentrifiers.

Andres Duany, considered as one of the most ardent supporters of gentrification today, thinks that it is mainly a spontaneous process. He states that examples of “artificially induced and controllable gentrification have been rare” (Duany, 2001, p.37). By spontaneous gentrification he considers “improvement that takes off without municipal intervention”, and adds that transformation of this type is “driven not by planners but by individuals discovering the excellent urban qualities of the place. The government caught up later, sometimes trying to take credit, often interfering with the natural cycle” (ibid., p.37).

Opposite to that, Neil Smith supports a theory claiming that the process of gentrification is planned in advance and initiated by city authorities. According to him, “gentrification, displaced as a word and renamed to “urban regeneration” has worked its way through to become what is now not only the policy of various European states but also the official urban policy of the European Union” (Smith, 2008, p.17). He states that the process of
Gentrification has considerably changed from the period of "1960s when gentrification was a marginal oddity in the Islington housing market" (Islington – a part of London) until today when it represents "the central goal of British urban policy" (Smith, 2002, p.439) and "as a global urban strategy is a consummate expression of neoliberal urbanism" (Smith, 2002, p.446). The key actors in a spontaneous process of gentrification are (were) middle- and upper-middle-class immigrants to a neighborhood and today, the agents of urban regeneration are "governmental, corporate, or corporate – governmental partnerships" (ibid., p.439). It used to be unplanned, utterly haphazard process and now it is ambitiously and scrupulously planned, and increasingly systematized. Process is under "ongoing transformation into a significant dimension of contemporary urbanism" (ibid., p.439).

Kennedy and Leonard support the theory of a planned process of gentrification, that is, "explicit intention of cities", explaining that "corps of mayors in a number of US cities have made attracting middle- and upper-income residents back to their cities a leading priority, to revitalize the tax base of their communities, the viability of their neighborhoods and the vibrancy of their downtowns" (Kennedy and Leonard, 2001, p.1).

In European countries in transition (the Balkans, East and a part of Central Europe) gentrification of attractive, central city locations is often a planned and controlled process, in most cases not in the public interest. Urban politics, state/city authorities are publicly involved in the process of "urban regeneration" only to realize their personal interest and interest of those who initiated it (in the first place, investors, developers and alike) (Petovar, 2008). In this case, gentrification shows its "other" side.

In order to establish whether gentrification is spontaneous or not, it is important to mention two theories – economic (production) and cultural (consumption) explanation of the process initiation (Hamnett, 1991, p.175). The cultural explanation supports the position which considers gentrification a spontaneous process. It is based on a thesis that gentrification represents direct consequence of post-industrialization and professionalization in large capitalist cities, that is, creating new middle-class (Hamnett, 1991). Duany states that its goal is "great urbanism" (Duany, 2001, p.37), which brings benefit mainly to members of middle-class who settle in a gentrified area. In addition to that, he also claims that the process is completely natural – "Middle-class Americans are choosing to live in many inner-city neighborhoods because these places possess urban attributes not found in newer residential areas, and this flow cannot be regulated away" (ibid., p.40).

The position which considers gentrification to be a planned process could be supported by the explanation of gentrification through economic model which is based on the thesis stated by Smith. He emphasizes that, in the first place, it is initiated by investors, entrepreneurs, real estate owners, banks, local authorities and media. Rent-gap is one of the basic prerequisites for gentrification. It is a difference between the present price of city areas with attractive locations inhabited by low class members, in which it had not been invested for a long time, and the price the locations would have if they had a different use, for instance, luxurious housing (Smith, 1986). Every participant in this process has a common goal – to use a concrete plot of land for the purpose which will bring them the largest possible profit. Redfern concluded that gentrification represents a new way of adding market value to real estate (Redfern, 2003, p.2353).

Every city has its own story and, depending on many factors, gentrification could be spontaneous or planned. It could originate spontaneously, and city authorities or some higher instance could be involved later, or, opposite to that, it could start as a planned activity and then develop spontaneously. "Whether induced or spontaneous, once gentrification begins, the chain reaction tends to continue" (Duany, 2001, p.36).

The effects of gentrification

Effects of gentrification, which are consequences of physical, functional and social changes, are complex, sometimes contradictory and widely vary, depending on local circumstances.

Positive effects are desirable: better form and image of gentrified areas, and consequently the city center itself, rising and maintaining attractiveness of a nearby environment, diversity and better quality of facilities, raising cultural and educational level of the population of that area (neighborhood), increased standard of living, reduced crime rate, etc. It is generally considered that mainly newcomers benefit from positive effects of gentrification, while the local population is socially and economically marginalized. Negative effects are usually seen as social injustice, since wealthy, usually white, newcomers are recognized as "improvement to" the neighborhood, while its "old" residents must move out on the account of increased rent prices and economic changes. It could be said that gentrified neighborhoods become "victims of their success" (Grant, 2003, p.1). Gentrification could lead to serious conflicts, deepening gaps between races, classes, cultures. "Old" residents feel that they are "drawn into fight", ignored and excluded from their communities (ibid., 2003, p.3). Local population accuses newcomers (gentrifiers) that their effort for improvement of local conditions is hostile, even racist. They think that their displacement is forced and anti-democratic because it denies the right of self-determination of existing community (Wetzel, 2002, p.3).

