

IMPACT OF FINANCIALIZATION IN TRANSFORMATION OF URBAN ENVIRONMENT AND EXAMPLE OF SETTLEMENT DETELINARA IN NOVI SAD

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Abstract. *The phenomenon of excessive investment, which usually goes into decline with excessive financialisation of certain economic domains or certain geographic areas, among others, marked the period after September 2008. Financialization is a term that is related to the change in the status of the financial sphere since the early seventies. At this time, movement of huge amounts of financial mass appeared on the world market. The difference between the average housing prices and middle-income income is steadily increasing, causing an increase in demand for housing. Therefore, the real estate prices rose enormously although rents stagnated. High interest rates and unemployment have led to a massive loss of housing those who were unable to repay loans. Financialization is still fueled by cheap money, so that the poorer turned to the credit market, too. Since this is a global phenomenon reflected in our region, it is presented on the example of the block in a residential neighborhood Stara Detelinara in Novi Sad. This paper analyzes the impact of a particular type of transformation in change of the physical and social character.*

Key words: *financialization, urban transformation, socio-economic impacts*

1. INTRODUCTION

The categories of the financial system have long been established. Financialization, however, is a recent phenomenon. Without going into numerous discussions on the subject, it is certain that the financialization and the corresponding phenomena (phenomenon of „speculative bubble” and multiplication of financial derivatives, for example) are tied to the epoch described as „neoliberalism” or „neoliberalization” [1]. The phenomenon of financialization marks the processes that have been observed from the beginning of the

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1970s. Deregulation and financial liberalization caused the global movement and accumulation of enormous quantity of financial mass [2], profits in the financial sphere kept increasing, and even the non-financial institutions (for example, retirement funds) became involved in the dynamics of the financial sphere; so much so that those same institutions started to practice money lending on the capital market. Households and individuals became dependent upon the financial transactions and their outcomes.

With all of that in mind, financialization should be understood as a web of qualitative and quantitative changes of the status of the financial infrastructure in socio-economic relations, including the increased role and influence of financial dynamics on the organization of everyday life. All of this means that there is a need to understand that financialization goes beyond simple economic changes registered only by the economists, but also causes deep transformations that affect the social sphere, including the orientations of everyday life.

For the requirements of this article, which, of course, rationalizes the discourse on the complex mechanisms of financialization, the following indications are of importance:

- a) the ongoing crisis that is the subject of a multitude of studies [3] is ascribed to the mechanisms of financialization, or, in other words, different but appropriate analyses claim that there are causal connections between financialization and the crisis; even without going into details and explanation of the said causal connections, it should be insisted upon that financialization is a crisis causing phenomenon,
- b) In view of our indication that the phenomenon of financialization cannot be constrained only to economic phenomena, but that it spreads through the multitude of social relations, there is a need to recognize the fact that financialization influences the configuration of space and accordingly the defining tendencies in urbanization. Different studies explore the intensive restructuring of space in urban environments with far reaching consequences [4], [5]; accordingly, financialization is not a neutral phenomenon, but a phenomenon that defines configuration of space; this leads to the conclusion that the processes of financialization materialize in various forms in relation to the configuration of urban structures.
- c) There are certain correlations between financialization and deindustrialization; this problem will not be the subject of this article, but there is a need to point out the existence of certain relations between the decline of relevance of industrial patterns and the dynamics of financialization according to the movement of capital whose goal is the realization of profit; the capital tracks the sources of profit, but in the spheres of financialization and not the industry [6].

Socio-economic differentiations of space, in the scope of the crisis induced tendencies, are in correlation with intensification of various forms of inequality in the modern epoch, which has been researched [7]. In various domains this can even lead to the rising of urban protest forms [8]. This leads to the question of the structural relationship between financialization and various urban phenomena. Without a doubt, there are strong connections between the dynamics of modern society and urbanization processes, which is confirmed by the historical analysis of the historical phases of urbanization. At the same time, urbanization has led to the reconfiguration of socio-economic relations with asymmetrical consequences for the different strata of population (more critical research on the subject [9]). From this point, there is a need to discuss the interconnection between financialization and urbanization in the context of neoliberalism, through a perspective of intensification of inequality that has urban forms of manifestation. The influence of financialization is so strong that in different

