



## 26 ART AND COMMERCE AS LOGICS OF BUDAPEST'S NEW PUBLIC SPACES

Judit Bodnar

In November, 1996, two items of cultural news stirred public opinion among Budapest's educated circles. A fierce debate that had erupted around the proposed transformation of the art movie theater network ended with the announcement of plans for the restructuring of the network (in operation for six years at that time). This came after several months of bitterness and resentment—a process seen by many as the beginning of the precipitous decline of the institution of art film distribution in Budapest. Meanwhile, the first big shopping and entertainment center—also containing a multiplex cinema—the one-million-dollar, paradoxically named *Pole Center* opened on the outskirts of the city. It made a forceful debut not just on the itineraries of the city's Christmas shoppers but also on the cultural scene. Even the traditional New Year Eve's cabaret of Kossuth Rádió, the public-service national radio station, was broadcast from the new mall. Featuring an American-style multiplex movie theater and several other spots of culture broadly conceived, it was bound to make a clear mark on the map of cultural consumption practices in Budapest.

Privileged sites in the changing urban landscape of postsocialist Budapest are its public spaces. This paper examines these two genres—art movie theaters and malls—that have recently emerged in the city, and recounts their stories in terms of cultural globalization.

The network of art movie theaters emerged in 1989, following a series of organizational changes, starting with the dissolution of the state-owned film company's monopoly on distribution in 1987 and ending with the formation of *Budapest Film*, a company that was running all cinemas in Budapest, that became the property of the municipal government due to political changes in 1989. *Budapest Film* became the legal successor of *FMO*,<sup>1</sup> the capital city's state socialist monopoly film distribution and management company. The idea of creating a separate art movie sphere was conceived as wide scale marketization and privatization pervaded all areas of the economy including the entertainment industry. The initiative came from people who, having worked at the state-owned film company—a state socialist monopoly—now moved to the reconfigured *Budapest Film*. As cultural bureaucrats and managers, they matured during the last mellow and gradually liberalizing years of state socialism. Some, including the general manager of the new company, also had a brief experience with international distributors, having been involved in the creation of a joint stock company by *United International Pictures* (UIP), the first foreign distributor to enter the Hungarian market—a company that was transformed into a fully foreign-owned subsidiary in 1992—as well as *Budapest Film*.

According to the recollections of *Budapest Film*'s CEO, it

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was some high ranking managers' "professional conviction that a network of art movie theaters had to be created to provide the citizens of Budapest with an alternative cultural supply of quality art that should belong to the city in the same way as theaters or libraries do". Relying on the financial and political support of the municipal government and the still existing *Film Authority* at the Ministry of Culture, they started the gradual process of converting some of the city's small cinemas into redesigned, technologically updated art cinemas.

"We chose a few theaters from among those that only used to be referred to as the 'small and dirty' ones, those that could not have remained cinemas in a market competition and would have been converted into car showrooms or stores. We wanted to preserve them as cinemas, so we had to find a new function for them."

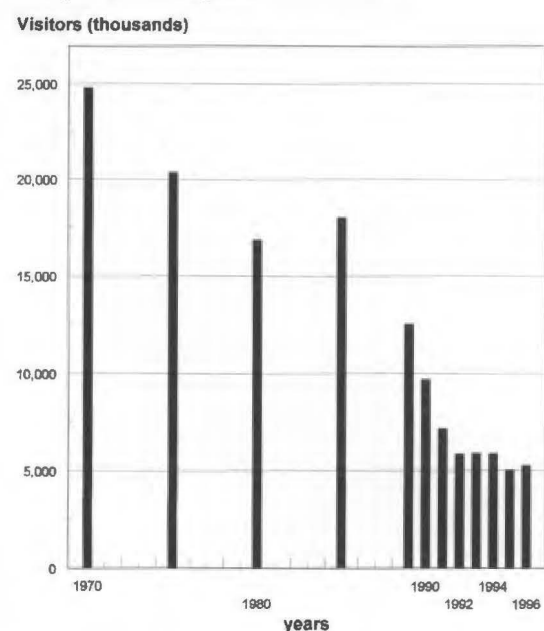
explains one of the progenitors of the Art Movie Network. The establishment of *Budapest Film* and its Art Movie Network<sup>2</sup> in 1989 was possible as a combination of two main factors: the opening up of the movie market that showed the sheer force of global competition and the personal informal network ties of the key actors of this institutional invention to all authorities involved—an asset they had accumulated, largely inadvertently, during their tenure as cultural managers and mid-level cultural bureaucrats during the last phase of state socialism. In this regard, *Budapest Film* is a clear example of one prominent type of institutional transformation isolated in the economic sociology of post-state-socialism; the form that relies on informal managerial asset structures.<sup>3</sup> This process is sometimes lamented, especially in the popular press, as a way in which structures of an uncanny past survive; the irony of the case of *Budapest Film* is that it also reveals a

supreme sense of institutional creativity, very much in line with the tastes and preferences of a large segment of the citizens of Budapest.

