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ADDRESSING URBAN SHRINKAGE IN SMALL AND MEDIUM SIZED TOWNS

Shrink Smart and Re-grow Smaller

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INVESTOR IN PEOPLE

To Hannah, Daniel and Lucy who were there in the hour of need

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LIST OF ABBREVIATIONS

IBA	International Building Exhibition
JPY	Japanese Yen
SMTs	small and medium sized towns

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ABOUT THE AUTHORS

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INTRODUCTION

In the twenty-first century, the management of shrinkage and decline, rather than economic growth, has become the strategic objective for a large number of urban settlements. Contemporary studies show how global trends enable large cities to grow, even in adverse economic conditions, while smaller towns become locked into long-term decline (Martinez-Fernandez, Kubo, Noya, & Weyman, 2012; UN-Habitat, 2008). The rapidly growing body of research on urban shrinkage provides a complex picture of the seemingly intractable problems arising from economic restructuring, demographic change, migration, sub-urbanisation, environmental shocks and political upheavals. Local leaders are unfamiliar with developing responses that diverge from accepted notions of achieving economic growth and every failure to restore a city's fortunes adds to a prevailing sense of resignation and confusion. A key challenge is to put forward plausible proposals for how to bridge the gap between a town's, often prosperous, past and a future that promises an improvement on the continuous decline that inhabitants experience. It is entirely understandable that politicians, officials and residents can find it difficult to accept that their town is 'shrinking', which refers to a reduction in its overall size, or 'declining' which infers deterioration and being on a downward path. However, being in denial about this reality makes it difficult to develop effective pathways that would address the challenges arising from long-term decline and shrinkage.

Governmental responses to urban shrinkage have been limited and there is a clear preference to foster economic growth. Locations with poor growth potential are therefore likely to lose out in the race to secure private capital and also in the competition for governmental investment. Furthermore, governments and supra-national institutions seem to give lower priority to small- and medium-sized towns (SMTs) in the fight against urban decline when compared

to cities that are considered to be the 'engines of growth'. This is puzzling. SMTs are the places where the majority of citizens in developed countries live and significant numbers of SMTs are either stagnating, declining or shrinking. Europe and Japan present dramatic examples of these developments (Martinez-Fernandez & Yahagi, 2016). Nearly two-thirds of Europe's entire population live in SMTs and, depending on the measures used, between 20% and 57% of urban settlements are, or have been, shrinking. The argument made by scholars who contributed to the international research consortium CIRES that 'in Europe we are dealing with islands of growth in a sea of shrinkage' (Wiechmann, 2012, p. 40) might also apply to Japan where 85 % of urban settlements below 200,000 residents were or have been shrinking in 2015(Shimizu, 2020).

Urban shrinkage is a multi-dimensional problem that encompasses the decline in the economic, social, political and environmental bases on which an urban area is founded. It is a topic that attracts the attention of geographers, planners, economists, sociologists, management and policy experts. It is therefore perhaps not surprising that there is no agreed definition of what constitutes a shrinking city. Some scholars adopt a broad perspective which embraces absolute populations decline, as well as decline and stagnation of the physical, economic and social dimensions of a settlement (e.g. Pallagst, Martinez-Fernandez, &Wiechmann, 2013), while for others absolute population decline is the defining characteristic of a town that is shrinking (e.g. Haase, Bernt, Grossman, Mykhnenko, & Rink, 2016). We adopt a broad perspective on urban shrinkage that refers to the long-term decline of a town's economic, social, physical and environmental assets. Furthermore, when taking an international perspective a broader frame for the problem of urban decline and shrinkage is conducive to policy responses that embrace the diversity of urban settlements affected by it (European Commission, 2011). We believe that urban research and policy should be inclusive of the contrasting social, economic and environmental contexts displayed by smaller urban settlements, and that towns of all sizes should be supported through policy initiatives that operate at scales that are inclusive of small- and medium-sized urban settlements. And this book is specifically written for towns that are small or medium sized.