studies certain aspects of urbanization are rethematized. We are not in the position to explore the complete scope of manifestations of these forms : still, it should be obvious that the same forms manifest in different domains. There is a record of spatial reconfiguration of the marginalized layers of population which points to differentiated forms of urban/spatial segregation of socio-economic subjects in the context of the processes of crisis [10]. In order to understand these phenomena, there is a need to point out the high dynamic of the form of the capital that globally penetrates into different spatial segments and adapts the spatial aspects to its own goals [11]. In this way, forms of the financialization strengthened capital with intensified dynamics enter the processes connected with land investment, and the real estate market, which is traditionally of interest to the capital, but never as crucially important as today. Various forms of urban rent increase in significance, various forms of transactions based on mortgage credits are especially relevant, profit based on real estate price dynamics is enormous, real estate speculation is intensified. As different studies show, investment in urban areas is a circular process, which by its very nature represents a wellspring of high profits. Capitalism is in constant search for profitable production ventures and investments to unburden the excess capital. This leads to a circular process since the urban growth leads to high land prices in certain neighborhoods, especially in the city centers, which leads to spatial movement and reconfiguration of the existing space. Derelict buildings, or buildings whose tenants do not have the means to support their maintenance, are removed and relinquish their space to the penetrating capital. This process began, of course, a long time ago, but it can be said that the mentioned capital mobility is of great significance today [12]. Spatial movement of the capital and transformation of urban forms according to the same studies [13] play a decisive role in the absorption of the excess capital: the accumulated excess capital finds its destination exactly in the exposed spatial dynamic. The capital faced with the impossibility of profitable investment finds its target in the spatial reconstruction.

Considering everything that was previously said about financialization and its complex consequences, we want to estimate various influences of the same phenomenon, but in relation to specifically chosen area.

We want to explore the indicated elements on a chosen example. Our research is based on the question of how the financialization that globally determines the dynamics of the cities affects the configuration of urban space of a specifically chosen example. Or more precisely, what are the consequences and influences of the process of financialization in our own area, which was analyzed on the example of a city block in the settlement of Stara Detelinara in the city of Novi Sad, which exemplifies the changes that are evident on the whole urban fragment.

It can be claimed with a degree of certainty that the appearance and influence of financialization at the end of the 20th and the beginning of the 21st century in Serbia have not been sufficiently researched. The reason can certainly be found in the government institutions' lack of initiative to initiate the necessary multidisciplinary projects, as well as with the researchers themselves, who have studied the mentioned phenomenon only from a single scientific viewpoint. From an economical viewpoint, the phenomenon of financialization has been studied in our country (for example, [2]), while worldwide many of the famous economists have tackled this subject, such as [14], [15], [16], [17], [18], [19], [20] (Stockhammer, 2004) and others, but from an architectural and urban viewpoint the only research has been done by Harvi, 2013, and it was done globally. In our country,

these correlations have not been the subject of research yet. It is our hypothesis that there is a correlation between the process of financialization and urban transformations which affect Serbia.

2. FINANCIALIZATION IN THE AREA OF STARA DETELINARA IN NOVI SAD

What kind of shapes financialization assumes on different local levels and in what kind of forms and types it appears in developed and undeveloped, rich and poor areas? That is our question.

Financialization is a global phenomenon. Even Serbia, being on the fringes of global dynamic, is still caught in that dynamic, very much like the rest of the post-socialist countries. The post-socialist countries have also found themselves under the influence of financialization, economic crisis and such processes as aforementioned deindustrialization. Conceptualization of transition processes points out that in case of these countries there are two kinds of processes involved: a) the influence of socialist inheritance, and b) the spread of the mentioned neoliberalism. There are even studies that claim that it is exactly the certain aspects of socialist inheritance that make significant prerequisites for neoliberal space reconstruction [21].

Our interest is to study how this phenomenon has reflected upon the urban areas in Serbia, and especially in the aforementioned city neighborhood Stara Detelinara in Novi Sad, which used to be periphery of rural type. Transformation of this urban fragment is tracked from the period when the neighborhood of Detelinara was established, after the World War I, up until the expansive reconstruction, started in 2004 with a high financial inflow, which is still ongoing and will be according to the General Urban Plan for 2021 [22].