By 1990, the spectacular success of the art movie theaters became the talk of town. Not only did the number of visitors fail to drop because of the presence of for-profit commercial competition fortified by international capital, but it registered actual increases. With an audience that celebrated the enterprise as a form of lifestyle resistance to the increasing dominance of Hollywood movies consumed with popcorn, *Budapest Film* was also able to make some profit and took special pride in its Art Movie project.

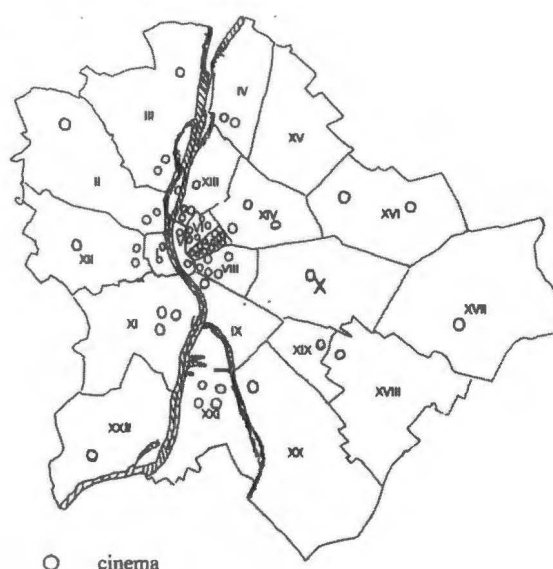
The success of the Art Movie Network is especially remarkable in the context of the fading significance of movie watching on the cultural landscape. Attendance of theaters had been gradually declining since the 1950s. It reached a moderate local maximum in 1985 only to drop quite sharply afterwards (Figure 1). As products of what Lenin called in the early twenties "the most important art," films were screened in more than 300 movie theaters in the city of less than two million in the 1950s. The cultural policy of high socialism that aimed complete provision in the city started to subside well before the collapse of the regime as the state-run national television program took over, during the sixties, many mass entertainment functions provided previously by movie theaters. As cultural subsidies from the state became scarcer during the early eighties, many theaters with low attendance were shut down, especially on the outskirts of the city. It is not surprising, then, that following the radical expansion of the realm of the market in cultural goods in 1989, the number of theaters shrank even more: while in 1989, still 58 theaters operated, there were only 35 in 1996. The geographical distribution of this change shows a further concentration in the inner-city areas (Maps 1 & 2).

**Figure 1** Annual Number of Visitors at Movie Theaters in Budapest (Selected years, 1970–1996)



Sources: KSH 1980, KSH 1996 and Nepszadsag, September 15, 1995.

**Map 1** Budapest Cinemas, 1989



Sources: KSH 1989.

Map 2 Budapest Cinemas, 1996

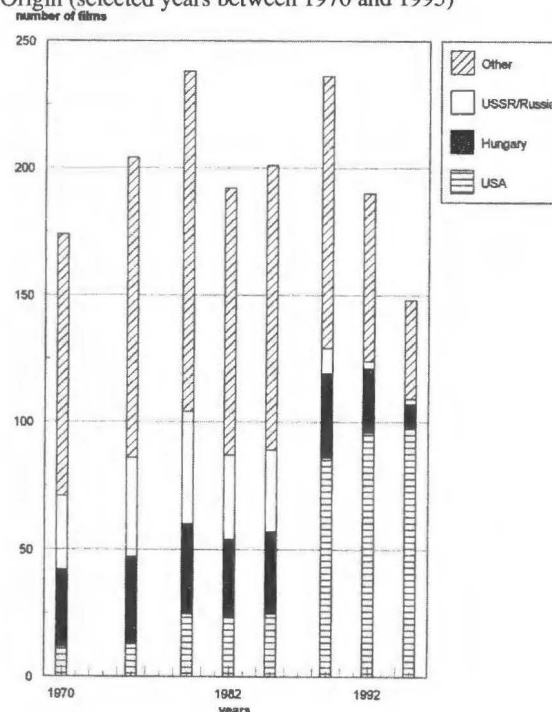


Sources: KSH 1996.

Considering these numbers, the presence of 12 art movie theaters (over one-third of the total) signals a curious strength. This saturation of the movie scene with art movies is unique, even for Europe. (For instance, Berlin—over twice the size of Budapest—has fewer functioning art cinemas, and those are typically in the dilapidated, low-prestige, low-rent parts of town.) Movie-goers in Budapest have a choice of more than a hundred different films each week.

