

1

introduction

Demystifying the concepts of “shrinking cities & urban depopulation”.

A theoretical review that could be useful to the case of Gjirokastra, Albania.

Prof. Dr. Besnik Aliaj
Dr. Sotir Dhamo
Polis University / Tirana, Albania

12

The shrinking of living settlements in general is a concept that refers to the cities and towns that experience a sharp loss of population. Such loss could come because of depressing social, economic and political contexts in a given region or country, or because of massive (e)migration towards capital city or other and neighboring countries. As infrastructure and services in such living settlements were planned and invested to support bigger population, its own maintenance becomes a serious problem and very expensive exercise. When talking on “shrinking cities” in Europe, often are used concepts like: urban decay, or urban flight, or counter-urbanization. The origin of the phenomenon usually refers to the dense and urbanized areas that face problems of population loss within a short time. This is often defined as de-concentration or as the contrary effect of urbanization. The theory gained ground especially in the Eastern Europe countries during the “post - Berlin Wall fall” decades, especially within industrial regions and cities that went under harsh shock-therapy economic treatment, and fast privatization policies towards the newly established market economy. Shrinking cities concept in the USA became more evident during 2006-2008 because of the global economic recession that hit also the country. The main target for such negative effect have been dense urban centers. As result of that, external suburban areas continued to grow. The main factors that encourage shrinking of the cities in the U.S. might be considered: sub-urbanization, de-industrialization and the related human migration. Nowadays,

statistical data show that 1 in 4-6 cities worldwide are shrinking. This is more typical for countries with economic growth or in the phase of de-industrialization. Other factors might include: aging population, shifting industries, shrinking by purpose - aiming to increase quality of life, etc.

There are many theoretical references for the phenomena of shrinking city.

Hollander (1 & 2) and Glazer (6) mention suburbanization as one of the reasons behind the reverse-urbanization. Another factor for them might be lack of appreciation on national infrastructure, such as highways, while there is an increase of interests on the cities with railroads and ports.

From the other side - Pallagst (3) - thinks that shrinkage is a reaction against de-industrialization. In other words this means that more jobs move from city center toward periphery with cheaper land and properties. In Detroit, for example, most of employment opportunities of the automobile industry reallocated toward suburban areas because room for expansion was less costly.

Bontje (5) also proposes four main factors contributing to the shrinking cities effect: i) Urban development model – which refers to the Ford-ist model of industrialization in US. It suggests that “urbanization” is a cyclical process, and urban and regional decline will allow for increased growth; ii) One-company town or Mono-structure model – which refers to the idea that cities that specialize on certain branch

of economic growth, instead make themselves weak to the radical process of quick declines (such as the case of automobile industry in USA, etc.);

iii) Shock therapy model – that are typical for Eastern European post-communist countries, where state-owned companies did not survive privatization. This leads to the closure of most factories and industries, and generates as result massive unemployment;

iv) Smart decline – that is a term used by city planners and local authorities, to intentionally encourage the decline of population or “freeze it from any growth tendencies” (for example: the case of historic-touristic city of Florence, Italy). This aims a pragmatic political philosophy of “planning for less – less people, less buildings, less land uses – in order to maintain or increase the standard of living”. However, such strategy is often criticized for neglecting local residents' needs, resulting in pushing more people out of the city center.

Main effects of the “shrinking cities” phenomena could be summarized as below:

- Economic effects – The shrink of urban population demonstrates the change of economic and planning conditions in certain living settlement. Cities, indeed shrink because of social-political changes, conflicts or war situations, etc. Such conditions result in economic decline, increase of debts, lack of production, and of course loss of labor force. The decline in population affects many communities, including those that are far removed

in periphery, or those enclaved within the large urban centers. The shrink of population lowers production potential and quality of life in those neighborhoods, thus forcing the decline in employment and productivity aspects.