2.1. Development of Stara Detelinara before the influence of financialization

Periods after great world wars, the First and the Second, represented, in all parts of the world, the time when deep changes needed to be made in many aspects. It was the same with urbanization. The type of the town typical for Vojvodina of the time, with the inherited significance of a center and the beginnings of civil architecture and, above all, civil spirit, describes Novi Sad up until the first half of the 20th century, and the documents of the time insist upon its rurality and small population density [23]. The process of industrialization caused the sudden inflow of population from the rural parts to the city, which caused the increase in construction of living spaces and population density. What followed was a modern era of Corbusier functionalism, a complete change of the city's face and a new phase of universal marginalization of urban past [24], which is, by the way, one of the leading controversial principles of modernism. It was represented so that the incoming urbanization should indicate something progressive and modern, while the former urban past was seen as backwards and rural. Even though Novi Sad already had established urban ambience units before the World War II, which are today cultural treasures under protection, like, for example, the Old Downtown Area, Synagogue complex and Petrovaradin fortress with the surrounding suburb [25], it is undisputable that the other parts of the city, then on the city peripheries, mostly consisted of ground level rural and town type houses.

At the beginning of 1920s, Detelinara was an undeveloped space overgrown with clover, hence its name. Agricultural plots that occupied the space of Stara Detelinara were planned for agricultural revival immediately after the World War I. The communication

influence of Rumenačka Street and Rumenački road, which connected the factories and rural periphery, one of the key and crucial moments for the original combination of employed and rural population, was strategically important for the development of the neighborhood. The growing industry employed population demanded that local lots be redistributed for the purpose of the construction of ground level family houses, and from 1925 to 1927 around 500 lots of relatively large surface were allotted for this purpose. The demand for lots was increasing, so that they were getting more and more parcelized with a tendency of spreading toward the periphery. Cases of illegal construction were also great in number.

In 1937, the neighborhood became known as Ivanjdansko. The urbanistic plan of 1925 included the construction of Ivandan church, but the digging of foundations would have to wait until 2004. The same year, 2004, is the year when the intensive construction of this area began, and its scope and financial backing are best represented by the fact that the project that was on hold for almost 90 years was finally started.

Stara Detelinara, in the beginning of its settlement, from 1925, was characterized by ground level houses of rural type with economical house yards in one unit and single and multifamily low town type houses (see Fig. 1). The distance of the neighborhood from the city centre influenced the shaping of the observed area [26], the periphery. When the city started its expansion to the undeveloped areas on the periphery, in the beginning of the 1980s, north from the Kornelija Stankovića street, on Nova Detelinara, the construction of multi storey buildings was begun, all the way to the Oblačića Rada street. The latest wave of intensive construction hits at the beginning of the new millennium, more precisely in 2004, spurred by a new wave of settling population which invested their own capital into construction and development, and a significant urban transformation of the neighborhood occurred, in such a way that old family houses, that survived the transformation in 1980s, were now replaced by multi storey buildings and boulevards. The construction of new living units is still ongoing.



Fig. 1 Predominantly rural houses type at the Detelinara and later part of New Detelinara in 1969 (Source: <https://s-media-cache-ak0.pinimg.com/236x/e6/19/55/e619558ac8063ba42a7ca53719783cee.jpg>; http://1.bp.blogspot.com/_OkSz7HeNoNM/SOHnFX-sknI/AAAAAAAAAJM/5HsunsWEN7w/s320/1969Detelinara.JPG)

The detail urbanistic plan Detelinara III of 1980 and the comparative review of accomplishment of 1989 [27] show that there was to be complete reconstruction of living, industrial and other facilities in the area. The reconstruction of the existing urban tissue was started, but in a much lesser scope than what it will become later.

The area of Detelinara was envisioned for interventions that included remodulation of city blocks with the preservation of the existing street network, but its physical structure remained unchanged up until the first years of this century, when, under the influence of continually injected capital, there occurred a complete reconstruction of single family, mostly ground level, houses into multi family multi storey buildings and a total change of social structure of the population and the area's very identity.

2.2. The beginning and the consequences of financialization in Stara Detelinara

The neighborhood of Stara Detelinara was developed in the context of rapid post World War II industrialization, the population that settled there mostly wanted to be closer to the factories and employment in the rising industry. It could be said that the neighborhood of Detelinara came to be precisely due to the close proximity of some of the biggest metal working factories like Jugoalat, Jugodent, in time when the metal working industry was one of the leading industry branches in Novi Sad. Further more, that part of the city belongs to the section that was called West industry zone or Working zone west, which also included other branches of industry and companies, like Dunav, Novitet, Grafika, Alba, Avala, and others. With the slow decline of the said industry and all of the following consequences, unemployment among others, there also came the decline of some of the households in the area. The investors bought the lots offering the owners often conditionally high prices, which were rarely declined by the unemployed and impoverished population.