Already at this point it could be perceived that there is a dichotomous classification concerning European and American experience (more will be said on this subject later in this paper in the section "Examples from praxis" and within it "New policies of housing in developed European countries"), caused mainly by a difference in influence of planning and its relation to market mechanism. Presence of planning, which represents public interest, and market, which represents private interests, and their cooperation is essential for creating fewer negative and more positive effects of gentrification.

Negative effects, which in extreme cases could be even considered racist with respect to local population, are more typical of the USA, on the account of its limited influence of planning. Smith states that "consonant with the importance of the state in the new wave of urban change, it is not in the US that this process has proceeded furthest, but rather in Europe" (Smith, 2002, p.443). Petovar explains that "in the Great Britain, there is already a traditional conviction that a community/state, through planning and its measures, is responsible for providing proper housing conditions for poor, and even for families with an average income, while in the USA, solving housing problems is an individual problem" (Petovar, 2003, p.204).

That is the one of the reasons why negative effects of gentrification are more visible in the USA. In developed European countries, planning has a greater influence and that is the reason why the statement that gentrification is positive for everyone involved in this process is more accurate for these countries. An extract from Duany could be quoted in order to explain what benefits it brings to local population, for he states that "present homeowners usually benefit from gentrification". They get better prices for their homes if they sell. If they remain in the area, there is a general
improvement in the quality of life as a result of improved consumer services, higher tax bases, and the beneficial effects of middle class vigilance over municipal services" (Duany, 2001, p.38). Or, Cravatts, who explains how everyone could benefit from market conditions that encourage building of new housing projects, especially tenants – "as new housing is created and neighborhood residents who had been renters become owners of new units, their old housing, (much of it rental), is freed up for a whole new group of renters who either move from less desirable units (freeing up more units) or come into the neighborhoods for the first time." Thus, gentrification, by making a community attractive to investors, actually enables many renters to move up the housing ladder into presumably better apartments, without displacing tenants and by making their old units available for yet another set of renters below them" (Cravatts, 2007).

**PUBLIC INTERVENTION AND GENTRIFICATION**

Given the fact that gentrification is basically a spontaneous process, the influence of planning, as a form of state/civil intervention, on its positive and negative effects, is examined through its measures/actions, all aimed at protecting public interest. The question remains what level of involvement, intervention, control in planning is considered optimal, that is, adequately represents public interest. Influence of measures/actions is optimal when it maintains the balance between effects of gentrification, that is, when its impact maximizes positive effects and minimizes negative ones.

Planning will result in achieving the desirable balance only if the basic causes of negative effects (problems), as well as positive effects, are taken into account, and then the measures/actions, which can help attaining the desirable goal, are suggested. Planning, in this case, is used for: channeling effects in desirable direction, that is, limiting negative effects and inducing positive, controlling future results. For instance, in more successful countries such as Slovenia, alongside with developing market economy, a tendency to develop planning is also present, while in others (such as Serbia or Croatia) a general resolution concerning developing a planning system which relies on market, represents a mere declaration rather than a strategic resolution. In these countries a second rate, half-permeable liberalism is present, creating a large number of social and economic problems, and which has so far resulted in growth without development" (Vujošević et al., 2010, p.61).

- **The USA** is a country with the climate of deregulated planning and liberalization, with emphasis on market. Thornley states the basic characteristics of liberalism: enforcing free market, reducing state expenses, reducing role of government and public sector, especially in regard of social prosperity and equality (Justice), communications, freedom of choice, free initiatives (Thornley, 1993, p.26).

**Civil initiative as a form of public intervention**

Civil initiative represents a reaction of local population, that is, local community and the third/voluntary sector, to negative effects of gentrification. A local community expresses itself through civil societies and local organizations, and "the third sector by its nature represents non-profit and non-governmental organizations", such as various cooperatives, professional and specialized associations, volunteer groups, foundations, humanitarian organizations, territorial groups... (Pantić, 1998, p.26).

"Some of the primary aims of civil initiative are: protection of public interest and public property in the area of local community, civil rights protection, especially protection of their property and its value, improving the quality of living and satisfying everyday needs of citizens, inclusion and cooperation of different actors in the local community on programs of interest for local community, it’s citizens and the city in whole" (Petovar, 2003, p.135).

Cooperation of different forms of civil initiative with local administration enables more efficient and better quality work on both sides, creates important conditions for improving quality of everyday life of citizens and forms the framework for a long-term stable and democratic development of the community. Civil initiatives are not isolated and it is very important for them to connect with the institutions of the system (with different civil services) and to cooperate with civil services on different projects/initiatives, inasmuch as many of them by definition need cooperation with civil services (state, city,etc) and public initiatives. "Despite the fact that the local residents of the gentrifying neighborhoods may not be able to be involved in the decision-making, interactive civil programs could guide them to widen their horizons and more enthusiastically experience their immediate surroundings... It is the acme of significance for the inhabitants to get engaged in any process that would change the character of their neighborhood" (Nedučin et al., 2009, p.74).