- Social and infrastructural effects – The living settlements that are losing population experience nowadays dramatic social-demographic trends, because of several aspects, including: aging of population, transformation of household structure, changes in life expectancy, as well as lowering fertility rates. Such shift in population is often pushed further by job-driven migration. This imposes new household demands, as well as the creation of new housing markets. The up-mentioned trends stimulate further new land markets and new urban planning demand, associated by the sprawling effects. In few words, the loss of population in certain living settlement, damages the trust over the city in itself, and deteriorates the quality and interest of local governance. When economy goes down, than the city, public spaces and its own infrastructure, also deteriorates, as local population losses their own interest.

- Political effects – Cities with loss of population are always a political taboo. Local authorities often ignore the existence of the “shrinking” problem. They almost refuse to deal with it! Local population and entrepreneurs also start to believe that the problem does not exist! We like it or not, the “shrinking cities” phenomena is a reality and fully acknowledged. Instead, most of urban planning consultancies, are nowadays strategizing how to fight

the 'shrink' implications, which affect the daily life of people, businesses and communities.

Cities of the Eastern Europe and Central Asia regions are the most impacted living settlements as regarding de-industrialization and population decline. East European cities (especially in Germany where contrast between east and west after unification was so sharp), former Yugoslav countries and Soviet countries (including countries like Albania), have been heavily affected because of their weak economic situation and social-political turmoil after the fall of communism. Even the unification of countries within EU resulted with benefits in some cases, but also in problems in some other ones.

With the unification of Germany, cities such as Leipzig or Dresden, faced dramatic population decline. Meantime, many people immigrated towards western cities, such as the capital Berlin. Hamburg also experienced population growth by early 90-s. And this is exactly the reason why Leipzig or Dresden parallel suffered by the 'shrinkage' effects. This was visualized to people by the ruining of economy and worsening of infrastructure. Nowadays such cities are growing back again, but mainly via peripheral smaller towns and rural areas.

In the case of USA, the shrinking cities face different problems. Most of migrating population there, moved out of their origin cities to other states and cities for reasons of better safety and higher economic opportunities. In countries of big population and advanced economy, such shift have not been a big issue. Indeed, USA historically showed more political willingness to rehabilitate cities of population decline. They still invest in the revitalization programs. San Francisco and Los Angeles, for example, often face population dynamics because of earthquakes, which are addressed with quick and specific recovery plans by local authorities.

This is not the case of East European cities, where the shrinkage effect does not take the same attention, while city planning processes take longer time to draft, approve and implement. The European attitude is somehow different, and could be summarized in two point: i) first stabilize population; ii) then work on attracting population back into the city. In short, "de-industrialization" in the West, and "fall of the political-economic

system" in the East, seems to be the determining factors encouraging the "shrinking cities" effect.

It is because of dramatic and instable demographic trends, and lack of investments in infrastructure and services, that it also stimulated academic research into the reasons of urban decline and "shrinking cities" effects. However, other issues such as: racism, justice, economic and health unfairness, etc., are also additional factors of the phenomena.

Academic sources today identify as main causes of urban decline three historical influences: i) de-industrialization, ii) sub-urbanization, iii) and globalization:

- The theory of de-industrialization means in few words the process of investment-reduction from main industrial-urban centers. For example, because of war damages in Europe, during post- 'World War II' times, Western Europe declined in manufacturing while United States grew. This caused shift of global economic power to the United States. Western European industrialization in meantime diminished and stopped, while new and alternative industries were also born. UK for example grew thanks to the economy of service sector. The decline of industry, reduced job opportunities and encouraged further urban-population decline. As result of that massive demographic movement happened from industrial-urban cities -towards- rural and suburban living settlements.

Post-war policies stimulated rapid privatization, thanks to the economic-aid policies of the "Marshall Plan" and "Lend-Lease Program" financed by USA, in order to ensure the establishment of the market-economy across the Western European economic landscape. The direct result of such actions caused the shift of capital from Western European industrial-urban centers -into- US manufacturing and financial markets. This somehow undermined Soviet-allied Eastern communist countries. The logic of "Cold War" economic power-structure continued the inertia even latter (during 90-s and further on), up to the present-time trends of European urban decline. Examples of post-war "deindustrialization" cases include London (UK), Leipzig (Germany), Detroit, Michigan (USA), etc.