Deindustrialization implies the devastation of industry, and it happened in our country due to the industry being part of socialist structure, then because of wars and, finally, due to the subordination of its interests to personal favors, or finances, of all structures. Industry always implies: high employment rate, large productive population in contrast to the banks, work intensive matrices that require large man power. The significance of work power is declining globally. Problem is that Serbia carried out the deindustrialization in a way like it was a developed country, which is the reason deindustrialization in our country is characterized like hasty, premature and its effects on the cities are not the same as in some developed countries, but represent a specific variety [2].

We have already pointed out that there are correlations between the process of deindustrialization and financialization. As it is backed up in relevant studies, the given context also improves the forms of gentrification. That is why the influence and consequences of financialization in urban tissue represent one of the forms of gentrification [28]. This can be analyzed with a brief overview on parallel events in the world and in our country, with awareness of a temporal gap. In our country there was no reorientation of the industry like in Great Britain, for example, because our cultural, service and educational industry branches had no clear strategy of development, idea and form of direction and scope of development, in order to be possible for them to adequately replace the previous industry.

The characteristic moment of neoliberalism was when Margaret Thatcher, in May of 1979, received her mandate in Britain to reform the industry, which led to the privatization of all economic sectors that were public property. The transactions enabled the budget to be

filled, and relieved the state from any obligations toward the public companies that suffered losses at the same time. Preparation for the privatization of such companies included lowering their debts and increasing efficiency by letting people off. Subventions were hidden in the evaluation process, many of the companies in the ownership of the state were located on highly valuable real estate properties and first rate locations. Privatization and speculative property income went hand in hand [28]. The situation is identical in our country in the last few decades. The same thing happened with the industry and companies in Novi Sad, which made the situation directly relevant to the population of neighborhoods like Stara Detelinara, who was employed mostly in that industry. On the other hand, privatization of industry „giants“, like, for example, the breweries in Vojvodina, enabled a momentary inflow of large finance which propelled the search for apartments, and in turn the construction.

Rapid urbanization enables employment of a large number of workers, which meant opening of new working places, leading to a new wave of migration from rural parts to the city, while the first wave was induced by the development of industry in the aftermath of World War II. The neighborhood, once Stara, now Nova Detelinara, was formed in the first wave and was being transformed in the second. In the new situation of the intersection between socialist heritage and neoliberalization cities became the places of a chaotic development of real estate market and property speculation in the new millennium, Novi Sad among them. Due to its ideological background, socialism viewed apartment as an existential right, which could be used without financial compensation. In the course of transition, and then transition recession, what was yesterday considered a public property suddenly became private property. The same thing happened to the cities. Urbanism was loosing its role on the market [24].

The economic crisis of 1990s in our part of the world redirected the state towards the market orientation. Circumstances of war brought the inflow of excess money which was invested into real estate and change of social structure of the wider city center, as well as the construction of „new money“ villas. Capital kept flowing into the city, but the space for construction and sale ran out. Population of Novi Sad kept growing, especially with the arrival of people from the surrounding countries. Alternative solutions were sought. The process of replacement of old living units in the wider center of the city and compactly built areas with old single family units was started, which was the case of Stara Detelinara. The typology of living space was changed, from single family or mixed units to multi family units of high density. One of the goals was to increase the density of population, and the degree of rationality, but some people only saw the possibility of financial gain in this process. Jacobs described the urban renewal in American cities as vandalism, fashion and process that was used as an excuse for the worst things imaginable. Similar thing was happening in Novi Sad [24].

Viewed globally, financialization of population's income and taking profits from it represents involvement of finances in capitalist economic system, entry into the sphere of household. This resulted in socialization of until then marginalized groups, and their involvement in financialized money flows. It all led to the stagnation of real working wages. In this way, financialization conditions the lives and survival of citizens in cities, it subordinates the same citizens to financial determinations. Nominal fall in wages, in spite of increased productivity in capitalism, along with financialization of personal aspects, results in social integration of certain subjects [19]. In such a way, at the beginning of this century, the process of tearing down of the housing stock was begun, among other, also on the

territory of Stara Detelinara and the construction of multi family living units on single lots, previously under single family living units. This is how financialization acquired its form in our country, which resulted in change of the percentage of construction and population density. Intensive construction in the area of Stara Detelinara begins since 2004, which is confirmed by the data from the investor registry for the city of Novi Sad, the data on the scope of the construction based on the issued building licenses and other indicators from the registry about the purpose and number of floors, beginning of the construction, use permits, etc. (Fig. 2).