**Measures/actions influencing effects of gentrification**

Interventions, applied to effects of gentrification, act in the service of public interest and can be divided into two groups: measures and actions. It is expected that they contribute to the improvement of the state and structure of relations in the area, by resolving conflicts, etc.

**In which cases are measures implemented, and in which cases are actions implemented?**

Measures could be called "EARLY actions" because they are adopted immediately before or in the beginning of the process of gentrification. They could be divided into:
1A. – measures which serve to maximize the positive effects (by initiating the process, so that divested city neighborhoods could be physically and functionally improved,...).

1B. – measures which serve to minimize negative effects (real estate laws on housing, environment, etc., regulations, restrictions, taxes,..).

Measures are mainly created by planners. It is important to take care not to discourage investors by rigorous 1B. measures (public control). The balance should be maintained between public and private interest, measures and private initiative.

Actions could be called “POST – effect” activities, since they are carried out in the moment when the process of gentrification is already developed or in the final phase. They can be divided into:

2A. – actions which serve to maximize positive effects (Planning follows gentrification, in order to create an entirely gentrified neighborhood and prevent negative effects. Local administration or city authorities invest in reconstruction of parts of infrastructure, services, public places – pedestrian zones, parks, anything that is of public interest. It is important to stimulate gentrifiers to remain in the neighborhood after gentrification – if they improve the area and if they do not create significant negative effects).

2B. – actions which serve to minimize negative effects (local community or city builds a new housing complex or reconstructs the old ones, so that residential areas could be more affordable for the residents with lower income in order to prevent their further migrations, by opening credit lines for housing, creating new jobs so that local population could be employed, etc.). These actions are initiated mainly by local community and various non-governmental and non-profit organizations.

This type of division into measures and actions, referring to timing of the action in the process of gentrification (before or after it), is general and made for the purpose of their easier classification when mentioned in large number of examples. There are, of course, examples which are exceptions to the suggested classification, but they are significantly less common.

Actors/stakeholders in the process of suggesting and realization of measures/actions are:

• Planners, experts, who possess adequate professional knowledge, sufficient information and ability to understand broadness and complexity of a certain situation/problem. Acting as assistants, they analyze effects, create measures and put forward suggestions to administration/government, so that they can be adopted and presented to public through taxes, laws, restrictions, regulations, rule books, financial assets...
  • Public - usually local community, in coordination with certain non-profit and non-governmental organizations, influences governments by pressuring them to resolve conflicts by implementing certain actions.

EXAMPLES FROM PRAXIS (MEASURES AND ACTIONS)

Various examples have been analyzed with a view to determining which interventions are the most effective. The main criterion in their selection was the form of the intervention implemented, that is, their variety. Most examples have been drawn from the USA where, on account of its liberal economic system, the power of planning is weaker, negative effects of gentrification are more dominant and gentrification itself is considered a negative phenomenon. Given the fact that most available examples on internet and in literature are drawn from this country, they are mainly concerned with minimizing negative effects, that is, 2B actions and, unfortunately, “POST-actions”.

A small number of examples have been taken from developed European countries, since they exert higher influence on planning and the state/community is more responsible for housing issues and existence of various groups of individuals in the community, especially ones with lower income. They have less negative effects of gentrification – the emphasis is on maximization of positive effects.

Also, there is a small number of examples from transitional, post-socialist Balkan countries, involving Serbia and its neighboring countries. Gentrification, as a form of urban transformation, is also present in those countries, but it is “still at an early stage” (Brade et al., 2009, p.234). Since anti-planning attitude is dominant, negative effects of gentrification are more present.

North Docks, Amsterdam, Holland (Treakoor, 2003, p.3)

There are frequent examples of an initiated process of gentrification (induced or planned gentrification has been mentioned earlier in the section “Gentrification as spontaneous and/or planned process and its causes”). To begin with, a location susceptible to this process must be identified, and then subjected to certain measures. This is a way to raise social and economic level of the entire urban area, and after that, the process continues spontaneously.

In this case, an alternative artistic center in working class district of North docks of Amsterdam was financed by the city as a starter of change, with a view to slowly attracting members of middle class to move into this area, followed by artists, and then the rest. Ten years after, when the process came to a close, the rental agreement for art center had run out and it was officially expected, that it would be moved into the next potential zone of gentrification. This initial measure falls under measures 1A because of the initiator and the time of implementation (before process of gentrification), but considering the type, it falls rather under the category of actions. This type of measure is used as a model, one that has already been tested and succeeded, and could be accompanied with other initial interventions, such as:

• Improvement of environment in general – using public investments as a catalyst, attracting private capital funds into the individual development projects,
• Improvement of living conditions through reconstruction of existing dilapidated buildings or their replacement with the new ones,
• Various new facilities, etc.