The creation and operation of the Art Movie Network was a creative response to what had been conceived as the irresistible globalization and homogenization of the film market under the aegis of Hollywood. The cultural diversity of new releases that had been gradually declining for some time, as shown in Table 1, shrank radically around 1989. This created a short period when the artistic poverty of the cinema scene and the power of the global market became a concern even for those who had never been outspoken advocates of the arts. The Art Movie Network has not stopped the overall shrinking of the diversity of *new releases* in Budapest (see Table 1 and Figure

Figure 2 New Films Released in Hungary by Country of Origin (selected years between 1970 and 1995)



Sources: Nepszadsag, July 5, 1996, p. 15 and KSH 1980, Table 18.

2). It is striking, however, that the diversity that does exist is due almost entirely to the Art Movie Network. They do this by presenting a very broad selection of replays of films. Art movie theaters do not show only locally produced films nor entirely art ones. They feature an emphatically multinational selection of 'quality films'—including U.S.-made ones. These art movie theaters represent a resistance to cultural globalization *without resorting to a nationalist code*.

To the contrast of the local vs. the global—the apparent distinction of the globalization universe—these institutions oppose a different contrast, rooted deeply in a practical reading of the Frankfurt School's aesthetic analysis, strongly present

Table 1 New Films Released in Hungary by Major Countries of Origin (annual %)

	1982 %	1985 %	1989 %	1992 %	1995 %
Hungary	16	16	14	13	6
U.S.A.	13	13	36	50	69
United Kingdom	1	3	5	5	4
France	5	6	9	12	8
Poland	4	3	3	0	1
(West) Germany	6	4	3	2	0
Italy	8	6	6	5	4
Romania	5	2	1	1	0
USSR (Russia)	17	16	4	2	1
other	25	31	19	10	7
total annual # of films	192	201	236	190	143

Source: Nepszadsag, 1996. július 5.

since at least the early sixties due to the theory work of Georg Lukács and his disciples known as the Budapest School of philosophy, the political code of socialist cultural policies, and the practical efforts of state socialist Hungary's vast network of cultural institutions (preserved in the minds, orientations and professional habits of their personnel): the distinction between good and bad art or, the contrast of Kitsch vs. high art. The practical reading of this opposition, however, is not a crusader's mercilessness on commercial cinema; only a conviction that the market is not the only valid measure of artistic value and that high art also has to be shown. The creation of the Art Movie Network signals an insistence on "quality" entertainment and high art in the name of diversity. It is not only memories of critical theory but also recollections of marketing classes and a solid respect for the market that explains the operation. With more than three hundred thousand, or approximately 23%, of the city's population (KSH, 1997:356) over 25 years of age having graduated from an institution of tertiary education, the distinction between high and mass cultures is clearly well-established in social circles quite beyond the narrow confines of cultural elites. With national television programming going ever more clearly for the Hollywood segment, and the increasing takeover of the commercial cinema scene by Hollywood distributors and their staple, the Art Movie Network was understood to be an institutional niche where 'quality' was preserved and provided to those interested. With ticket prices 30 to 50 percent *below* that of the commercial movies, the Art Movie Network was available to the most ardent and demanding section of the movie audience in Hungary: students in secondary schools and higher education. (Because of the relaxed admission policies, efforts to control unemployment, and certain demographic factors, the number of full-time students in tertiary education increased by two-thirds in Budapest; the respective figures for secondary schools increased by more than 20 percent between 1990 and 1996).<sup>4</sup> The image and marketing of art movie theaters follow a comprehensive understanding of cultural distinctions and their relationship to consumption. Art movie theaters are a genre that accommodates a certain idea of public space and its audience with the consumption of appropriate movies, internal designs, cafés, bookstores, reading rooms, even alternative designer clothing that can be all located in the cinema, whose consumption element is kept very low key.

As an institution of resistance, the Art Movie Network would have been impossible without globalization—neither its current opportunity structure nor the pressure to use it would exist. Meanwhile, they have carved out their own space and identity by resisting "Americanization" or "Hollywoodization." The Art Movie Network forms an institutional development that insists on the diversity of the cultural process, creating a multidimensional representation of globalization. The institutional setup is a key to its success.

The Art Movie Network's theaters belong to *Budapest Film*. First it was a company of the local municipality, managing theaters owned by the municipality, then it became a joint-stock company in 1993 into which the ownership of the theaters was added. *Budapest Film* has never run all the

theaters: It subcontracts most of them to entrepreneurs in contact with the company. They kept three of the twelve art-movie theaters and gave almost complete independence to the managers of the individual theaters. *Budapest Film* looked for devoted people and institutions with professional interests in shaping theaters in their own image and interpretation of film culture. The pool of such partners included film studios, workshops, the Hungarian Motion Picture Foundation, the National Film Archives, and even some previous theater managers. Each art movie theater has its own specialty area, series of films, interior design and aura.