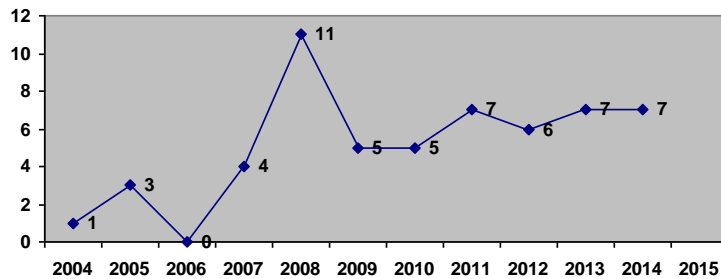


Fig. 2 Number of built multi-storey building in New Detelinara, 2004-2015 by years
(Source: Authors)

The similarity with the previous chart can be seen, where the rise of real estate prices is at its highest during the crisis of 2008. Here we can see a sharp rise in number of constructed multi storey structures in that year in relation to the others. We can obtain confirmation of the thesis on the similarity of researched phenomenon in the world and our country by comparative analysis of this chart with the chart that shows the construction of multi storey buildings in New York, 1890-2010 (see Fig. 3). The indicatively large number of constructed multi storey building during the times of the crisis is easily observable. These indicators clearly define the connection and conditional relationship between financialization and construction, both in New York and Stara Detelinara.

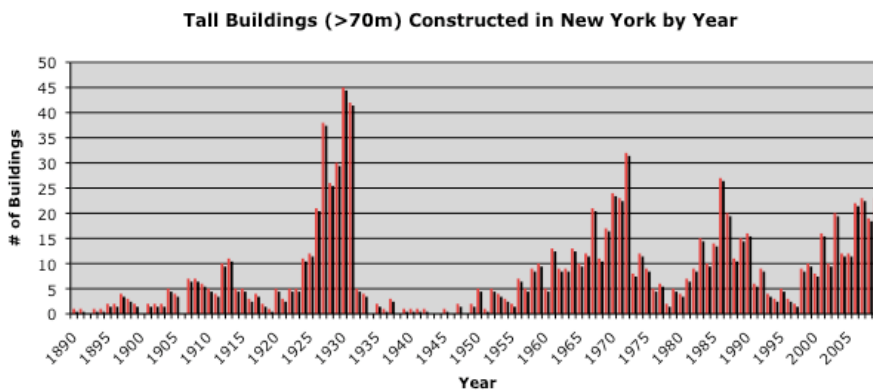


Fig. 3 Tall building designed in New York, 1890-2010
(Source: William N. Goetzmann and Frank Newman, Securitization in the 1920's, NBER Working Paper 15650, 19)

Neoliberalism postulates that there is a formal equality on the market. But a Nobel Prize Winner, Stiglitz, who did research on the asymmetricity of information which influence market behavior and its consequences, proved how fatal is the utopian assumption that the market is equal for everyone. That is why there is the rise of tight connections and consequences between technological innovation, deindustrialization, speculative bubbles and financialization, instability, loss of sense of community, constant spatial and temporal changes, in one word, the creation of crisis [29]. These lessons need to be observed in relation to Serbia.

It should be said that similar real estate speculations are a clear indication of undeniable connection between financialization and construction. The way in which real estate prices fluctuate determines a specific urban transformation and those are conditioned speculations. Case-Schiller index gives the possibility to evaluate the development of the whole economy based on the fluctuation of apartment prices. For example, the economic crisis of 1973 was marked by the rise in real estate prices, as well as the crisis in 1930s. The average real estate prices in Novi Sad in euros over the years, calculated based on the ads from the website „Imovina.net“ from 31st of December, 2007 up until today, can be seen on the chart (see Fig. 4). It can be noticed that in the time of the crisis of 2008, real estate prices on what is now Nova Detelinara reach their highest value, and then decline in the following years, reaching the lowest point in 2013, and in the last two years showing a rise. The observation starts with 2008, since before that there was no serious real estate trade in the area, which was not yet urbanelly transformed.