Brownfield gentrification, Amsterdam, Holland (Treakoor, 2003, pp.14-15)

Treakoor gave concrete suggestions for stopping the gentrification process, which is, in this case, treated as a negative phenomenon. According to him, if nobody is acting or there are not better ways to intervene in a given moment, it could simply be incriminated, and prevented by attacking gentrifiers individually. Gentrifiers listed below should be punished:

• Those who occupy an apartment knowing that the previous tenant had been illegally moved out, should be attacked, frightened to leave (2B.);
• Persons who have double than an average income, and rented an apartment, whose previous tenant, with lower income, had left unwillingly. That incriminate the migration of groups with lower income from the rental residence, even if the moving out was legal (2B.);
• Every person who buys an apartment, which was rented earlier, without the agreement of the last tenant (1B., 2B.);
• An illegal tenant, who belongs to the group of gentrifiers, in the zone which was declared a

\[\text{The origin of every example is denoted next to its heading.}\]
restricted area for gentrifiers. An area is declared a restricted zone when it is in immediate danger of gentrification or the process has just started (2B). The simplest measure is restriction, in a professional and managing sense (1B).

New housing policies in developed European countries (Petovar, 2003, pp.173-178; Avramov, 1999, p.19)

The housing crisis in Europe has also spread mostly in large cities, with the lack of high-quality fair priced apartments for rent and protected rental fees (the situation still being better than in the USA). These are the main causes for gentrification. That especially affects social classes with lower income and sensitive social groups (young couples with children, self-supporting parents, persons with disabilities, unemployed, grown up children leaving parents' home and becoming independent and others). Petovar states that the most important ways to cut the expenses of renting for low income households and other vulnerable groups in developed European countries, approved by a state/city (measures 1B.), are:

- housing allowances,
- housing improvement grants, and
- subsidies.

In contrast to developed European countries, in East, South and some countries of Central Europe, the systems of housing allowances and subsidies for lower income households are poorly developed.

Avramov states the importance of measure 1B.—/socially rented housing/, which refers to apartments given on time limited rents to households falling under the category of vulnerable social groups (Avramov, 1999, p.10).

He also states that in developed European countries, until the beginning of the 20th century, rents had been frozen and life-long tenancy in the sector of private apartments for rent had been used as a social policy measure. However, although the limitations on the rights of the owners of apartments for rent are reduced, established precise and compulsory rules concerning renting and leasing apartments do exist, mitigating negative effects of gentrification.

It could be concluded that measures/actions in most of developed European countries are initiated by state/city/local administration and that they successfully manage to regulate negative effects of gentrification in start. Taking that fact into account, the civil initiative contribution to resolving problems is minimal, in contrast to the USA.

Grbavica, Novi Sad, Serbia (Nedučin et al., 2009, pp.69-74)

Grbavica, a district on the outskirts of the Novi Sad city's core, which was earlier characterized by predominantly ground-floor single-family and complex housing, has been going through a process of gentrification since late 1980s and early 1990s. It started spontaneously, influenced by post-socialist economic revolution and transition of residential construction financing from the state founded collective residential funds to private sector and market-orientation, rapidly increasing city's population and intensifying housing construction and arrival of relatively affluent newcomers into Grbavica.

Since they lacked sufficient capital, private investors bought single, narrow parcels inhabited by deprived single-families. Multi-family houses were built on those parcels and now students, young professionals and young married couples live in them.

"In return for their parcel, indigenous inhabitants received apartments in this or other parts of the city. Even if they decided to reside in Grbavica, unprecedented changes of its structure caused by gentrification would make their living unpleasant" (Nedučin et al., p.73) because "despite displaying some good sides, gentrification of this area has mostly negative consequences" (ibid., p.74). They are not as drastic as in American cities, but they are visible, and they constantly deteriorate quality of life of the local residents.

All changes "have been carried out without a strict, clear and tangible long-term plan" (ibid., 2009, p.73). Nowadays, construction is directed not by planning documentation but by profit. "Investor-oriented urban planning disregarded the volumes of residential buildings defined by the latest Regulation Plan" (ibid., p.74). In order to realize their interest, private investors, ignoring public interest of the community and social responsibility, contrary to urbanistic norms and standards "raised the construction density to an extent much larger than that could be borne by the existing street network. The adequacy of maintaining some street sections was called into question. The absence of high quality public spaces within the residential blocks was observed” (ibid., p.74). It could be said that the visual aspect and the identity of this district are not satisfactory.

In transition countries, such as Serbia and Croatia, the involvement of citizens and their organizations and initiatives in forming the appearance and the character of their neighborhoods, in accordance with their needs and abilities, has been almost completely neglected (Petovar, 2008). It is also the case in this example. There is a lack of holistic approach and process control by the city authorities. Measures and actions influencing effects of gentrification cannot be identified. In future, the public and private sector must be coordinated.

New Belgrade (central part), Serbia (Erić, 2008; Petrović, 2007; Petrović, 2008, pp.62-63.)