Detroit, Michigan in USA for example is clear proof of the correlation between the "deindustrialization" and the "shrinking cities" phenomenon. Known as the "Motor City" thanks to its own famous automobile industry sector, it reached its population

peak during 50s. But the American automobile industry could not maintain its global monopoly status, as European and Japanese industries recovered from the WWII damages. Because of the introduction of the new global market competition, Detroit also lost its privileged position of "global Mo-Town". By losing its own production demand, production rates also dropped, while investments shifted to other locations outside Detroit. This encouraged a process of de-industrialization as well as demographic and urban shrinkage.

- Globalization – The sciences of political economy and demography pay special attention to the global flows of capital and investment, seen this in relation to population stability. Bretton Woods Conference prepared the world for a new globalized age of trade and investment. The latter establishment of the International Monetary Fund (IMF), and the World Bank (WB), in addition to the US economic aid programs, made Bretton Woods a turning point for the global economy and respective relations. This momentum pushed the birth of concepts such as: i) the developed; ii) and the developing nations. Therefore, the trends of capital investment flows and urban population densities followed the global financial reorganization.

The "product life-cycle" theory developed further as "urban decline" theory, dealing with economy, demography and political elites, accepting the premise of the "shrinking cities" as a direct result of the economic decline and urban (e)migration. Therefore the root cause of "shrinking cities" nowadays is seen at the lack of industrial diversification within certain urban area facing the problem. The situation indeed, increases unfairly the political and economic power of few big companies, while reducing the ability of local population to react against the lack of investments and de-industrialization process in the city. Further on, lack of urban economic diversity, kills the growth of industrial center and empowerment of local population. This allows few old-industrial elite cities (in the so called "developed" countries) to re-invest in less-regulated and less-cost industries of the "third world".

The theory of "shrinking cities" however, focuses also on the effects of globalization on urban decline through the critique of neoliberalism. Such contextualization highlights globalization and internationalization of the production

processes as a main cause for the "shrinking cities" and other "destructive development policies". Today, could be used as a case study of such argument the economic relationship between USA and China. The neoliberal critique of globalization argues that the main reason of the shrinking cities in the "developed countries" is because of the outflow of capital toward developing countries. The outflow happens because of the inability of cities of the "wealthy" nations to find productive "corners" in the international economic system. Therefore, as capital flows outward almost all cities eventually shrink.

- Suburbanization – The migration of wealthier families from the industrial city centers into the surrounding suburban areas, is a dominant trend nowadays especially in the USA. The two prevalent cultural phenomenon are: i) the "white flight"; ii) and the "car culture".

"White flight" generally refers to the movement of large percentages of "Caucasian" Americans out of racially-mixed US city centers toward "homogenous" suburban areas. The result of such migration has been the loss of money and infrastructure from urban centers. This is because wealthier and politically powerful population flees from cities. The funding and government interests also followed them. As result of that, a collapse of urban health service happened all over USA. The main outcome of such trend was the stratification of wealth among the poorest (usually minority) groups in the city-centers and the richest (and mostly white) outside the city in suburban locations. As suburbanization began to increase during 20th century urban health and infrastructure quality dropped, and urban areas in US started to decline.

"Car culture and urban sprawl" – The American "car culture" also pushed for further suburbanization and urban sprawl. The car culture became a key cultural aspect of "American-ness", thus making the suburban context an "ideal landscape" to live during the 20-th century. As result of that urban decline only worsened. The phenomenon of urban sprawl in American cities, such as across Los Angeles, happened under the pressure of a "car culture". There are three main impacts because of such situations: i) the sprawl in the declining cities has been more rapid than in growing cities. ii) there have been no differences of suburban areas, among the declining and the growing

living settlements. iii) there have been similar intervention strategies to control sprawl from the perspective city planning. Therefore authorities in USA tried to adapt to the needs of the existing population of the cities, rather than promoting economic incentives to the supposed newcomers.