The network's economic survival is ensured by a delicate financial scheme. Management of theaters that can be supported by ticket sales and auxiliary activities is only part of the story. Low rents are just as important: Set around 10–20% of market rents, this form of subsidies has been kept so by cooperation between the municipal government and *Budapest Film*. Further support comes from the company's distribution business. Most of the movies showed by the network are bought and distributed by *Budapest Film*. Although distributors are entitled to commissions of up to 43 percent of the ticket revenues, art movie distribution is not a profitable business. *Budapest Film* distributes 30–35 art films and only a few commercial movies each year. This orientation translates into an annual loss of \$ 250–300,000. The company that makes considerable profit on running a few commercial theaters and from leasing others to entrepreneurs, sinks a considerable part of its profit in its art movie mission. The municipal government that had owned the buildings until recently "did not expect the company to realize huge profits, only to manage their assets and provide the citizens of Budapest with a cultural service without requesting further support from them" sums up the general manager of *Budapest Film*. The company as a whole is profitable, in spite of its system of cross-financing whereby the losses from the art movie operation are offset by siphoning the profits from commercial sales.

The public service function and the economic rationality of the company produce a remarkably easy cohabitation quite surprising for an outside observer. Interviews with the managers radiate a conviction that art and commercial theaters cater for two different segments of the market. The management's preference does not lie in taking sides in the contrast of "art" as opposed to "commerce," rather, in a diversity that can be guaranteed only by this "self-subsidizing" scheme. Their managers' professional identity centers around "quality" films, foreign and Hungarian alike. They love movies of any kind that show signs of talent but they are also businessmen who have a keen understanding of the market to the extent that they try to think ahead. They are gifted survivors who found a proper institutional form to capitalize on formerly public assets by bringing former state property into a company that was bound to be privatized eventually. They combine business and pleasure—a mix that leaves some personal element, quite unusual for a business of this size, in their operation. *Budapest Film*'s CEO regularly sits around in the café of their new movie theater and watches the audience while sipping his coffee.



Management is not worried about competition from newly emerging complex entertainment facilities—the malls that accommodate multiplex cinemas—because of their applied, almost Bourdieuan “sociology-of-culture” conviction regarding the split nature of the movie market. Nevertheless, it was *Budapest Film* that opened the first multiplex cinema in Budapest—one that is not quite a multiplex though. In 1995, the company sold some of its real estate property that could not have been run profitably to raise funds for the new enterprise. The three-million-dollar project renovated and redesigned an old cinema on the margin of Budapest’s movie strip, in a busy public transport hub with a subway station. The new theater, *Corvin*,<sup>5</sup> has high-tech features: the best available sound system in town and screens in all the six auditoria. Advertisement builds on this image: great picture, sound and comfort. There is more legroom in *Corvin* than in any other multiplex, including those this author has measured in New Jersey. Its grand opening took place in 1996, and it is predicted to bring the investment back in two to five years. “Corvin is not really a multiplex, it is only a multiplex-type of a cinema,” claim the owners. They made this point also by naming it *Corvin Budapest Film Palace*. It exhibits many features of a multiplex; it has several auditoria, high-tech projection facilities, popcorn and soda in three different sizes sold in the lobby, first-run Hollywood movies and the paraphernalia that come with their effective marketing, such as *papier-mâché* Disney characters in abundance. But this is encased in a distinctly urban architecture, an interior space design by a chic name designer, that accommodates a small *Rick’s Café Americain*, an art-video rental place—another one of *Budapest Film*’s ventures—and has an overall theme that speaks about the global history of cinema. One of the six movies played at a time is usually an art movie and the “Palace” also serves as home for current Hungarian cinematography. *Corvin* is a hybrid just as the company that created it.

“We wanted to transfer some of our art-movie experience and create a sort of intimacy. Not to relegate it to some feeding-entertaining complex, but to elevate it to some communal space. It may be an illusion...”

explains the general manager of the company. But the elevated palace of a commercial cinema is doing fine.

The creativity of the response *Budapest Film* gave to the twin challenges of globalization and privatization is revealed in the *recombinant institutional form* (see Böröcz, 1993 and Stark, 1996) it represents; it is neither completely private nor entirely public property and it is an economically rationalizing actor with a cultural mission. Its internal system of cross-financing is something that annoys international auditing and accounting companies: it is uncommon and something that is difficult to classify in their logic. This may turn out to be a disadvantage also when applying for loans.

