



European  
Research Area

# EUROPEAN POLICY BRIEF

shrink smart

## SHRINK SMART The Governance of Shrinkage within a European Context

Ongoing project – January 2011

### SUMMARY

#### Objectives of the research

Over the past decades shrinkage has become a normal pathway of development for cities 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 in different contexts.

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

The project identifies different trajectories of shrinkage, analyses main impacts and develops a set of policy recommendations for different constellations of shrinking cities. SHRINK SMART engages in extensive dissemination activities and produces a set of tools and policy recommendations.

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

- Population losses have severe and, sometimes, even dramatic impacts on most sectors of urban development in all the cities concerned.
- The impact of shrinkage is been most severe in the spheres of social infrastructure and land use, yet other sectors are affected as well.
- Urban shrinkage is not exclusively related to negative impacts. On the contrary, shrinkage has also effectively contributed to easing existing problems or even improved the situation in some cities.
- Urban shrinkage has not the same effect on the whole territory of a given city. Rather, a spatial and sector related variance of shrinkage can be observed.

**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. 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:

- What different trajectories of urban shrinkage occur in different urban contexts?
- 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?

In a first step of the project different trajectories of shrinkage and their impacts are analysed on the basis of common indicators. In a second step governance structures and their responses to shrinkage are investigated and compared.

**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.

**Causes of shrinkage**

SHRINK SMART has studied the particular combination of factors causing population losses in seven European city-regions. The findings are as follows: Altogether, the causes for shrinkage are fairly diverse across the analyzed cases. However, in all of them there has been a close relation between demographic and economic processes which have had an impact on settlement structures, land use patterns, and population composition of the particular cities. At the moment, we identified the three following major complexes of causes of urban shrinkage with respect to the case study cities concerned:

- economic decline and job-related out-migration,
- suburbanization and a change in the settlement system,
- and demographic change (death surplus and ageing).

Thereby, the most wide-spread reason for urban shrinkage has been deindustrialization in combination with job-related out-migration. In almost all of the cases concerned, demographic change has played a role. In certain cases, the impact of

demographic change has become more decisive at the later stages of urban shrinkage, mostly as a consequence of the selectivity of population loss. Apart from deindustrialization itself, the loss of a specific economic function represents another important reason for urban shrinkage. In some cases, suburbanization has played a central role as the reason for shrinkage.

These determining causes are influenced in their dynamics by other intervening factors such as the political system and its changes on different spatial levels (national, regional, urban, and local), the shape of regeneration policies, the physical structure of the city, cultural factors, etc.

Urban shrinkage must thus not be analyzed as a single process but rather as a combination of three macro-developments (economic changes, demographic developments, changing settlement structure) that impact on cities in a very time- and place-specific manner and leads to population losses. As a consequence, urban shrinkage does not only have different causes, but quite often it reveals itself in different combinations of causal mechanisms.

At the same time, shrinkage can only be understood when set into its context; thus, it makes a difference whether population losses appear in the situation of tight or weak housing markets, in compact or fragmented cities, or in the situation which is characterized by accentuated national welfare politics, or neoliberal globalisation. All these factors have an impact on the form of urban shrinkage, so that the outcome of similar macro trends (economic and demographic change, changing urban form) is often fairly different from place to place.

Moreover, the assignment of cases to particular causal characteristics must not hide the fact that the cases have all had certain definite particularities. In other words: each case assignment contains a specific story of economic decline and job-related out-migration, suburbanization, and demographic change, rather than a 'one size fits all' trajectory. Yet to arrive at a certain generalization, we have decided to apply a typology approach for it allows us to identify important causes behind the urban population loss, whilst a similar pattern can be observed in very different cities and regional/national circumstances. The same is true for the impact of framework conditions.