There is no universal definition of a small or medium sized town, what is meant by an SMT needs to be determined in relation to the country it is located in. For example, in the UK small and medium sized towns range from 7,500 to 60,000 inhabitants, while in continental Europe this might be

between 10,000 and 100,000 inhabitants. In contrast, towns of up to 100,000 residents are in the 'small town' category in Japan, and towns with 200,000 inhabitants are considered to be of medium size. For this publication we use examples that illustrate practical responses to long-term decline which are from towns that are no larger than 100,000 inhabitants. Some examples might appear more familiar to some readers than others because this book aims to engage policy makers and practitioners from across the globe. What might be common practice in northern Europe, such as the temporary utilisation of vacant retail premises through 'pop-up shops' offers an entirely new perspective to politicians, officials and property owners in Japan. Conversely, re-issuing driving licenses for heavy goods vehicles to over 65s so that they can support their local community transport project may raise eyebrows in Europe. The purpose of this book is to encourage local communities to explore and use local resources in new, creative ways and to be pro-active in developing sustainable responses that make their town a better place to live. In doing so we hope to attract the attention of national governments, many of which are searching for innovative approaches that help urban settlements to shrink smart and re-grow smaller.

We begin with a brief overview of the global context to show that urban shrinkage and decline is a widespread problem that is unlikely to go away anytime soon. In Chapter 3, we outline key problems encountered by SMTs that are in long-term decline. The loss of economic or administrative functions stands at the beginning of a spiral of decline which triggers the loss of economically active and younger populations. The proportion of older and vulnerable people in the remaining population increases, putting financial strain on public budgets to adjust health, leisure and education services. At the same time, services catering for younger populations are being down sized or removed all together. Comparatively low living costs attract migrant and refugee communities which can put further pressures on local health, education and leisure services. When a town becomes less attractive to invest or live in property values drop and the proportion of underused or vacant land and buildings grows. Once caught up in this cycle of decline it is very difficult to regain control and fight against it.

In Chapter 4 we elaborate on three contrasting governmental approaches towards supporting towns to develop responses to decline and shrinkage. This is intended to show that the strategic pathways we put forward in Chapter 6 have relevance in very different policy contexts. These include policy contexts characterised by an absence of governmental policy concerned with shrinkage, such as in the UK; a policy framework designed by the Japanese government to

deal with a recognised crisis of urban shrinkage and decline; and a multi-level, spatially targeted policy aimed at supporting shrinking towns in Germany.

In Chapter 5 we introduce two key concepts that we believe are helpful for local strategy development, namely to 'shrink smart' and 're-grow smaller'. Shrink smart is primarily about taking control over the shrinkage process. Liabilities and risks are minimised while local assets which are or might become valuable need to be nurtured. Re-growing smaller is about using local resources in new ways. We suggest that 're-growing' can usefully be understood as the re-purposing of assets in ways that reflect a smaller population, respond to contemporary needs and harness local opportunities. As this most likely results in a town having a smaller population in future, we are talking about 're-growing smaller'.

How a small town can shrink smart and re-grow smaller is illustrated in Chapter 6. We use the case of Altena, a small town on the edge of the industrial conurbation known as the Rhurgebiet in south-western Germany. Altena is one of the few documented case studies of a SMT that has tackled long-term decline through a long-term inclusive strategy that created a new vision for the future. The case puts a spotlight on the importance of being proactive in creating opportunities for improvements that attract interest and support from governmental agencies and the essential task of collaborating with civil society to co-create lasting change. In the second part of this chapter we offer a model to show how a town caught up in a spiral of decline can move from 'crisis to choice'.

In Chapter 7 we develop three strategies that could assist SMTs with shrinking smart and re-growing smaller. These can be initiated without external financial or government policy support, but as we explain throughout this book, modest governmental support can make a big difference in a small town. The first strategy consists of adopting a collaborative approach towards strategic and service level initiatives. Drawing on the maturing co-production literature, we suggest that a systematic approach to co-production that distinguishes between co-commissioning, co-design, co-delivery and co-evaluation is key to generating initiatives that can be sustained by civil society. The second strategy focuses on the adjustment of public facilities. We present practical examples where buildings and spaces have been reduced, re-purposed and changed so that they better serve contemporary needs of shrinking SMTs. The third strategy concerns the adjustment of spatial distributions of housing, industrial, transport and service infrastructure. We present a number of examples where national governments have instigated programmes to support municipalities in re-shaping the urban fabric for a smaller population.