It is this constellation that seemed to end in 1996, generating intense media attention around *Budapest Film* and the Art Movie Network. In connection with its holding-type privatization, *Budapest Film* proposed to abolish its practice

of cross-financing and make the Art Movie Network what they call “independent.” The idea was to put aside a sum to establish an endowment whose annual interest earnings would be handed out to support art movie theaters in proportion to their art movie content. A board would determine what constitutes an art film. *Budapest Film* emphasizes the financial independence and security it would give the network that, thus, would not depend on the generosity and fortunes of the company. In exchange, *Budapest Film* would abolish rent subsidies and the theaters would pay much higher market rents. The company claims that this would only be fair since the new system would make theaters do better professional work and end abuses of the use of space, such as subletting parts of the theater to businesses whose profile does not fit that of the cinema and charge them quasi-market rents. (Whereas it is a general practice to accommodate auxiliary activities in the building, those activities should be in line with the main genre: small cafés, noncommercial book stores, video rentals, etc. Two art-movie theaters that were located somewhat marginally violated this expectation by subletting space to a sports store, a travel agency and even a currency exchange booth—an unfortunate practice that legitimized partly the “reorganization” rhetoric of the company.)

Disagreement came mostly from the partner institutions running the art theaters. Some movie managers are just as good economists as the managers of *Budapest Film*, although from a younger generation (thus having acquired practically their entire managerial experience after state socialism). While the company was able to present convincing figures to those who worried about the endowment not covering increased market rents, the art movie managers pointed out just as convincingly that inflation—between 15 and 25 percent during the first nine years after the collapse of state socialism in Hungary—may diminish the promised financial security of the network. They see the economic rationality of making rents compatible with the market but argue bitterly that cultural production and consumption have a logic that is distinct from that of the generic, “raw” notion of the market rampant in central European capitalism today. The hybrid institutional form that worked for the company may not be applied for individual theaters.

“You can’t create your own image that takes a long time and run blockbusters and sublet space to a grocery store on the side. Those are incompatible.”

claim the theater managers most vehemently protesting the proposal. They picture a stronger art movie market in Budapest with fewer cinemas, which would definitely include the three theaters run directly by *Budapest Film* that attracts almost half the audience of the network (Sznyei, 1996). The cultural consequence of this would be the shrinking of the diversity that makes the network so interesting now. “This will mean the narrowing of culture, a closing of our playground” predict the young managers of the theater that is most committed to independent cinema and to hosting alternative film festivals.

In spite of the excitement this “reorganization for

independence" proposal generated, it was unanimously accepted by the Art Movie Section of the National Cinema Association. There seemed to be a consensus on the overall necessity and direction of changes: "the network had to become more compatible with the logic of the market." And no one could come up with an alternative proposal better than that made by *Budapest Film* that was similarly "European-quality, market-conform, and sector-neutral." This rhetoric rhymes well with that of the general reorganization of the economy radiating from the political sphere. The survival of the two art movies that, being located in private property, are not protected from market-level rents, even today, and are therefore in a disadvantageous position, is fully used in the argument. One should note that one of them is run by one of the promoters of the new institutional arrangement, also an employee of *Budapest Film*, while the other is a small dilapidated cinema that looks very marginal, the only one located in a basement. "We cannot provide a safety net for the network, especially not forever" argues *Budapest Film*. But that is exactly what they have done so far and with great success at that. The essence of the reorganization project is indeed creation of a more market-compatible institutional form that is to make the company a stronger economic actor. A new joint stock company of *Budapest Film* would specialize in distribution, another would handle all real estate of *Budapest Film* and charge art movies higher rents, which in turn could apply for support from the *Budapest Movie Endowment*.

The story is not only about a particular company. Until this proposal for restructuring, the economic and cultural policy of *Budapest Film* simulated the subsidy provisions of the redistributive state on a smaller, more transparent, scale. Now it also simulates the state—this time the east European "runaway state" (Szilágyi, 1997)—that is escaping its former redistributive "duties," abandoning those activities that can be construed in a narrow-minded market logic as undue generosity. Times have changed. The municipal government is shifting from managerialism to entrepreneurialism (Harvey, 1989) and *Budapest Film* is facing increased competition at the commercial market. The distributors' market has been sliced among fewer but stronger participants. In 1995, more than half of the film distribution revenues went to *InterCom*, a company directly linked to Hollywood studios that buys exclusively their products. Another third belonged to *UIP*, and the rest came from three small distributors including *Budapest Film*.

At the end of 1996, two multiplexes opened in two malls—three-million-dollar projects financed largely by international capital.<sup>6</sup> Five or six further multiplexes are planned now. *Budapest Film* has prefigured the squeeze of the market around its inner city commercial theaters to the extent that they are selling *Atrium*, one of their most profitable and nicest theaters—an architectural gem from the Bauhaus period of Budapest's architecture—and are investing into a new multiplex in an inner-city mall under construction two blocks from *Atrium* that would snatch *Atrium's* market anyway. The company still cares about art movies and wants to preserve the network. They still support diversity but a kind that is

more carefully, and more narrowly circumscribed and controlled, and one that costs them less money. Although a doomsday scenario for the Art Movie Network would be but another typical cry of cultural pessimism, the new constellation will rearrange power and cultural relationships. Some locations and, thus, characteristics, of the present cultural diversity may disappear while others, such as 'high art' that cannot be marketed effectively, may be effectively marginalized. Some art movie theaters may indeed become and remain "small and dirty" cinemas. This would be an outcome quite similar to the "alternative" art scene in western Europe and north America, in spite of the different histories. The story of the network, however, is not over yet, and it remains important no matter what happens later. Those instrumental in conceiving and elaborating the scheme often give credit to themselves by claiming that "in Hungary, where things typically don't work, we managed to *preserve* something that is working." They may well deserve some credit but they definitely misdefine what happened. The network is not a story of preservation. Rather, it is about a creative reconfiguration of strategies of globalization and localization.