"The Belgrade Master plan (2003) defined an attractive role for New Belgrade, emphasizing its regional potential for business activities and launching this area as a new hub, able to respond to numerous requirements imposed by the process of global integration. According to the plan, the New Belgrade central zone is considered to be an area with the highest potential for commercial activities, steadily evolving into a strong business, administrative and cultural regional center" (Stupar and Đukić, 2007, p.8). It could be said that, by building capital objects such as the sports hall "Limes", and investing in infrastructure, the City has initiated the process of gentrification (measure 1A), according to the plan mentioned above and aimed for revitalization. Furthermore, the other conditions, such as proximity to the city centre, excellent connectivity and available sites for large development projects, influenced the attractiveness of New Belgrade to local and foreign investors. "Residential, commercial and business sites have been offered by the Marketing Department of the Agency for Building Land and Construction of Belgrade. Along with some important facilities (luxurious hotels "Intercontinental" and "Hyatt Regency", "Sava Congress Center, sports hall "Limes", the business center "Ušće") they created a new City — a symbol of urban development and the important regional business node" (Stupar and Hamamicgli, 2006, p.31).

Gentrification of the commercial, business and administrative center of New Belgrade attracted new class of people and brought certain spatial and functional changes, primarily by new constructions. "There is a considerable recent growth, marked by fashionable shopping malls, office spaces, TV stations, but also new housing constructions of high quality standards. These-new residential blocks...with middle and upper-middle class... getting some characteristics of gated communities (buildings with developed security systems and playgrounds with controlled access.)" (Petrović, 2007). "The area around the Belgrade Arena gradually becomes the Serbian replica of the Wall Street, concentrating the famous European banks" (Stupar and Đukić, 2007, p.9). There are new,
various, entertainment facilities – cafes, restaurants, fitness centers, aimed mainly for higher classes. The new urban life style is present, predominantly characterized by a consumer model.

This process is followed by some negative effects. “The scope of social and location inequality in New Belgrade (on the whole) is increasing, since the locations mentioned above are exposed to the process of gentrification (improvement of housing quality, primarily by new buildings and increase of social homogeneity of high class neighborhoods), while low quality locations are subjected to ruining in physical and social sense (Petrović, 2008, p.63). “The new segregation... has created new homogenized neighborhoods and even new ‘urban ghettos’. Particularly important are the difficult questions facing urban areas with marginalized social groups such as the Roma people who were not accepted to certain blocks in New Belgrade” (Erčić, 2008). The prices of real estate increased as well as rents. With arrival of new, young people, with money (yuppies) who became the target group as prospective tenants, certain number of old subtenants had to migrate to other parts of the city (distant suburbs) where they could afford to pay the rent. Additionally, there is a tendency among the owners to rent larger apartments and move to suburbs because it is more profitable for them, especially because of the poor financial situation in general. Also, there is a visible “loss of the public space that had never been fully developed in New Belgrade and is now overtaken by big supermarkets and shopping malls” (Erčić, 2008). Speculations concerning the prices of land which city rented to private investors to build their capital objects have been mentioned in the media and they support theories about suspicious relationship between city authorities (politicians) and owners of private capital, characteristic of countries in transition.

There are virtually no examples of measures and actions taken by the city authorities and planners to minimize the negative effects of gentrification that could be cited (except for few housing projects, for young scholars and scientists, built across the New Mercator shopping center, subsidized by the state, which could be classified as affordable housing). When considering actions which serve to maximize the positive effects (housing), it should be mentioned that the city invested certain resources in public places, for example bicycle paths, better traffic arteries, etc., but it is not enough. Exclusive expectations originate from the change in social profile of the population (Petrović, 2008). With regard to the question of civil initiative, the same facts, stated in the previous example, apply (Novi Sad).

Cvjetni trg, Zagreb, Croatia (Čaldarović and Šarinić, 2008, pp.369-381; Čaldarović, 2010, pp.70-75; Gotovac and Zlatar, 2008, pp.53-76; Milanović, 2011, pp.64-71)

The planned construction of business and residential complex in the area of Cvjetni trg in the center of Zagreb provoked violent reactions by the public and among part of the experts on one hand and investors and politicians, that is, city authorities, on other hand. The first were of the opinion that the realization of the project would violate public interest, historical and cultural inheritance, its underground garage would cause large traffic jams, but the other group claimed that its construction would benefit the city and modernize its neglected central city zone.

The private investor, along with politicians and city authorities, intended only to realize his own interests, and ignored the public opinion. Čaldarović sees private investor “as an urban planner, complex actor who not only possesses sufficient funds and wants to invest in part of central pedestrian core of Zagreb, but also appears as the main actor – organizer of the whole decision making process and reconstruction projects, even acts as the selector for the individual solutions” (Čaldarović, 2010, p.72). Provoked by all that, citizens and some of the experts protested, and in that way, a new actor appeared in the process of gentrification in a transitional society. “By direct and open opposing and persistent acting of civil initiative and professional societies, and some of the experts, planned intervention as this one could be slowed down” (Milanović, 2011, p.70), a process which, in this case, represents an early action 1B, applied in the beginning of the process of gentrification to minimize future negative effects. After a number of protests, the investor surprisingly declared that he had withdrawn from the project, but that was only temporary, since the complex was eventually built and, recently, it has been opened for use.