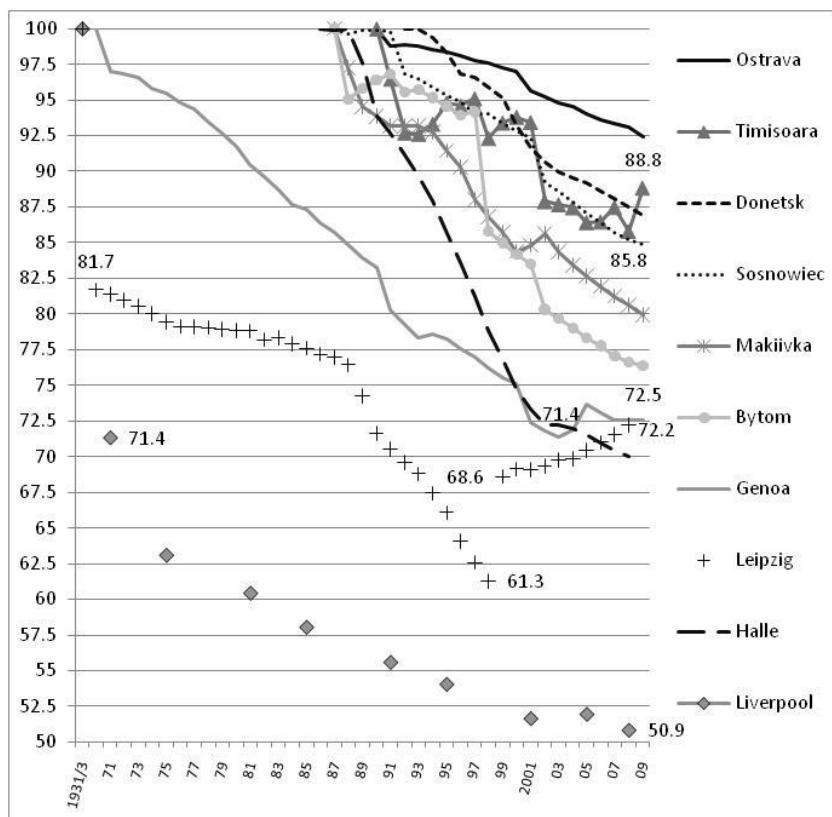
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### Trajectories of shrinkage

Urban shrinkage is a spatially and temporally uneven process that shows differentiated dynamics in terms of duration, scope and speed. While phases of massive and rapid shrinkage have been detected in some of the cities, others have undergone a long-term but gradual ('subtle') process which – at first sight – is not that spectacular, but has nevertheless been measurable and impacting.

The figure below shows the development of shrinkage over time in the SHRINK SMART case studies.

Figure: The case study cities: Population trajectories, 1931-2010, volume index (peak year = 100)



Source: Shrink Smart (2010)

The situation of shrinking cities appears in a different light when compared to the respective national urban trajectories. Whereas shrinkage represents a particular type of urban development in Western countries, it is the ‘normal’ trajectory of urban development in the post-socialist countries. Nevertheless, important differences between our case study cities remain: while some of them have managed to sustain their position within the national urban hierarchy, others have all but lost importance.

In all the ‘post-socialist’ case studies, the systemic change has had a profound impact on the development of urban shrinkage. It has either represented the starting point for deindustrialization, the break-down in birth rates and suburbanization, or it has led to an acceleration of processes that had already begun before 1989. Starting from this observation, one could reasonably ask whether there exists a ‘post-socialist’ pattern of urban shrinkage in the way that the systemic change and its socio-economic consequences had been a catalyst of similar processes which have eventually ended up in urban shrinkage and decline after the breakdown of the Communist party rule in the respective cities and urban regions.

Meanwhile, some of the cities under investigation have ceased shrinking or have stabilized their population development, whilst others have continued and will be losing further inhabitants in the short- to medium-run. Nonetheless, even those cities which have managed to overcome urban shrinkage still have to cope

with the long-term consequences of population loss, for example, with housing vacancies, derelict land and progressing ageing. Given the significant uncertainties involved, the resurgence or recovery of these cities can be jeopardized, before turning into new waves of population loss in the near future.

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### 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.

