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Shrinking Cities in a Time of Crisis

By Ivonne Audirac, Sylvie Fol, and
Cristina Martinez-Fernandez

The intractable decline and relentless depopulation of certain cities and suburbs in the U.S., Japan, and Western and Eastern Europe—exacerbated by the current global financial crisis—have stimulated scholarly research into causal explanations and new ways of understanding the synergies of decline and growth beyond classic formulations. In the midst of this search, which is by no means complete or conclusive, “urban shrinkage” has acquired a new meaning connoting a variety of urban afflictions and encompassing both the global North and South (Audirac and Arroyo forthcoming).

A provocative set of theses from the North propounds “shrinking cities” to portend a phenomenon, one that is qualitatively and quantitatively different from previous encounters with urban decline. For Phillip Oswalt (2009), of the Shrinking Cities Project of the German Federal Cultural Foundation, “shrinking cities” are like the canary in a coal mine—the industrialized world’s early warning signal of the impending global urban crises of modernization, suburbanization and metropolitanization. According to Oswalt (2009), shrinking cities in the 21st century are the harbinger of the end of 200 years of industrialization fuelled by fossil energy; a crisis of cheap mobility, of aging populations, and of new waves of technological restructuring exacerbated by climate-change, which will re-concentrate suburban populations to the urban cores; and a crisis of social polarization with the worsening of social divisions between growing places, globally connected to capital circuits, and shrinking places dependent on locally grown microfinancing. Accordingly, “shrinking processes” will ostensibly be so ubiquitous that losing all stigma they will soon become as normal as growth processes.

While the jury is still out on whether these end-of-era theses will materialize in the next fifty years, shrinking cities undoubtedly represent a crisis of economic, social, and ecological sustainability, whose dimensions, causes, manifestations, and policy solutions the Shrinking Cities International Research Network (SCiRN)¹ has taken up to investigate, through scholarly

1. SCiRN was initiated in 2004 by visiting scholars at the Institute of Urban and Regional Development, University of California, Berkeley. It is an interdisciplinary group of urban planning academics and researchers from five continents, which conducts research on shrinking cities in a global, comparative perspective. Its members have carried out research in the US, Mexico, Brazil, Germany, France, United Kingdom, South Korea, Australia, and Japan. SCiRN’s PhD Academy is also an international group of PhD students whose doctoral research focuses on shrinking cities.

comparative research, since 2004 (Pallagst et al. 2009). The papers presented in this issue of the BPJ were authored by members of SCiRN's PhD Academy as part of doctoral research conducted at their home institutions. Collectively they contribute to SCiRN's mission to expand the scope of urban planning discourse—beyond a traditional focus on growth—into the larger narrative of growth and decline embodied in shrinking cities research. They also contribute to the ongoing shrinking cities discourse that began in Germany after reunification and which later expanded to the rest of Europe, North America, and Japan.

Berlin and Leipzig: Two German Shrinking Cities

Over the two last decades, the process of “*Stadtschrumpfung*” (urban shrinkage) became a crucial factor of urban change in Germany. Since reunification, the new “*Länder*,” located in the Eastern part of the country, in the former GDR, underwent a dramatic loss of population and most of the cities experienced both demographic and economic decline (Wiechmann 2007). The combined effects of de-industrialisation, suburbanization, post-Soviet transformation and demographic change have led to a new pattern of urban decline (Oswalt 2006) and have conferred a unique character on the urban evolution taking place in the cities of Eastern Germany (Steinführer and Haase 2007). The transformation of the economic structure and the privatization of industry have occurred over a very short period of time, as a “*shock therapy*” (Bontje 2004). Now a peripheral economic region (Prigge 2006), eastern Germany has the lowest rate of industrial employment in Europe. The very high unemployment rate created by the extremely fast process of economic restructuring has led to massive emigration from eastern German cities, with the younger and more qualified employees leaving to seek a job in the West (Glock and Häussermann 2004). Even the biggest cities in eastern Germany have experienced urban shrinkage and among them, the cases of Berlin and Leipzig analyzed in this special issue are particularly interesting. Although Berlin's suburbs can be considered “*poles of stability*” in a regional “*landscape of shrinkage*” (Herfert 2006), Betka Zakirova shows that within the Berlin urban region, growth and shrinkage are occurring at the same time. Focusing on those parts of Berlin's suburbs that are shrinking, her paper analyzes the factors behind suburban shrinkage, pointing out the role of economic decline, competition for development, and the lack of regulation, all of which have characterized the transformations of Berlin's urban region since the 1990s.

The case of Leipzig examined by Daniel Florentin shows some similarities with Berlin regarding the effects of economic restructuring and outmigration. However, Leipzig started to shrink before the end of the socialist regime and its population has been declining constantly since

1966, creating what he calls a “history of long-term decline.” Dealing with the manifestations of urban shrinkage, Florentin’s paper uses the image of “perforation” introduced by Lutke-Daldrup (2000) to describe the spatial organization of the city resulting from this process. He focuses on the strategies put in place by the local actors to tackle the negative effects of decline and to “achieve a sustainable and dynamic city development.” He discusses the contradictions and difficulties of these strategies.