Opening competition for reconstruction works in this part of the city represents measure 1A, as the initiator of the process of gentrification. The cooperation between the authorities (politicians) and the investor is reflected in the investor’s declaration that he would comply with all legal procedures, while exactly opposite happened – The general urban plan of Zagreb had been adjusted several times for this project, which instigated most of the bitter discussions. These types of urban transformations “are better to be carried out in a modern and generally acceptable manner so that cases of this kind could be avoided in future” (Gotovac and Zlatar, 2008, pp.73-74). Čaldarović and Šarinić claim that “when the transitional period is over, the rules of the game will probably be set more rationally, with more participation and responsible planners, city officials and mayors” (Čaldarović and Šarinić, 2008, p.379).

West Harlem, New York City, NY (Harvey, 1999, pp.5-6)

The influence of increased costs, caused by gentrification and blooming of Harlem, upon the population with low income and working class is considerable. They cannot afford to remain in Harlem when they need to move into a different or larger apartment.

The local administration wanted to help revitalization of the area, partly because of gaining economic benefits which potentially existed in this area, since the city previously purchased about 1/4 of dilapidated buildings and land which could be used for significant rehabilitation and reconstruction, and partly to prevent migration of low income population. This action also represents a way to reduce negative effects of gentrification. 2B.

Harvey states the other measures/actions created against migration of this population (Harvey, 1999, p.6):

- Churches form non-profitable corporations for development to build apartments for population with low income /low-income housing/, supported by state loans (2B.),
- Homeownership is promoted through supporting population by counseling and advocacy by local non-profit organizations (1B.),
- Effective use of loans and credits such as purchase money mortgages and low interest rehabilitation loans (1B.),
- The government encourages development of mixed neighborhoods from the aspect of income/blend income housing/ units, since they are considered a favorable environment, which ensures affordable housing (1B.),
- Housing project investors, politicians and local planners provide help in subsidized buildings for those with low income/subsidy. Critics say that this kind of housing is intended for those with middle class income and for the market (1B.),
- It is important to support development/building with local minority contractors, which enables the local population to afford rents and living costs (1B.).
Market and “cultural” industry transformed Lower East Side from marginalized neighborhood for population with low income and minorities into a modern, avant-garde neighborhood which attracts artists and young members of middle class. The city administration was the key partner in “cleaning” neighborhood from poor population and promoting gentrification through strict punishment for drugs abuse, harassing homeless people in Tompkins Square Park and its surrounding areas. Additionally, “Department of Housing, Preservation and Development” suggested the initial measure for attracting middle class into the area - “Artist Homeownership Program” which included renovation of deserted objects/buildings and building of new houses for artists – which promote luxury housing (1A.).

That initiated the creation of a Coalition, a form of civil initiative, which demanded that deserted buildings and all empty land owned by the city were used for housing of local population with low and average income. Problem was solved in such a way that, in respond to the demand by the Coalition, the city government proposed a measure which moderately satisfied both sides – mixed subsidy, allowing the city to sell the land to developers with the agreement that 20% of apartments/houses were to be given below market price for existing tenants in exchange for tax/fee exemption (1B.).

Smith and DeFilippis mention three waves of gentrification in Lower East Side and dramatic changes in the periods of disinvestment and reinvestment, followed by a parallel transformation of cultural economy (Smith and DeFilippis, 1999, p.646). They especially emphasize the events in Tompkins Square Park because they think that they initiated the third wave of gentrification. “The police riot against homeless people, their defenders and local squatters focused national and international attention on Tompkins Square Park…Several hundred of this people were evicted from the park and two-year publicly financed renovation commenced. It’s reopening in 1993 as a much sanitized, high surveillance space was accompanied by a predictable rhetoric of neighborhood rebirth, a judgment corroborated some months later by a resurgent real estate market” (ibid., p.640). All of this marks a concerted political victory of the City against neighborhood opposition to gentrification. Hackworth and Smith are of the similar opinion, stating that “in the third-wave gentrification the state was deeply in the process and overwhelmed community opposition” (Hackworth and Smith, 2001, p.475). This action of investing in public areas of the city (in the Park, concretely) was carried out in order to stimulate gentrifiers from the previous waves to remain in the neighborhood and initiate process of reinvestment (2A.).

New wave of gentrification is more intimately tied up with the circles of international capital. The city benefited from surplus capital, evacuated from Asia after the Asian economic crash in 1997, flooding New York, especially its real estate market. As a consequence, the City authorities began making a surplus from high tax receipts (Smith and DeFilippis, 1999, pp.650-651). Part of that could be used for final formation of gentrified area (2A.).

Suffolk County, NY (Harvey, 1999, pp.6-7)

In Suffolk County there is a tendency to maintain balance between economic revitalization/ renewal as a positive effect of gentrification and migration of low income population. The partnership between local authorities, non-profitable organizations and banks has been established in this case. Harvey states that it enabled:

• Housing counseling (1B.).
• Training of local population for jobs (mainly in retail trade), which will provide opportunities for them to find more profitable employment enabling them to earn enough for rent and increasing expenses (1B.).
• Construction and rehabilitation of affordable housing projects for population with low and average income. “The Suffolk County Payment Assistance Program” supported these families to purchase apartments and houses by non-interest bearing deferred payment loans (1B., 2B.);
• Rental housing for this population (1B., 2B.).

