



European  
Research Area

# EUROPEAN POLICY BRIEF

## SHRINK SMART

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The Governance of Shrinkage within a European Context

Ongoing project – November 2009

### SUMMARY

#### Objectives of the research

Over the past decades shrinkage has become a “normal pathway” of development for cities and regions all across Europe. Against this background, SHRINK SMART studies how population losses impact on urban development and which strategies cities find for coping with the problems. Based on comparative case studies the project analyzes different trajectories of shrinkage, elaborates main challenges for urban planning and explores alternatives for urban governance.

#### New knowledge and/or European added value

As a result of the project, different trajectories of shrinkage processes within Europe will be defined and a set of policy recommendations for different constellations of shrinking cities will be developed. SHRINK SMART will engage in extensive dissemination activities and develop a set of tools and policy recommendations.

#### Key messages for policy-makers, businesses, trade unions and civil society actors

- Shrinkage has become a normal pathway of urban and regional development, it thus represents a key development challenge in Europe – instead of marginalizing, the problem needs to be accepted as such, new knowledge has to be created
- shrinkage implies major challenges for the economic, social, political and cultural potentials of European cities – to deal with these challenges the affected city-regions require resources, commitment and leadership to develop their assets and find a sustainable path of development
- the problems shrinking cities are confronted with are interrelated – this implies a need for a comprehensive and integrative approach

### Objectives of the research

SHRINK SMART studies how problems caused by population losses are met by policies and governance systems in different urban regions. The project aims on analyzing trajectories of shrinkage, understanding challenges for urban planning and elaborating alternatives for urban governance. As a result of the project, different trajectories of shrinkage processes within Europe will be defined and a set of policy recommendations for different constellations of shrinking cities will be developed.

### Scientific approach / methodology

SHRINK SMART builds on a case-study approach in which seven shrinking city-regions across Europe are compared. These include Leipzig-Halle (Germany), Liverpool (Great Britain), Ostrava (Czech Republic), the Upper Silesian Industrial District (Poland), Timisoara (Romania), Greater Donetsk (Ukraine) and Genoa (Italy). The aim of the comparative approach is to improve the understanding of commonalities and differences, as well as causal relationships and influencing dynamics.

The leading research questions of the project are the following:

- a) What different trajectories of urban shrinkage occur in different urban contexts?
- b) Does urban shrinkage privilege particular /modes of urban governance?

How do urban governance arrangements impact on the abilities for coping with urban shrinkage in different urban contexts?

### New knowledge and European added value

The SHRINK SMART project aims to overcome the fragmented focus and single case or single sector orientation that often dominates existing research on urban population losses. Challenges of population losses for urban and regional development are studied comparatively applying an analytical concept of governance which embeds possible responses to shrinkage into a wider socio-economic context.

### The definition of shrinkage

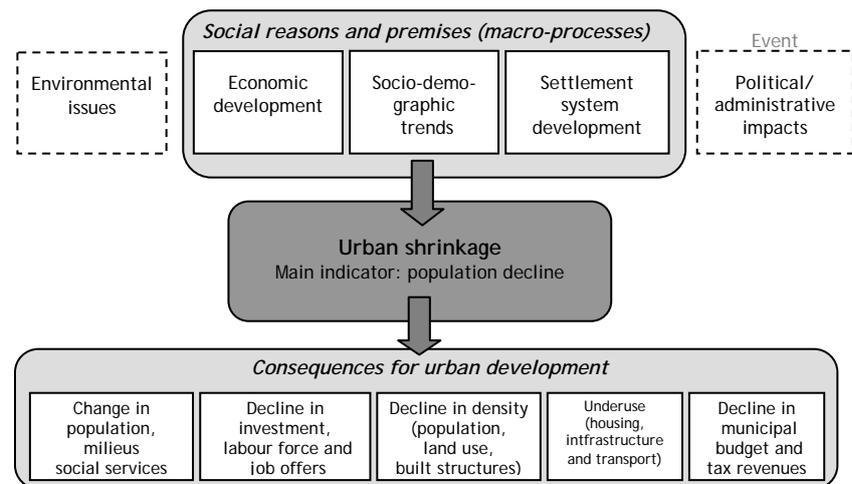
Urban shrinkage appears in many forms. As a phenomenon it is all but a newly emerging process. In contrast, studies have provided evidence for the fact that about 40 per cent of all European cities >200,000 inhabitants have lost population in a short-, medium- or long-term period for different reasons.