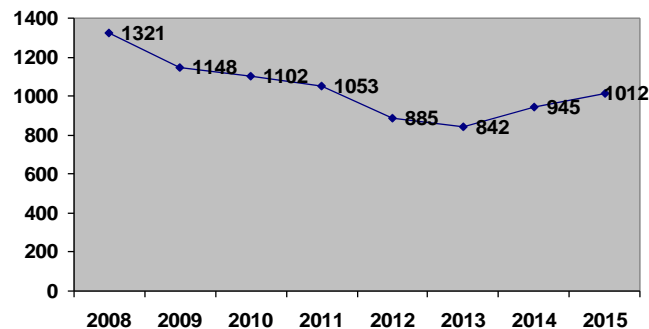


Fig. 4 Average real estate prices in Euro/m² for the Nova Detelinara from 2008. year to today (Source: Authors)

There are also additional impulses of financialization that are tied to Serbia's peripheral position in the world system. Undeveloped countries which are deeply in debt have to have a guarantee, often the purchase of bonds, while the differences in interest rates contribute to a substantial financial inflow to the loan giving country, while the country in development suffers damage. This only encourages financialization further, because the strong central states, like the USA, for example, in such a way increase the financial surplus even further and create powerful social classes.

2.2.1. Example of the transformation of an urban fragment of Detelinara – case study

Transformation of the physical structure of this area can be analyzed on the basis of changes in an urban fragment, placed between Rumenačka, Kornelija Stankovića, Bulevar Evrope, Hadži Ruvimova and Braće Popović streets (see Fig. 5).



Fig. 5 Appearance of the transformed urban fragment from 2003 to 2010
(<http://www.mapanovisad.rs>)

The first blocks were formed by building traditional Vojvodinian houses on large lots, after the World War I. With detailed urbanistic plan from 1980 and its analysis from 1989 it was clear that the entire space of block segments on the east side, between the Janka Veselinovića, Rumenačka, Braće Popović and Stevana Mokranjca streets, was realized. The plan envisioned the tearing down of single family units, in order to provide space for multi family units and because the tendency for construction rationalization, as the plan

states, the public space around central content units is made smaller. With the plan from 1980, population density is increased to 445 citizens per hectare, to be increased to 521 citizens per hectare with the changes from 1989 [27]. At the beginning of this century, intensive construction of multi family multi storey units was begun, on the western segment, financed by private capital, which by their surface go beyond the appropriate street profiles and lot occupation. The replacement of single family house fund with the new multi family units was made possible with the Regulation plan from 2005 [30], which increased population density to 600 citizens per hectare. It is observed that the segment, which is in the central area, where the General urbanistic plan of 2005 defines conditions for the construction of an elementary school, preschool institution and high school, remained untouched by this reconstruction till this day and that the single family units remained untouched in it. The predicted population density is 498 citizens per hectare on the fragment, but in reality it is noticeably smaller, due to the space reserved for the mentioned content, but single family units and ground level houses still remain there, so that the predicted population density and the real one do not match.

„Pedestrian paths should also be lined by rows of trees as an element of decoration, protection and purpose segregation“ [30]. The state on the terrain, however, is that there are no rows of trees, and as far as the greenery goes, there are single plant cubes here and there between the parking spaces. „One of the evidence based and reasonable critiques of modern urbanism is that the builders have a contemptuous attitude towards nature, place and location, which creates sterile cities and „universal spaces“ [31].

Arrangement of public spaces and solving of the problem of still traffic is envisioned by the plan through the construction of new parking spaces around the periphery and multi level garages. Oppositely, the free spaces in blocks have been occupied by parking lots and illegally built garages, while public spaces for citizen socialization are almost non existent, except for some morphologically shaped square here and there, which have never functionally came to life, since they have no adequate content for their purpose (see Fig. 6).



Fig. 6 Problems of orientation and identification and public spaces of socialization - parking lots (Source: Authors)

Due to the imbalance that exists between countries in relation to the levels of national environment control, the rich nations, which have relatively strict ecological legislation, export their hazardous waste to the poorer countries, in which the ecological legislation is relatively weak [32]. The investors, in order to obtain higher profits, use cheap materials in construction, save on the amount, so that the architecture that we receive is very impoverished in every way. The facades give out the impression of rush, momentariness

and chaos, without rhythm, permanence, coherence of shape, everything is under the control of the investors imagination, needs and profit [24].

Next to the said negative effects, some of the positive aspects of the described urban transformation is the increase in the population density, the degree of cost effectiveness, the change of the living units typology and the increase in constructive usage of space. However, the identity of the place is completely changed, as well as the social and spatial character, while the local spirit and way of life have completely disappeared.