In the postsocialist landscape as well as in the conceptual space of localization and globalization, shopping malls are a counterpoint to art movie theaters. Instead of using commercial revenues to subsidize art (as *Budapest Film* has done), malls incorporate all manifestations of art into an overarching, victorious and celebrated logic of commerce. They embody a distinctly different type of public space. Their link to global culture and finance is more subservient and passively-accepting.

What is called in the Hungarian press a "European-quality shopping mall" was constructed in Budapest right next to a socialist-modernist 'shopping center' in the center of a large housing estate with outlets of the supermarket chain *Kaiser's*, the construction materials chain *Bauwelt* and a *McDonald's*. An "American type" service center called *Europark Kispest*—financed mostly by Austrian capital—has emerged on the outskirts of Pest, at a major subway and train station whose aesthetic was already reminiscent of similar establishments on the working-class margins of Vienna. In 1995, a most grandiose and symbolically important project was conceived and begun, a combined "administrative-shopping-entertainment center for the family" called *Pole Center*. The 100 million dollar establishment is housed in a redesigned former Soviet Army garrison in District XV.<sup>7</sup> The progenitors and financiers of the enterprise are North American businessmen and Hungarian emigrés Peter Munk, Béla W. Fejér, Andrew Sarlos and Otto Blau—the developer of the World Financial Center in New York—along with revered Hungarian entrepreneur Sándor Demján, who gained recognition and millions by establishing the East Bloc's first, cooperatively owned, supermarket in a busy traffic center of Budapest in the early eighties. The *Pole Center* was designed as the prototype of an additional 25 multi-functional centers to be erected all over eastern Europe. Following the success of *Pole Center*, the Pole Holding Company announced the opening of additional malls in 12–15 Hungarian towns,

"creating 700 new jobs" respectively.<sup>8</sup>

The *Pole Center* is touted as a place that is all-round "American." The city's public is even told that the separation of ownership and management "followed the American practice."<sup>9</sup> The only "Hungarian feature" of the establishment is that it accommodates a traditional farmers' market.<sup>10</sup> Apart from its grand opening, *Pole Center* has made it to the national news only once, precisely for its "American" character. The announcement that the Center would be open on May Day—a national holiday—evoked strong sentiments from the public: the protest of unions and other interest groups was joined by the Ministry of Labor that declared working on a holiday unlawful and was to fine the stores that would be open.<sup>11</sup>

The second major mall, *Danube Plaza* is in a traditional industrial district of the city—a location chosen mostly because of the convenient availability of a major subway line and as major contribution to the ongoing effort to "upgrade" that neighborhood into a minor commercial center. The most recent shopping mall, built by the same Israeli developers as *Danube Plaza*, has been named *Csepel Plaza* after the district and island of Budapest where it is located and whose name became synonymous with that of *Csepel Iron and Metal Works*, the symbol of socialist industrialization.<sup>12</sup> Apart from stores, *Csepel Plaza* hosts a multiplex cinema and a game room.

Shopping malls are a novelty in the local culture of shopping. They radiate a clearly western, thus "more advanced," life style and a general sense of abundance to consumers whose appetite had been whet for quite a long time by a socialist shortage economy. This explains partly the lack of resistance that could enforce some variation in the theme of shopping mall or more creative forms of shopping cultures. Ironically, it is the western media that notes the poverty of localization strategies. With respect to shopping malls and megastores in Budapest, even the *Financial Times* observes:

"Budapest does not learn from western examples...There are a lot of developers in the Hungarian capital today that could not work at home for reasons of environmental and urban planning considerations. Local municipalities short of resources are eager to sell off their real estate, thinking ahead for a mere 3 months, which could cost them a lot later."<sup>13</sup>

The only registered resistance came from traditional market vendors who occasionally protested the removal of their old market places: competition and higher stall fees tend to make their operation unfeasible. Another genre of resistance has also been reported; an ecological group went to court claiming that the increased traffic due to the construction of the new store of a French shopping chain would reduce the quality of life for 200,000 residents and pollute the environment. The lack of enthusiasm on part of the local government to support the protest took the steam out of the initiative. The attitude of the local government was shaped by the \$5 million they received for the land sale; they planned to invest the amount into a new health center.<sup>14</sup>