Interestingly, there is no widely accepted definition of shrinkage. Rather, numerous overlaps with other terms such as urban decline, urban decay or urban blight can be found that describe similar phenomena, albeit with a different focus. Altogether, in these debates urban shrinkage is conceptualised in different ways:

1. A decreasing population in the urban cores has been interpreted as part of wider shifts in the spatial organisation of urban regions (e.g. between the urban core and the hinterland) in the course of which existing built environments are devalorized and made obsolete.

2. Urban shrinkage has been discussed as being an inevitable result of uneven economic development.
3. One group of explanations discusses urban shrinkage in the light of “internal” demographic change. Whereas some scholars interpret these changes within the framework of a second demographic transition of reproduction behaviour, household formation and migration impact, others point to a shock reaction to economic crises and adaptation to changing social conditions as they have occurred, e.g. in post-socialist countries during recent decades.

Against this theoretical background, we conceptualise urban shrinkage as an event resulting from the specific interplay of different macro-processes at the local scale (see the Figure below). Such macro-processes may be related to the economic, demographic or settlement system development, as well as to environmental issues or changes in the political or administrative system. Urban shrinkage occurs when the specific interplay of the mentioned macro-processes leads to population decline, which we define as the main indicator for urban shrinkage. Population decline is represented by both natural decline (i.e. death surpluses) and losses by out-migration (suburbanisation, intra-regional migration, emigration).



Source: Rink, Haase, Bernt (2009)

### The consequences of urban shrinkage

Urban shrinkage impacts on nearly every sphere of urban life: municipal budgets, land use and urban planning, infrastructure and amenities, housing market and housing mobility, labour market and employment, residential composition and social inclusion and cohesion (see the Figure above). It leads to shifts in the population structure since out-migration is almost always selective and often removes the younger and well-educated sections of the population leading to an enforced ageing of the remaining population. The same is true when a city loses population due to death surpluses. In shrinking cities or neighbourhoods there is often a concentration of neglected population groups such as the unemployed, poor or low-income

groups and foreigners or ethnic minorities. This brings about challenges for social cohesion and may fix and strengthen patterns of socio-spatial and residential segregation in the respective city.

Selective out-migration also has consequences for the labour market since skilled labour becomes scarce. This is less true in cities where decline is due to suburbanisation, but affects first and foremost cities where decline is due to economic misfortunes. Here, the declining attractiveness of a city can even lead to an accelerated population loss. In shrinking cities, high unemployment and decreasing investment are closely related to each other, and this phenomenon makes these cities less and less attractive for both in-migrants and developers.

As far as urban space and its amenities and infrastructure are concerned, population losses bring about a decrease in density and an increasing underuse of infrastructure, urban land and amenities. Shrinking populations demand fewer services and amenities leading to problems for both the public and private sector. Underuse of the building stock leads to housing and commercial vacancies and to a more rapid dilapidation of unused buildings. Whilst in some places buildings are demolished to 'balance' the housing or real estate market, in other places they simply become unusable after a certain time of not being used. Shops have to close down when there is no longer enough purchasing power, and in most cases public infrastructure sees a thinning-out process. Local suppliers of water and electricity are faced with a decreasing demand, which may lead to rising costs for those who still live in areas with a shrinking population.

Whilst to some extent a decreasing building stock density leads to 'relaxation' for a densely built city, at a later stage it might lead to a fragmentation and even perforation of the urban space and to a change of land uses as well as an increasing proportion of derelict land or brownfields within the city. This can, again, bring about out-migration of those who do not want to live close to dilapidating building stocks or brownfields.

### **Urban Shrinkage and Governance**

Although regional and local authorities are most strongly affected by population losses and have the responsibility to take action, tackling these problems is often complicated. The reason for this is mainly the following: economic decline and population losses lead to a precarious situation for municipal budgets in which local authorities are simultaneously burdened with a low fiscal income and high social expenditures. A 'fiscal gap' is therefore inescapable and local councils become highly dependent on transfers from regional, national and European levels of governance. The way in which local problems can be addressed, therefore, does not only depend on local players, but also includes responsibilities at upper state levels. Moreover, finding appropriate modes of cooperation between public and private sectors becomes a core issue. In contrast to well-studied forms of public-private-partnerships however, these collaborations need to be developed under the conditions of a reduced interest of capital, weak local markets and population decrease.