Chicago, Illinois (Harvey, 1999, p.1)

South Loop, the Chicago area in the proximity of the city center, transformed itself because of the transformation of the Chicago industrial economy into services. This area came under influence of gentrification. Warehouses and industrial objects were turned into luxurious objects, only 10 minutes away from the center, initiating rehabilitation of rental residential objects, as well as their change into private apartments. According to Harvey, the Chicago city administration encouraged the rehabilitation of the area by approving subsidies to developers in infrastructure improvement, which represented an instance of using public investments as a catalyst, attracting private capital into the area, as well as partnership of public and private interest (and capital) on projects. This measure proved to be very successful (1A.).

Bloomington, Indiana (Evans et al.,1996, p.1; Harvey, 1999, pp. 3-4)

In Bloomington, gentrification developed freely, helped by the city authorities. That resulted in the lack of low rent apartments during 1980s and 1990s. Harvey explains that the Coalition of Low Income and Homeless Citizens decided to deal with a problem of affordable housing, the problem caused by gentrification, in a very systematic manner. At the local community level, they started planning direct actions organized campaign (2B.) with an aim to force the city authorities to transfer 1.2 million $ of regional fees/taxes into Affordable Housing Trust Fund. During next two months the Coalition had organized series of actions in the City Hall, appeared in large numbers as a regular attendant at the City Council meetings, knocked on the door of citizens with low income and asked for their active involvement. The mayor and the City Council finally agreed to transfer 500 000 $, as a startup capital, into the Fund. The Coalition continued to fight for permanent affordable housing.

This civil initiative was successful for the reasons stated below:

• The organized campaign had clear goals: to found a fund and transfer 1.2 million into it and insure affordable housing.
• The Campaign had clear targets: The Mayor and the City Council as well as individual members of Council.
• The Coalition took direct and permanent measures (2B.), exerting strong pressure on targets summed above.
• The Coalition tended to broaden and focused on recruiting new members and creating new leaders.
• The Coalition took advantage of that year election politics. The Democratic members of Council supported the Coalition goals because they knew that it gained stronger and stronger positions and could influence the coming elections.

When the Coalition won the Campaign, Harvey wrote that some of the key organizers had moved out of Bloomington. The City authorities took leadership in their absence and reduced revenue into the fund, weakening their decisions and promises about affordable housing. This shows that what is gained today could be taken tomorrow, without a constant, strong initiative of local community.
Gentrification in West Oakland, USA
(Harvey, 1999, pp. 9-11)

In case of West Oakland gentrification, more emphasis was put into attracting investments and economic development than migration of local population.

The local population did not possess sufficient political power to create measures which would protect their needs. For that reason, Harvey defines possible preventing measures, which would create a necessary balance:

- Protection of tenants

Two legal regulations, connected reciprocally, which could favorably influence tenants, are:

1. Rent control regulation (1B.)

It requires that apartment owners officially register tenants, which represents a way of protecting them. Accordingly, they can increase the rent only by a limited annual percentage.

2. Law on Displacement (1B.)

Displacement is legal, as long as it is not connected with discrimination and revenge. A notice must be given a certain number of days in advance and a reason must be stated. The regulation must stipulate that a rent cannot be increased by an apartment owner after a tenant moves out or that the owner must ask for a permission from the commission set up for that purpose.

- Possibility of obtaining ownership of the house/apartment

Primarily, this means approving loans to population with low and average income (1B.),

- Running campaigns for discouraging sale of apartments and buildings to speculators advertising on billboards (1B.),

- Negotiating with city authorities to demand from developers to build/rehabilitate 25% of apartments for those with low income (1B.).

As it was mentioned before, the gentrification is concerned mainly with housing sector (Sykora, 1996, p. 73). The “transition from housing-centered gentrification policy to a broad-based multi-sectoral ‘regeneration’” (Smith, 2002, p.444) has appeared only recently. Housing presents a part of a developed public sector. On the basis of previously mentioned examples, it could be concluded that the market model alone, with absence of state/civil intervention in developed, densely built, central city areas is simply not possible. Civil/public intervention is necessary for forming and supporting positive effects of gentrification, as well as mitigating negative ones. Public sector will keep certain jurisdiction and role in creating and carrying out housing policy on different levels of organization of authorities. The scope of public intervention depends on context of a social and political tradition and dominant value standpoints concerning responsibilities of state institutions.

CONCLUSION

Actors’ benefits and losses in the process of gentrification

After all these examples, the question remains who loses and who benefits from the processes of public interventions on effects of gentrification:

- Planers/experts/, by providing successful suggestions for appropriate measures/actions empower their profession and confidence in planning.

- Administrative officers/politicians rarely manage to meet the needs of both sides.