For five years, the list of investments of more than 10 million dollars in Budapest, has included almost exclusively shopping, trade or business centers and, occasionally, housing parks. In other words, multi-functional service centers (malls) fill the space for communal development projects. They are interesting not so much as new shopping places, but as a new *genre of public space* that has made a forceful appearance in Hungary. As such, they are becoming part of public culture. They figured very prominently in the narrative of a horrible crime story for the first time as *public places* (where one goes for the sake of company). In late Fall, 1997, the Hungarian public was shaken by the brutal murder of a cab driver. What lead to an uproar was not the murder itself but the fact that it was committed almost bare-handed by two fourteen-year-old schoolgirls who were caught almost immediately and answered to the shocked police that they did it in order to get the driver's car (although they were hesitant whether the new car, a Ford, was as good as the old one, a Mercedes, that he replaced on the day of the murder) and to show it off to their friends at *Danube Plaza* where they hang out. In fact, they were caught, while driving to *Danube Plaza*, in a routine traffic check. The only first-hand information released about the two perpetrators to the Hungarian public was an investigative reporter's interview with the two girls' friends whom she found in front of the multiplex cinema of *Danube Plaza*. This narrative indicates how quickly the shopping mall as public space has been *vernacularized* by youth culture. It also reveals how intimately its bundle of images—America, the future, hanging out, consumption, glitz, etc.—is tied to cars. Although *Danube Plaza* is on a major subway line, it is mostly frequented by people who feel safe to leave their fancy cars in the mall's garage instead of the streets, let alone taking the subway.

The spread of malls is of course closely related to the decline of old city centers and the waning of hegemonic downtown shopping (Zukin, 1995)—a vision of urbanity that has been on the defense everywhere. Optimists tend to see in this merely the relocation of public space. According to Rybczynski (1995), for the American citizen who flees the chaos and the challenges of Downtown streets, the shopping mall takes over the function of the street:

"I think that what attracts people to malls is that they are perceived as public spaces where rules of personal conduct are enforced. In other words, they are more like public streets used to be before police indifference and overzealous protectors of individual rights effectively ensured that *any* behavior, no matter how antisocial, is tolerated. This is what malls offer: a reasonable (in most eyes) level of public order; the right not to be subjected to outlandish conduct, not to be assaulted and intimidated by boorish adolescents, noisy drunks, and aggressive panhandlers. It does not seem much to ask." (Rybczynski, 1995:210.)

Rybczynski's point is well taken. However, in spite of their immense diversification, malls constitute a public space that is very different from the street. The public nature of streets should not be idealized; the pavement in front of the world's



most elegant hotel—tacitly controlled by liveried doormen and bouncers—is a very restricted public space indeed. However, this seems to be an exception rather than the rule while in shopping malls the logic is the reverse.

Streets are publicly owned, and although much of their excitement comes from the commercial spaces they accommodate, their main function is not commercial. Streets are to provide, first of all, free movement, be that target-oriented or just wandering. True, even the archetypical public space, the Greek agora, had a commercial section—a food market—but that was not what defined its nature. Shopping malls merely tolerate noncommercial activities—wandering and ‘hanging out’—motivated ultimately by commercial interests. This profile and their location effectively filter their public. Rybczynski’s argument about old downtowns and shopping malls mirrors the line of thinking that legitimizes suburbanization. Shopping malls can provide all those features he lists, such as public order, cleanliness, proper maintenance because the problems of ‘traditional’ public space are removed from the consumers’ horizon, they are left behind by the creation of a new frontier.

Malls incarnate the new philosophy of public space: they are thoroughly regulated, protected and confined commercial spaces for the “middle classes.” Since there are neither resources nor political desire to design and maintain public spaces that can accommodate an increasingly diverse public, small and controlled islands of consumption simulate some functions of urban public space for those social groups that wish and can afford to transcend the fear and ‘inorderliness’ that pervades other aspects of urban life. The tension between the increasing diversity of citizens including social inequalities and finding a common denominator for togetherness that is eroding public space is a global concern. There may be several reactions to it but the creation of shopping malls as alternative public spaces in Budapest is certainly a response whose global financial and cultural content is high.

The shopping mall as genre of public space is a conceptual opposite of the art movie theaters, even though both are *new* public spaces. Cinemas that used to play art movies were very one-functional public spaces through which one would pass quickly. Today’s art movie theaters are open even when there are no shows, they are places where one can sit around, pass time instead of passing through. In this respect, they are more akin to early twentieth century cafés than to Hollywood-style cinemas. Their coherence is still created by the showing of films, and preferably good ones, but they are more comprehensive as public spaces. The preservation of an old function took place partly by creatively reinterpreting that old cultural position and reconfiguring a niche for the enterprise. Shopping malls are inspired more by the idea of radical rupture and constant expansion. Both draw from legacies of urban modernity but, while art movie theaters reach back to the traditions of observing and mingling in the urban spectacle under the aura of art, shopping malls restrict access through physical distance and a commercial filter.