Suburban Shrinkage in Paris and Osaka

Urban shrinkage, in any of its manifestations, whether social, economic or demographic, is arguably influenced by globalization dynamics. However, despite this influence, shrinkage is not uniformly manifested. The first suburbs of Paris, the locus of Parisian industrial development, according to Marie-Fleur Albecker, have experienced profound economic restructuring since the onset of post-Fordist de-industrialization in the 1960s. However, given the global city status of Paris, some first suburbs benefited from their proximity and easy reach to Paris proper and to new urban growth poles deeply integrated into the global economy such as La Defense and Roissy. Other less fortunate first suburbs, however have further declined. Albecker classifies Paris’ first suburbs according to their response to decline and arrives at four types in terms of global integration and social evolution: (1) pro-globalization suburbs—integrated to the global economy and gentrifying; (2) “scissor” suburbs—integrating into the global economy but with social marginalization; (3) “pro-residential” suburbs—economically dormant bedroom communities; and (4) “transition suburbs—hesitating between global economic integration and residential specialization. Despite this difference in outcomes, Albecker acknowledges that the old social divide between the less well off North-Eastern and the more affluent South-Western Parisian first suburbs still persists and that the intentions of anti-shrinking policies are persistently defied by a complex set of factors related to location, transportation accessibility, infrastructure, and history.

Foreshadowing the aftermath of the current real-estate and financial crisis in the U.S., Sophie Buhnik presents the case of Osaka, Japan’s third most populated city and second largest urban agglomeration. According to Buhnik, Osaka, in contrast to other Japanese metropolises, shares features of shrinking cities found in countries like Germany, particularly in terms of population decline caused by national negative demographic trends. Although Japan’s economic restructuring due to de-industrialization was relatively benign in the 1970s, Japan’s 1980s economic boom was partially responsible for the outsourcing of industrial production to China and other Asian countries. The boom also resulted in the push to the metropolitan periphery of households unable to afford housing in

the metropolitan core or near-in suburbs. The 1990s Asian financial crisis and the bursting of the Japanese housing bubble, combined with Japan's falling birthrates, had strong social, economic and spatial implications for Japanese cities. Based on Japanese census demographics at the municipal level, Buhnik maps the decline and growth of Osaka's metropolitan area. Her analysis finds Osaka's blue-collar core cities and periurban suburbs as well as edge towns and villages to be experiencing the greatest population decline. The first group of declining places resulted from industrial restructuring, while the second experienced abandonment by suburbanites and exurbanites fleeing these places and re-concentrating in rejuvenating core municipalities. The latter cities, after the real-estate crash, became more affordable to young households and other populations from outer suburbs looking for shorter commutes. In the aftermath of these changes, the metropolitan periphery has shrunk and aged as outer suburbs and towns have lost population while retaining primarily old residents. Buhnik claims that Osaka's spatial pattern of growth and decline foreshadows what Tokyo and other Japanese metropolises are likely to experience in the near future.

Shrinking Cities in a Time of Crisis

Buhnik's study resonates with current trends in the U.S. Echoing the effects of Japan's sizable industrial outsourcing to China and the Japanese housing boom and bust, recent analyses of the American housing bubble and the catastrophic collapse of the mortgage industry point to two similar urban restructuring trends in the years to come in the U.S. (Audirac forthcoming). First, the newest shrinking places, where foreclosed and abandoned properties abound, are the shrinking peripheries of metropolitan America, i.e., edge development in Florida, Nevada, Arizona and outlying cities in California saddled with a glut of unsold and foreclosed properties. The mortgage crisis, the housing bubble, and further rounds of de-industrialization, prompted by China's meteoric ascent in global manufacturing, have not only further beleaguered struggling shrinking cities of the Rust Belt such as Detroit, Pittsburgh, Youngstown, Cleveland, or Buffalo, but also spread to cities along the American South's manufacturing belt dubbed the "Slump Belt" by Paul Krugman. This region stretching from the Midwest to the Carolinas, peppered with foreign automobile manufacturers, epitomizes the "cyclically sensitive" landscape of global manufacturing shared both by the global North and South. It marks perhaps the end of more than one hundred years of industrialization. Moreover, urban analysts, from Richard Florida (2009) to Christopher Leinberger (2008), to William Lucy (2010) have been quick to predict the end of American suburbanization that began after World War II and the rise of a new urban era. The combination of the end of cheap oil, the growth of childless households,

a glut of devalued housing, manufacturing plants and industrial workforce, conspire to make of overbuilt outer suburbs America's next slums (Leinberger 2008). While the unemployed and those walking away from mortgaged properties will tend to migrate to fast growing cities where the "creative class" of scientists, engineers, managers, and professionals of the "intangible sector" agglomerate (Florida 2009), the trend will be underscored by a cultural reversal from suburban to urban ways of life driven by demographically-driven preferences for central cities and streetcar residential suburbs (Lucy 2010). Typical suburban neighborhoods of single family homes will be eschewed by the young, upperly mobile, and childless households for more urban locales with shorter commutes. And thus, the coming decades will likely witness an end to population dispersion and a rebirth of urban re-concentration (Lucy 2010). National building permit trends from 1990 to 2008 comparing central city and suburban construction activity in mid-size cities such as Atlanta, Denver, Sacramento and Portland seem to provide some support for this view (EPA 2010). If these predictions hold true, shrinking cities in the U.S., as Oswald (2009) envisioned for industrialized countries, will become so pervasive that decline will lose its stigma and planning will face new challenges beyond those leveled against the modern unitary planning ideal (Graham and Marvin 2002).

Conclusion

As several articles gathered in this issue of the BPJ show, shrinking cities across the industrialized world face the greatest planning challenges in dealing with economic and demographic decline, particularly in cases where a national recession and the global financial crisis render competition for domestic and international capital fierce and old strategies obsolete. Planning lessons from the American Rust Belt (Schilling and Logan 2008) and East German cities (Oswald 2006, Weichman 2009), which recognize that traditional growth strategies have been socially counterproductive and economically ineffective, are taking center stage and helping to push for new planning paradigms. These new planning paradigms recognize the social and ecological consequences of global industrialization, aging demographics, and of planning interventions for or against the next spatial fix (Harvey 2000).

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