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# THE SPATIAL DYNAMICS OF ECONOMIC GENTRIFICATION IN IASI

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**Abstract:** This paper outlines the complex issue of gentrification, both as an economic and social process, in order to better apprehend its different mechanisms in Iaşi. Gentrification is a multifaceted process of transformation of the urban environment by the social class with high incomes, highlighted in the territory through the functional, social and landscape metamorphosis of urban spaces. In Iasi city, the transition from a society based on a homogeneous functional and social structure to a society based on the principles of the market economy took place gradually, this evolution being noticed through the analysis of the housing market. This shift has favoured the emergence of a peripheral centrality, where the emphasis is no longer placed on the appearance of the urban landscape, but on the specific functional heterogeneity.

Keywords: gentrification, housing market, urban environment, residential structures.

#### 1. Introduction

Gentrification, as a major research theme in urban sociology, has generated, over the years, many theoretical and ideological debates in the academic discourse (*Hamnet*, 1991). Since the first appearance of the term (1964) and up to present, the literature has focused both on the factors and on the urban social and spatial effects of gentrification (*Jan Van, W.*, 1994), the main theme of the debate having a "cause - effect" shape in social and geographic studies.

Gentrification is a phenomenon resulting from the provision of housing opportunities arising from the functioning of urban land (*Smith*, 1979). It is a structural product of land and housing markets, subject to a social logic according to which housing must be economically functional. In this case, gentrification occurs when the housing price is high starting from coherent urban restructuring processes. The various factors contributing to gentrification are represented by the existence of a particular economic and political context in which actors operate on several levels: social, cultural, economic and political.

## 2. Materials and methods

In this study, we aimed to analyze whether the phenomenon of gentrification in Iaşi city complies with the classic model, according to which the structure of residential and community spaces is triggered by the demographic factor, or whether gentrification is reducible to the economic factor, which generates a "pseudogentrification" based on the principles of economy market.

Finally, the article must answer three main questions:

- Is there a classic gentrification or a "pseudogentrification"?
- What are gentrified and gentrificable spaces?

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- Which are the factors which play a major role in the dynamic evolution of gentrification and what causes them to register residential mutations?

For this purpose, we obtained a series of factual data on a three-level scaling: street, area, neighbourhood, on housing prices during 1990 - 2010, based on which we calculated the brought forward coefficient of the price per square meter. The brought forward coefficient of the housing market was behind the analysis by identifying the gentrified areas, the gentrification actors, the causes and the consequences of this complex phenomenon.

# 3. Results and discussions

Iaşi gentrification is a relatively new phenomenon, since the period after 1990 is characterized by a change of the gentrification actors, the transition from state ownership to private ownership, which resulted in creating a balance in the composition of sociodemographic and professional urban neighbourhoods.

Starting from the premise that the main factor that causes gentrification and the phenomenon of gentrification is the process of urban restructuring (*Niţulescu, DC.* 2006), we performed a comprehensive analysis of the evolution of apartments prices at the local level in the period 1990-2010 (figure 1), which will be separated from the broader context represented by a space-time geography, which treats the dynamics of the intra-metropolitan area in a socio-cultural perspective.

The housing market dynamics plays an important role in the dynamics of gentrification, in that it may present signals on the occurrence of this phenomenon, through the existence of some favourable conditions represented by a saturated residential market where there is a high demand for housing, a limited supply of land and housing or affordable purchase prices, speculation leading to the displacement of the resident population (*Kennedy and Leonard*, 2001).

Gentrification seen in terms of urban renewal doesn't exclude the past to create a new environment, but the body adapts to the new habitat areas to counteract the effects of cognitive memory about the place and create their own landscape identity of each neighbourhood.

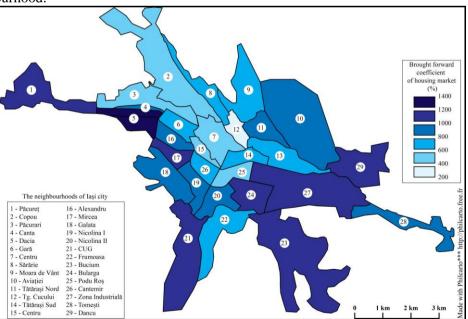


Figure 1. The brought forward coefficient of housing market in Iaşi

The beginnings of Iasi gentrification is characterized by an ambiguous orientation of the peripheral neighbourhoods towards socio-economic conversion, the industrial areas coexisting with the residential and socio – economic ones. This situation occurs because of an extremely problematic social portrait, the absence of an architectural heritage that makes them unattractive and the lack of desire of the wealthy population belonging to the socio - cultural current.

From the economic point of view, gentrification removes the socialist reality, replacing it with new spaces of consumption, the emphasis being focused on the commercial exploitation specific to each social category.

Thus, taking into account the local specificities of each territorial unit, we can achieve a conceptualization of the economic gentrification from the perspective of the local factors of differentiation. This conceptualization should explain the functional polarization of Iaşi territory and draw assumptions about the different ways of residential location in relation to the nature of the existing services.

Gentrification in the old working-class neighbourhoods is performed on the background of a massive deindustrialization and of the functional reshaping of the apparently unattractive spaces. In these circumstances, these neighbourhoods change their status of repugnant space into attractive areas (for example, Dacia, Bularga, CUG neighbourhoods), as capital moves in those areas and residence is set close to the workplace.

In these neighbourhoods, modern buildings have started to appear, the functional activity belongs to the upper tertiary and commercial areas, as hypermarkets are being built. This capital infusion of gentrified neighbourhoods leads to diminishing functional and demographic disparities between centre and periphery.

Thus, in these areas, a new social entity is being formed as a result of the transition to the post-industrial economy, based on services, the social class characteristics being the high level of income, increasing access to education and a similar behaviour in terms of consumption (*D. Ley*, 1994).

In these circumstances, the phenomenon of gentrification caused the appearance of a peripheral centrality (*Richard Shearmur, William Coffey*, 2002), different from the socialist period, the emphasis being no longer placed on the appearance of the urban landscape, but on the specific functional heterogeneity. But the gentrification of old, peripheral spaces has led in time to the individualization of some semi-central areas that have seen a big boost thanks to new projects located in the same area. The best example in this regard is the central southern area and south - eastern part of Iaşi (Nicolina - Tudor Vladimirescu - Frumoasa), which have experienced functional, residential and socio - economic mutations after 2005, due to the massive restructuring of the industrial areas, to the growth of the service sector to the detriment directly related to industrial production sector and the overall transformation of the social categories.

The main benefits of gentrification are the rehabilitation of the areas, the development of the areas able to support different services (shopping centres, hotels, and restaurants), the increased property value and the increased social heterogeneity (*Vâlceanu*, 2013).

## 4. Conclusions

In conclusion, we can affirm that the phenomenon of gentrification specific to Iaşi city is reducible to the economic factor and does not respect the classic dimensions which distinguish between residential and community spaces by demographic factor.

In this case, we can notice that there is a "pseudogentrification" process, generated by capital accumulation on the background of the market liberalization, the massive restructuring

of the industrial areas and the socio-demographic stability generated by the overall transformation of the social categories, not replacing the old residents with the new ones. Thus, Iaşi gentrification has rather achieved economic and urban features than socio-demographic ones.

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