Art movie theaters and shopping malls are two instances of

tension between globalization and localization in the postsocialist city.<sup>15</sup> Both hint that globalization and localization are intimately connected. They also suggest that global cultural flows do not lead to complete cultural homogenization. Cultural phenomena that emanate from global centers go through a process of indigenization in which they become our “own” (Appadurai, 1990). The direction of global flows is very apparent and well-documented for shopping malls. However, the Art Movie Network itself is a strong indication for the hierarchical nature of the global landscape and the limits of indigenization. Art movies draw their selection from the same pool of films as most other theaters all over the world but the timing of openings shows a rigid geographical distribution, in spite of local variations caused by Hungarian films and such curiosities as films by Hal Hartley that open well ahead of the U.S. All east European films travel to Budapest via western Europe or north America in spite of their decades-long intensive presence in Hungarian distribution and film culture, and in spite of previously existing personal professional networks and such conjunctures as the Russian language skills of the general manager of *Budapest Film*. This flow of films is but another reiteration of the center-periphery relationship first addressed by world system theory, then by globalization literature (Wallerstein, 1974; Hannerz, 1996). Centers are not centers because everything originates there but because they are places of exchange, “switchboards of culture” (Hannerz, 1996).

The two genres also show that there is quite substantial room for variations on the strategies of localization. The Art Movie Network subverts globalization on its own ground, by insisting on a more heterogeneous interpretation of it than mere “Hollywoodization.” It resists cultural homogenization by refraining from simplistic references to a nationalistic symbolism. It merges local and global under the aegis of “art” and “quality” while creating a new urban identity. Shopping malls unite global and local with less institutional creativity in a nakedly and plainly commercial spirit—contributing to the emergence of new urban identity of a different kind.

## Notes

<sup>1</sup> The Hungarian acronym *F MO* stands for *F városi Mozgóképüzemi Vállalat* (Capital City Motion Picture Management Company).

<sup>2</sup> This institution is called in Hungarian with the slightly anglicized name ‘Art Mozi Hálózat’ (Art Movie Network) (*Art* is not a Hungarian word but has become part of the urban vocabulary as a borrowing from English. To be noted is its use in the Hungarian of the Network in spite of the available Hungarian equivalent, *m vészmozi*—a name that was used during late state socialism to denote movie theaters featuring films of more demanding taste). For easier reference in this text, I use the English translation of



the name.

- <sup>3</sup> C.f., Böröcz, 1993; Sik, 1994; Böröcz and Róna-Tas, 1995; Stark 1996; Róna-Tas and Böröcz, 1997; Eyal, Szelényi and Townsley, 1997:
- <sup>4</sup> The number of full time students in tertiary education grew from 34 thousand to 57 thousand and that of secondary school students went from 77 thousand to 91 thousand between 1990 and 1996 (KSH, 1997:204).
- <sup>5</sup> *Corvin* is a highly marked location in Hungarian culture. The area immediately surrounding the cinema was one of the three main hubs of armed, predominantly blue-collar resistance to the Soviet invasion in 1956. The choice of the *Corvin* cinema as the flagship of *Budapest Film*'s network thus invokes the heroic image of national resistance and uses a political notion—a decisive break with the past (as recognition of the heritage of 1956 was one of the socialist regime's taboos)—to fix the newly-redesigned cinema in the minds of the Budapest public. As a symbolic reinforcement of this imagery, preparation of the cinema's interior design was commissioned to László Rajk Jr.—the son of László Rajk, the most prominent victim of the Stalinist mock trials, himself a well-known member of the democratic opposition to Hungary's late-state-socialist regime.
- <sup>6</sup> The stronger competitor, located in an upscale mall that is closer to both the inner city and the wealthiest suburbs, is a joint venture of *InterCom* and the Australian *Village Roadshow International* owned by Hollywood producer *Andy Vajna*.
- <sup>7</sup> *Ingatlanpiac*, August 24, 1995.
- <sup>8</sup> *Ingatlanpiac*, June 5, 1997.
- <sup>9</sup> *Ingatlanpiac*, August 24, 1995.
- <sup>10</sup> *Ibid.*
- <sup>11</sup> *Világ gazdaság*, April 29, 1997.
- <sup>12</sup> There are 142 companies operating on the territory of the former plant. They together employ twice as many people as the total number of unemployed in the district.
- <sup>13</sup> Cited in *Népszabadság*, October 21, 1996.
- <sup>14</sup> *Ingatlanpiac*, June 5, 1997.
- <sup>15</sup> I define localization as the creation of local identity, the harmonization of physical and moral proximity in a context in which responsibility becomes even more elusive.

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