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

**Population losses have severe and, sometimes, even dramatic impacts on most sectors of urban development in all the cities concerned.**

Although the relationship between population decline and the issues of social cohesion, economy, housing, technical and social infrastructure, and municipal budgets is often fairly complex and hard to analyse, it can be summarized that all these areas of urban development are severely affected by shrinkage. However, they are also influenced by other factors, like the degree of social polarisation, a particular economic structure, the urban form, and (supra-)national and regional regulations. As a consequence it is practically impossible to isolate shrinkage from other influential developments. Shrinkage is thus obviously a major problem for urban development, but it needs to be put in context to allow meaningful strategies.

**The impact of shrinkage is been most severe in the spheres of social infrastructure and land use, yet other sectors are affected as well.**

As industrial decline is one of the key drivers for shrinkage, under-used urban spaces such as brownfields are regularly one of the most obvious signs of shrinkage. They are connected with a series of problems, among them contamination of abandoned land, physical decay and a bad image. Moreover, brownfields contribute to a “perforation” of the existing urban fabric in which functioning spatial structures are negatively affected.

Concerning social infrastructures, two issues matter in all the

case study cities: A decrease in the figures of pupils and children enrolled in kindergartens has resulted in a need to downsize, close and adjust existing social infrastructures for younger citizens. At the same time, ageing has led to a rising, and very specific, demand for new infrastructure for the elderly.

While similarities exist in other fields of urban development as well, they have either been not as strong, or the developments have not as clearly been the result of population losses.

**Urban shrinkage is not exclusively related to negative impacts. On the contrary, shrinkage has also effectively contributed to easing existing problems or even improved the situation in some cities.**

While, in some cases, shrinkage has been accompanied (or preceded) by disinvestment, an outflow of economic and human capital, as well as a deterioration of housing and living conditions, in other cases, population loss has led to a certain relief in the tight housing market (e.g. in most of the former state socialist case studies) and to a de-densification of the inner city residential areas). In most of the case studies concerned, deindustrialization has led to an improvement in the quality of natural environment, a decrease in environmental pollution and degradation, and an increase in the green urban space.

***Urban shrinkage has not the same effect on the whole territory of a given city in an equal manner.***

Often, either particular districts and their dwellers or particular areas of urban development have been especially affected or hit by shrinkage. Thus, when analyzing the impact of shrinkage on urban development, it is important to include the spatial- and sector-related variations. In all cases studied, shrinkage has been spatially varied within the city. Mostly it was the inner city areas which have experienced shrinkage to the worst extent, whereas even in situations of high overall population losses, other areas were doing rather well. Thus, instead of following a “one-size-fits-all” approach, initiatives to tackle the problems of shrinkage need to take the unevenness of the process into account.

The next step in SHRINK SMART is it to analyze challenges of urban governance resulting from shrinkage. Therefore, this results of our shrinkage analysis summarized above serve as the main basis. The partner teams will look at different “arenas” of shrinkage such as housing vacancies, brownfields, suburbanization, financial redistribution etc. and unveil how local governance arrangements are constructed and working, and what impact local governance has on the development and coping process with respect to urban shrinkage.

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<b>Further reading</b>	Bernt, M., Rink, D. (2010): "Not relevant for the system": The crisis in the backyards, in: International Journal for Urban and Regional Research, vol. 34 (3): 678-685. Couch C.; Cocks M. (2011): Underrated Localism in Urban Regeneration: The Case of Liverpool, a Shrinking City, Journal of Urban Regeneration and Renewal, Vol 4, No. 3 (in printing). Calza Bini P., Violante A., Cortese C. (2010): Interconnessioni tra crescita economica e declino demografico: il caso di Genova, in Argomenti, n. 29/Milano: 85-92. Medvedev, D. (2010): Depopulation processes in large cities of the east macro-region of Ukraine: dynamics and socio-economic reasons, in: Ekonomichnyi visnyk Donbasu [The Donbas Economic Quarterly], No. 4 (22): 118-121.
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