2.2.2. Social and structural changes as consequences of financialization and the example of Detelinara

As we have already pointed out, “creative destruction” (Schumpeter) encourages spatial reconfiguration. There are known historical examples of this. Georges-Eugène Haussmann, for example, systematically tore down old Parisian quarters mostly populated by poor workers in the 19th century: this is now a common occurrence, especially in city centers. It is not relevant whether the reason was public health, environment, renewal of the city or something else, but what is relevant is the fact that nonpresentable streets disappear from the centers, but spring to life in other places, since they are created by the same economic necessity that does not disappear [9]. In time, no one remembers what used to be in a certain place and in what way the shiny high risers replaced the unseemly lower structures, nor how the rural population from the periphery changed into rent paying population.

The opinion of Hernando de Soto is that the rich mostly do not want to relinquish their property at any price, while the poor population sells their place of living for almost nothing in order to solve at least some of their most urgent problems by any money inflow. It is quite possible, based on that, that in the future favelas in Rio De Janeiro will be replaced by high risers with a magnificent view [33]. Social and economic structure is caught in the process of intensive capital accumulation, the process which, in the absence of legal boundaries, causes the destruction of urban system.

As far as the neighborhood of Detelinara is concerned, with its very position in the wider city planimetry, in the very beginning of its development, it was of rural character, which changed in the 1980s, due to the intensive development of the industry and large migrations from the villages to the city, and with the construction of multi family apartment buildings, up until the complete reconstruction at the beginning of this century, which, next to the change of the physical structure of the area, also changed its identity and social character.

Urban transformation conditioned a social one, so that the original population that lived in ground level single family objects was displaced, and the new apartments in multi storey multi family object, which are mostly of smaller quadrature and larger in number, were mostly taken by units with lesser number of members, as is fateful to the form and typology. Those are mostly young married couples, students, single people, businessmen and such. This could be a form of gentrification, typical for our country and conditions, or context.

If we take a look at the small communities that are trying to preserve their identity, multiculturalism, ethnic variety, strongly struggling against gentrification, we can notice that the price of their real estate is rising, as the predatory real estate companies put their specificity, busy streets and variety of character up front when plying their trade in such areas [12]. When the sale is successfully realized on the market, we will see that the original population has been left without a public good, and often new neighborhoods

change the spirit and the character of the place completely, so that the very thing they paid handsomely for ceases to exist. It is indisputable that the newcomers will create their own identity, which, it seems, grows ever more global, in the very opposition to that which defines the term of identity, and the local character, variety and authenticity will disappear with the leaving of the original residents and the disappearance of their traditional houses.

The processes followed one another and conditioned the emergence of the new ones. As it has been said, unemployment and high interest rates led to the loss of apartments for a large number of residents. Deindustrialization and privatization preceded the rise in unemployment rate. Even when the privatization is beneficial for the lower society classes, on the surface, long term consequences are negative. Margaret Thatcher, for example, enabled the lower social classes to come into possession of apartments at relatively low rates with her social living privatization program. However, after the transfer was completed, apartment speculations became a global phenomenon, especially in the attractive locations [28]. Similar situation developed in Novi Sad. By pushing out the low income residents from their apartments, once worker neighborhoods were urbanely transformed, Stara Detelinara for example, which was followed by a change in social character and identity of the area. It was a circular process between deindustrialization, privatization, financialization and, finally, gentrification.

Research difficulties are represented by the lack of transparency and availability of data on the rates for land arrangement, broker deals, and amount of money that was pouring into the city in the previous period, for the reason of the lack of updates or others, in the public institutions responsible, so that they were unavailable. Available economic data, at least pertaining to the area of the city of Novi Sad, are only those that can be obtained via the internet, the registry of investors where one can see the date of receiving the building permit, completion of the works, purpose and function of objects, etc., which provides the information on the number and scope of built objects in specific periods. Fluctuation of real estate prices according to the years is also available on the internet, so based on that data specific similarities in indicative time periods and phenomena which confirm some of the starting hypotheses can be perceived. In the goal of conducting further research and strategies of development, improvement of the quality of urban life in future plans, there is definitely the need for improvement in data availability, since without serious analyses and clear indicators the positive outcome of future transformations is very questionable.

3. CONCLUSION

Cities of today are a reflection of past transformations, historical events and culture of previous generations. Process of globalization has had a negative reflection on urban tissue, changing its morphology. Current uniform production of modern architecture, deprived of authenticity and characteristics, strips the places around the world of their local characteristics. Rationalization of urban space and its subordination to easier satisfaction of the needs of capital, its accumulation and flow, has weakened the strength of the city.

