

PIJOVA-ROCLA

► HISTORY

Located on the foothills of the Seyndall mountains, seventy kilometres from the capital Rovasburg, Pijova-Rocla is the country's seventh biggest city, with around 263.015 inhabitants (as of 1st January 2017).

Although the origins of Pijova-Rocla date back to the Bronze Age, for centuries the city was nothing more than a conglomerate of loose housing structures. Pijova-Rocla lies in the centre of a coal basin, but due to high extraction costs and the city's poor connection, it wasn't until 1872, when the first mine was founded, that extensive coal extraction took place. Intense development only began with the construction of the railway to Rovasburg in 1921, when the city transformed from a mining village to a modern urban environment. This went hand in hand with the large-scale construction of industrial facilities, from underground exploitation and distribution centres to an extensive metal forging industry.

In the 1970s, Pijova-Rocla began to suffer from the relative decline of its industries, particularly the coal mines followed by its steel industry. Increased labour costs and the higher economic efficiency of other natural resources, such as oil and gas, also forced many local industries to close. This led to the city experiencing some of the highest levels of unemployment the region had ever known leading to social tensions. Over the following decades, Pijova-Rocla's population declined dramatically and crime rates soared. Due to the lack of employment and higher education opportunities, most young people left to study and work elsewhere, leaving behind a highly polluted and poor city. Once a prosperous city in the centre of the coal and industry belt, Pijova-Rocla became surrounded by a post-industrial landscape of overgrown manufacturing plants and derelict workers' housing.

Since the 1990s, successive governments have embarked upon efforts to revive the city's fortunes. Notable success stories include the modernisation of

the public transportation system and financial incentives for companies to refurbish abandoned industrial sites. Yet, with one in four inhabitants still unemployed and many young people attracted to antisocial behaviour, Pijova-Rocla never managed to heal its old wounds.

► ECONOMIC CONTEXT

The previous mayor of Pijova-Rocla sought to revive its impoverished city centre by refurbishing its numerous 20th century architectural gems. In 2009, private investors tempted by financial incentives and a relatively low land prices, transformed the old industrial halls into working spaces, initiating a snowball effect of SME's establishing Pijova-Rocla as their base. Subsequently, the area once again became attractive for young families and a small-scale start-up community sprouted. The recent arrival of many high-educated people went hand in hand with an influx of tourists, coming from the capital to this hip industrial town, and the gradual establishment of coffee bars, boutiques and fancy restaurants.

Yet, the revival of the city centre came at a high cost. As the centre became an attractive hub for new businesses, highly skilled migrants and major developments, the pressure on urban living accelerated. The increased cost and demand for all types of accommodation prompted many long-term residents to move to more affordable areas.

On a more positive note, Pijova-Rocla's economic fortunes did indeed take off and the city was eventually praised by many as a national success story. However, not everyone agreed with the old mayor's strategy. Despite his renaissance project, he was criticised for spending too much money on initiatives for the few whilst neglecting the city's high crime rate and social problems. Some argued that gentrification just moved problems to other parts of the city. Chain stores and grand hotels did lead to a decrease in unemployment, however, on the longer term many local shops couldn't compete with the lower prices and went bankrupt. The city's budget was eventually squeezed by the attractive

taxation rates and smart tax avoidance structures. Worse still, very little of the profits made by new businesses have remained in the rejuvenated Pijova-Rocla.

► SOCIAL CONTEXT

Not all residents have benefitted from Pijova-Rocla's economic revival. The centre's new developments stand in stark contrast to how many families live in the suburbs, adding to the sense that the gap is widening between the city's social groups. Many local inhabitants are frustrated by the influx of workers from other cities with the necessary skills for the well-paid jobs created by Pijova-Rocla's new businesses. Emerging technologies are also changing how companies that made the city their home in the 1990s manufacture their products. Many jobs are now vulnerable to increased automation and other processes that will inevitably add strain to the local labour market. Increased competition for a decreasing number of low-paid job opportunities will make it difficult for many local inhabitants to pay for supplementary training or send their children to Rovasburg to study.

► POLITICAL CONTEXT

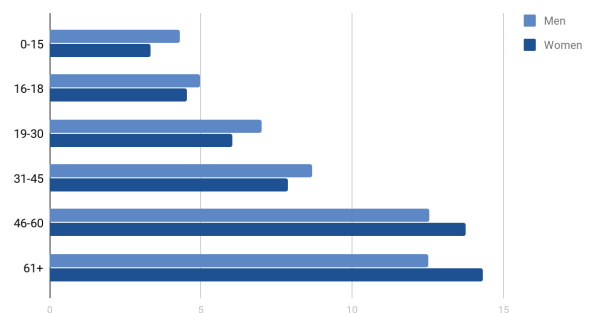
In 2014, the newly-formed Reform Party won Pijova-Rocla's council elections by a landslide. After years of perceived neglect and marginalisation by the ruling parties this populist and grass roots movement proved particularly popular with the city's poorer communities. And while political participation remains very low - the turnout was only 53% at the previous elections - the new party seems to thrive on discontent and social tensions and by promising to combat unemployment and soaring crime rates.

With the next elections coming up in May 2018, the Reform Party can proudly look back on its major achievements. Although unemployment remains relatively high, it nevertheless made inroads by enticing large retailers to move their logistical centres to the city. Only three months after their victory, a major corporation announced that it would invest in a major distribution facility in the area, thus creating a few hundred low-skilled jobs. While many welcomed this new initiative, the circumstances surrounding this huge investment received a wave of criticism due to a lack of transparency. When the local newspaper revealed that the newly elected mayor had close connections with the corporation's board members and a whistleblower hinted towards shady tax evasion constructions,

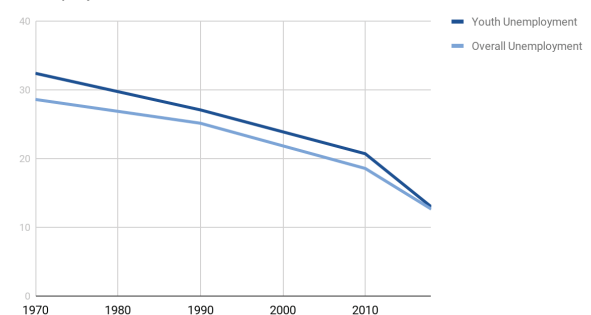
the Reform Party immediately labelled the news as fake and deliberately spread by the so-called political establishment. It remains odds-on to win in May.

The capital influx, cheap land, lowered taxes and proximity to Rovasburg has also drawn the attention of other companies, mainly specialising in digitalisation. While these companies were able to attract young specialised IT personnel from neighbouring cities, including Rovasburg, a significant number of jobs remain vacant. With an unemployment rate still at 15%, a widening social gap due to limited access to high-level education and many unaddressed social issues, including the high crime rate, much work is still to be done in Pijova-Rocla. ■

Population in % (by age and gender)



Unemployment rate



Industry