- When the gentrification process is finalized by implementing 2A actions and when a gentrified area obtains its final, attractive look, the city gets its representative neighborhood. It appears that those actors made a major contribution, even if they only acted in the final phase. That gives them positive points for next elections.

- The situation is more difficult when they have to act under pressure from both civil societies and non-governmental/ non-profit organizations because of the negative effects of gentrification. They must find an acceptable financial solution. The results are not attractive enough, not visible enough, as in the previous case, but, because of the possible impact of civil sector in next elections, they are compelled to find a solution. However, if a local population remains in its old neighborhood, gentrifiers are not actually willing to mix with them, and that is evaluated in negative terms.

- By improving a neighborhood, the local community acquires more beautiful environment, lower crime rate, etc, but very often old residents cannot afford residing in a reconstructed environment. That means that if the administration does not take care of that or implements adequate interventions, they suffer loss, because they must move out in more affordable neighborhoods. They usually try, uniled and with a strong campaign, to obtain some privileges and to enforce their position.

- Non-profit/non-governmental organizations (the so-called third sector) act in public interest, not for material gain/profit. They cannot lose; they help others to gain decent life conditions.

- Gentrifiers always benefit. They manage to achieve a high standard of housing in attractive environment, in central city neighborhoods or close to them, in the proximity of business centers.

The basis for all these changes is capital and market, so the question of financing is very important.

- Gentrifiers finance their moving into central city neighborhoods by themselves, through purchasing and reconstruction of buildings/apartments or imposing high rents.

- Planning follows gentrification and, as it was mentioned before, it finalizes this process by investing in its final phases, financed by taxes collected from gentrifiers or rents. If government/administration helps population with the lower income to remain in that neighborhood, this aid is funded by a city (or state) budget or social funds intended for this kind of purposes.

- Non-profit and non-governmental organizations, too, partly finance poor households from their funds. In the USA, the Congress accepts and authorizes non-profit organizations which are exempted from paying taxes on profit, but it defines precisely for what kind of actions and initiatives these organizations are authorized for. They are not prohibited to generate profit, but they are limited in their ways to make it and use it. (Bloodhound Team, 1986, p.1). Banks give loans, credits, sometimes without interest.

The most successful measures/actions in function of public intervention

Positive effects of gentrification are desirable and it is easier to maximize them. However, negative effects raise concerns, the greater effort is put into their elimination and prevention, and this process includes more actors involved. The most successful measures/ actions commonly applied as a form of public intervention against those effects of gentrification could be divided into the following categories:

1. Affordable housing

Local population with low income is enabled to afford decent and affordable housing, which prevents their migration from neighborhood/area in the process of gentrification, by:

- Different kinds of financing (subsidies, credits, tax policies...),

- Various institutional arrangements which enable building or reconstruction of apartments for rent, social apartments, private apartments...

- Consulting and representing activities related
to purchasing of apartments/houses, that is, stimulating ownership of apartments/houses, since the ownership of that type of real estate presents a powerful stabilization factor which helps resisting negative effects of gentrification, • Providing counselling to local population in order to inform them about their rights, • Existence of land and real estate non-profit organizations in local community, • Creating funds for affordable housing, • Rent control, • Restrictions related to migration, • Existence of SRO / Single Room Occupancy/ hotels as a type of available housing.

2. Jobs • Non-profit organizations train local population for jobs in demand on the market, • Hiring local entrepreneurs and workers for building and reconstruction jobs, • Employment of local population in jobs created by establishing new facilities (services, entertainment, culture, health care...).

3. Local regulations • Legal regulations concerning property and ways of using land, building, rent control, moving out of apartments, etc. • Restrictive taxes for moving out and moving into some area (part of the city) • Tax obligations imposed on gentrifiers, with the revenue allocated to funds for more affordable housing, • Maintaining and improving monitoring by local administration.

4. Partnership • Partnership between public and private sector (capital) is an essential measure supporting reconstruction of community, and reducing forces contributing to migration. Tošković states that "urban environmental quality and its sustainability, in the period that bears a heavy burden of the market influences, can’t be achieved without the cooperation of both public and private sectors. That means that the aim should be the creation of a development which is democratically ‘useful’ and opposed to the individual feeling of self-confidence" (Tošković, 2004, p.19). The purpose of this partnership is to gain multiple benefits through different legal, institutional, organizational, financial and other arrangements, that is, to realize specific interests of both private and public sector and, along with that, "added value". It could include actors from different levels, that is, local, regional and state level.

• Partnership between government/ administration, non-profit organizations and banks — with a view to mitigating negative effects of gentrification, 5. Direct actions Local communities (often in partnership with non-profit and non-governmental organizations) with intensive and clear campaign and direct actions, influence (in most cases) city administration and direct actions aimed at preventing migration of local population and mitigating negative effects of gentrification. There is no guaranteed formula for a successful fight. It is best to use different strategies, depending on unique relations and circumstances of every neighborhood (community). Communal spirit and partnership are essential for prevention of negative effects of gentrification and maximization of its positive effects.

References


Influence of planning and civil initiative, as a form of public intervention, on gentrification

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