Architecture has often, throughout history, forcefully created space to be built upon. This is often the case in our country, as one can conclude from this study of Detelinara, new architecture found its place by total reconstructions of parts of the neighborhood, and whether it was based on informed decisions or economic context can be concluded based

on the observable consequences. On the example of Detelinara we can track how the processes of financialization reflect upon our country. This area has been gentrified, one could say, in our way. Profit was realized by the sale of apartments and with rents, the old apartment fund was replaced by a new one, the original population was dispersed, the new residents moved in, and whether the area will be able to create an authentic identity and what will be the consequences for the residents of all of the perceived architectural and urban deficiencies, only time will tell. Some of the consequences can already be felt, and the rest we can predict only with a comparative analysis of instructive examples, from areas that went through this process already.

After the initial increased interest of citizens for purchase of these apartments, since the place had a tendency of becoming a modern center, which seemed real in the first wave of apartment sales, the urban space failed to adequately satisfy the variety of needed functions, which the new center should provide apart from the living space, many of the new residents sold, traded or rented out apartments, and looked for their homes elsewhere. Based on all of the evidence, it can be concluded that the process of financialization had negative consequences in our country also in the area of Detelinara.

As the financial inflow from deindustrialization and privatization was directed into urban transformations and construction of high risers in the areas where before there were mostly single family living units, or into gentrification, in order to achieve the largest possible surface per square in the smallest possible area, and therefore the biggest profit, what followed was a stagnation in construction both in Novi Sad and other major cities in Serbia. Our economy is not based anymore on real production and industry, but on the said financial inflow which has slowly dried out, since there is not much left for privatization. That is why gentrification is merely a consequence of financialization in our country. With loans and fictional money the construction could be started again, but that is also the domain of financialization, and not the real economy and production. According to the indicators on charts (Figs. 2 and 4) there is a noticeable rise of real estate prices and scope of the construction in the last few years, but that shows only the continuation of financialization, which means that the crisis is growing deeper, since those finances have no coverage in our production and exports. Reindustrialization could help with the unemployment problem, but not only of the unqualified work force, but also of engineers, economists and other professionals [6]. Urbanization has, however, often been the motivator of the development of industry, because architecture in general, the process of constructing and purposing of an object, requires and employs many branches of the industry, so it remains to be seen how this tendency will develop in the future and what way it will take.

Even if we leave aside the question of ownership and capital, we see that architecture has become a matter of personal desires and private interests and that it has been isolated from the urban context and the idea of contribution to collectivity. It is hard to expect from architecture to reshape the existing social relations, as imagined by the French utopian Saint-Simon (Saint-Simon), as it is naive to establish the general theses of its ability to grow out of its existence which is conditioned by political, economic and even aesthetic paradigms. The ruling opinion is that sustainable cultural development should be based on changes that will include intellectual, moral and esthetic standards of a community. This is more than necessary in our country. The change of the relationship toward the future development has also been influenced by realization that there is a need to give broader attention to humane and social issues [34].

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UTICAJ FINANSIJALIZACIJE U TRANSFORMACIJI URBANIH SREDINA I PRIMER NASELJA DETELINARA U NOVOM SADU

Fenomen prekomernih investicija, koji obično ide u padu sa prekomernom finansijalizacijom određenih ekonomskih domena ili određenih geografskih prostora, pored ostalih, obeležava period posle septembra 2008. god. Finansijalizacija je termin koji se vezuje za promenu statusa finansijske sfere od početka sedamdesetih godina. Prouzrokovano je kretanje ogromne količine finansijske mase svetskim tržištem. Razlika između srednje cene stanova i srednjeg dohotka se stalno povećavala, što je uzrokovalo rast tražnje za stanovima. Zbog toga su cene nekretnina enormno porasle iako su najamnine stagnirale. Visoke kamatne stope i nezaposlenost su doveli do masovnog gubitka stanova onih koji nisu mogli da oplate kredite. Finansijalizacija je još podstaknuta jeftinim novcem, tako da su se i oni siromašniji slojevi okrenuli kreditnom tržištu. Kako se ovaj globalni fenomen odrazio i na naša područja, predstavljeno je na primeru bloka u stambenom naselju Stara Detelinara u Novom Sadu. U radu je analiziran uticaj određenog tipa transformacija na promenu prostornog i društvenog karaktera.

Ključne reči: *finansijalizacija, urbana transformacija, društveno-ekonomski uticaji*