**Key messages for policy-makers, businesses, trade unions and civil society actors**

***Shrinkage has become a normal pathway of urban and regional development, it thus represents a key development challenge in Europe - instead of marginalizing, the problem needs to be accepted as such, new knowledge has to be created***

While a considerable share of “urban Europe” has been growing during the last decades and continues to do so, other urban regions have been suffering from deindustrialisation, population loss and decay for decades. Nearly one third of all Europe’s cities with more than 200,000 inhabitants have at least undergone one decade of population decline in the last 45 years. While population losses and economic decline can also be found in numerous Western and Southern European cities, they are especially pronounced in Central and Eastern Europe. Here, declining urban population numbers are rather the normal case than the exception. Shrinkage has thus become a new normality for a growing number of European cities and urban regions.

Rather contrary to the relevance of shrinkage for urban development, the term is seldom used as a description for urban development. Besides “shrinkage” (which as a term has found the broadest acceptance in Germany), a context of population decline is referred to as “urban decline”, “depopulation”, “demographic depression”, “depressive type of urban development” etc. In many places there is even no substantial debate about urban shrinkage at all. Urban shrinkage is thus not only a practical problem to be dealt with, but also a matter of representations and perception. In most cases it is perceived as a marginal phenomenon only relevant to a small number of cities, and only connected with problems. Shrinkage thus represents a stigma that does not fit into planners’ schemes.

This stigmatisation establishes a hierarchy: shrinking cities are seen as the deviation from a norm that is defined by growing cities. Given the realities, this is not only empirically inappropriate, but also makes it difficult to find solutions that are adapted to the specific situation of many shrinking cities. Urban shrinkage should be taken seriously. The creation of new knowledge and context-specific solutions should be supported, instead of one-size-fits-all answers.

***Shrinkage implies major economic, social, political and cultural challenges – to deal with these and develop a sustainable path of development the affected city-regions require additional resources, commitment and leadership***

Population losses imply numerous consequences for housing, technical infrastructures like water supply and public transport, social services, as well as land use and the economic attractiveness of cities.

Coping with these problems locally is often complicated by a lack of knowledge, resources and interested actors. Whereas spatial planning in the past could function under the premises of “growth allocation”, in a situation where growth has been replaced by shrinkage, this attempt is no longer applicable. Moreover, shrinking cities are burdened with serious problems and consequently increasing expenses while revenues decrease

- thus a “fiscal gap” emerges in which communities cannot deal with the problems without external support. Consequentially, providing resources and knowledge becomes a task that needs engagement of national and European scales of governance.

***The problems shrinking cities are confronted with are interrelated – this implies a need for a comprehensive and integrative approach***

The need to adjust cities to a reduced number of inhabitants and both to downsize infrastructures and restructure existing urban forms is not merely a technical issue. On the contrary, it affects a wide spectrum of different public authorities, a large number of private stakeholders, the civil society as well as organisational, institutional, financial, and property issues. Population decline thus leads to a new relevance of integrated and large-scale planning attempts and has to face problems of complexity management. Moreover, problems are often interdependent and can only be addressed on a wider spatial scale. Population decline thus leads to a new relevance of integrated urban and regional governance. Consequently, dealing with shrinkage demands that policies and governance systems should be addressed and that a new balance between regional, national and local as well as public and private responsibilities needs to be found.

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<b>Further reading</b>	Bernt, M. (2009): Partnerships for Demolition: The Governance of Urban Renewal in East Germany's Shrinking Cities, In: International Journal on Urban and Regional Research 33(3): 754-769. Großmann, K., Haase, A., Rink, D., Steinführer, A. (2008): Urban Shrinkage in East Central Europe? Benefits and Limits of a Cross-National Transfer of Research Approaches, In: Nowak, M., Nowosielski, M. (Eds.): Declining cities / Developing cities: Polish and German Perspectives, Instytut Zachodni, Poznań: 77-99. Turok, I., Mykhnenko, V. (2007): The Trajectories of European Cities, 1960-2005, In: Cities 24(3): 165-182.
<b>Related websites</b>	<a href="http://www.cordis.europa.eu/fp7/ssh">www.cordis.europa.eu/fp7/ssh</a> <a href="http://www.cost.esf.org">www.cost.esf.org</a> <a href="http://www.shrinkingcities.org">www.shrinkingcities.org</a> <a href="http://www.shrinkingcities.com">www.shrinkingcities.com</a>
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