We conclude with suggestions on how SMTs could be supported better in future. We believe that the next generation of municipal chief executives, mayors, civil servants, entrepreneurs and leaders of civil society organisations need to be equipped with the conceptual and practical tools that facilitate the creation and exploitation of opportunities which bring benefits that are not measured in units of economic growth. Furthermore, today's public servants need to be skilled negotiators, able to influence informal and positional power, navigate environments with dispersed leadership configurations and sustain relationships through shared goals. Governmental support for struggling SMTs therefore needs to go beyond the mere funding of projects and include the enhancement of training and professional development programmes. Universities and professional institutes also need to take a closer look at their progression routes and include the management of decline and development of non-growth strategies in the skills that are taught and assessed. Our final point is that providing more support to settlements that have been side-lined in the race for economic growth is politically opportune. SMTs are key places to win the hearts and minds of older voters, and modest investments in fast internet connections can make SMTs attractive destinations for professionals and their families in search of affordable homes in a safe, less crowded and often attractive physical environment. We hope that this book will support practitioners and politicians in addressing the challenges arising for SMTs from urban shrinkage.

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CONTEXT

More than half of the world's 7.8 billion people live in urban areas. Projections by the United Nations estimate that the urban population will make up 70% by 2050 when the global population is expected to reach its peak. In Europe the urban population is already higher than the global average and is expected to increase from 72% at present to 84% in 2050 (United Nations, 2008, 2019). The growth of the global population is not evenly spread with Asia and Africa showing strong growth while regions such as Asia-Pacific, North America and Europe have ageing and also declining populations (Bricker & Ibbitson, 2019).

We witness rapid urban development in many parts of the world and at the same time see shrinking cities emerging as a widespread global phenomenon. Global shifts in production and consumption result in urban places that have lost in the fight for investment and growth, at least temporarily, while a small number of globally connected cities experience sustained growth (Cox, 2014). Globalisation concentrates infrastructure, intellectual property, population and technology in 'world cities' while a growing number of towns suffer from capital and talent outflows, lack of entrepreneurship and innovation. Globalisation is the cause of decline of numerous towns in industrialised countries and also the driver for continuous development of cities and regions that are integrated into an international production system (Martinez-Fernandez, Audriac, Fol, & Sabot, 2012; Martinez-Fernandez, Kubo, Noya, & Weyman, 2012).

Urban shrinkage is not new phenomenon. Early attempts to explain urban decline with economic theory in the 1930s underpinned cyclical urban development models developed in the 1980s that perceived urban decline as part of a process that would lead to growth again (Cunningham-Sabot, Audriac, Fol, & Martinez-Fernandez, 2014). The current body or research

on urban shrinkage departs from this logic. It has its origins in Germany which encountered dramatic population movements due to the fall of the Berlin wall in 1989 and the collapse of socialist regimes in neighbouring countries in the 1990s. It became clear that many urban areas were unlikely to recover from the decline they encountered and the efficacy of established planning and policy models was being questioned in regard to tackling urban decline. In 2004, the 'Shrinking Cities International Research Network' initiated what was to become a diverse and rich body of research which forms the basis of contemporary analysis on the dynamics of long-term urban decline (Wiechmann & Wolff, 2013).

The causes of urban decline have been found to vary widely across continents and countries (Martinez-Fernandez, Kubo, et al., 2012). Nearly one in five of North America's main industrial cities have been shrinking by an average of 24% between 1950 and 1990. More recent research suggests that 13% of American urban agglomerations are experiencing population losses and that these are no longer concentrated in former industrial areas. Suburbanisation is a key driver for the decline of American cities because government policy favours the expansion of suburbs instead of making public investments in urban cores. Lack of investment combined with large proportions of low skilled immigrant workers, weak labour markets and cheap housing accelerates the decline of urban centres in many American cities (Mallach, 2017; Wiechmann & Pallagst, 2012). Detroit is perhaps the most prominent example of how continuous disinvestment led to a decline not just of the core city but also large swathes of its suburban areas (Neill, 2016).

In the Asia-Pacific region Japan stands out as the country with the most pronounced urban shrinkage problematic. Here nearly half of all towns with more than 100,000 inhabitants are shrinking and the number of smaller towns affected by decline is considerably larger. The major factor driving this process is a dramatic population loss caused by low birth rates which is set to continue until 2030 when 31% of the population will be over 65 years old (Martinez-Fernandez & Yahagi, 2016). In Europe also urban shrinkage is a widespread problem. Here the key drivers are low fertility rates, outward migration and de-industrialisation. According to a study by Wiechmann and Wolff (2013, Wolff & Wiechmann, 2018) 20% of urban settlements in Europe with more than 5,000 inhabitants are losing population. A study on cities with more than 200,000 inhabitants by Kabisch, Haase, and Haase (2012) found that 42% were shrinking, especially in new European member states. An earlier study by Turok and Mykhnenko (2007) of 310 European cities with a population of more than 200,000 inhabitants came to a similar result, suggesting that 40% had experienced shrinkage. Post socialist