Other aspects of dealing with the phenomena of "shrinking cities" include:

- Green retirement city – The concept is used in Europe as a strategy to deal with the shrinking city strategy. The idea means that abandoned or vacant properties could be transformed in green spaces for the retired people migrating from other cities or countries within EU. The newcomers bring their own savings and knowledge in favor of the city revitalization, so they must be encouraged to participate in the community life. Such approach could also have benefits on social inclusion of people and provoke "a process of urban renewal in shrinking conditions", by stimulating upgrading of parks, housing, urban and health care community facilities, etc. Mixing their accommodation with other social and age groups, it is also important to avoid the creation of the "forgotten enclaves" or "high criminality areas".

- Right-sizing – The idea is to adjust the amount of land available for development, in order to stabilize the deformed/non-functioning markets, and reduce stress over the neighborhoods by considering more the needs of existing and populations. Instead of revitalizing of the whole city, residents are stimulated to relocate toward denser neighborhoods, which are followed by the presence of more private services, businesses, and public amenities. The abandoned buildings and areas are often cleaned and developed or reserved for future green infrastructure. The city of Detroit, USA, for example, adopted right-sizing approaches via its "Detroit Work Project" plan, which included: reallocation and prioritizing public safety, providing reliable transportation and demolition plans for vacant structures, etc. In this cases special attention must be paid to the risk of segregation for low income groups, because exclusion contributes to the so called "psycho-social stress level" in the shrinking cities, adding more problems to living environments of such communities.

- Smart shrinkage – The idea for local authorities is to be initially realistic that the city can hardly return to previous population levels. It takes time otherwise to rebuild qualities and trust among people. In this case local government must accept the shrinkage as a reality, and have a smaller population in the city. This

allows authorities to focus on diversifying local economy and prioritizing budget over relocating people and neighborhoods towards most sustainable neighborhoods. From other side, "tax incentive" programs can assist the existing population, and encourage retaining investment all over the city to promote a vibrant destination. Again it is important to avoid creation of the so called "forgotten enclaves", especially when new investments in the city do not respect the environmental rights of local and poor people.

- Land bank – This are municipal structures or semi-public authorities that manage the inventory of vacant lands, and the profit generated by the redevelopment. They easy, facilitate and allow local authorities to sell, demolish and rehabilitate abandoned properties. The easier and faster redevelopment procedures, the more they discourage speculation with the newly developed properties. A good example is the case of Flint, Michigan, USA. The shrinking of the industrial city of "General Motors" led to the reduction of the city's labor force. To avoid negative effects of property foreclosure system, Land Bank there provided a series of programs aiming to revitalize the shrinking cities, including: i) "Brownfield Redevelopment" type for polluted lands via tax increment financing; ii) A "greening" strategy to use abandonment as an opportunity for isolated communities, and to involve them in the maintenance and improvement of vacant plots. However, careful analysis must be undertaken to avoid: the increase of land prices and taxes; income disparities among residents; loss of authority of local governments to stop projects, when they fall out of their objectives; etc. A good approach of dealing with vacant land is to work with non-profit local community groups in order to construct more open and green spaces within the shrinking neighborhoods; to reduce vacant plots; and create stronger community commitments.

- Wächterhäuser or 'guardian houses' – This technique is used in East Germany, where temporary so called "guardian houses" are built within the shrinking areas and neighborhoods, aiming to provide temporary rental-free accommodation/ leases. Therefore in such cases it is encouraged the temporary use of private property as public spaces. Partnership with civil society organization is also used for the integration of immigrants. Another type of intervention is the revitalization of vacant plots and abandoned properties for art-performances, art-development purposes, and artists' interactions, as well.

• Environmental justice – Rapidly shrinking cities, clearly promote misbalanced socio-environmental impacts on the excluded ones, resulting often in critical aspects of the “environmental injustices”. Such paradigm in the USA has to do mainly with the problems of income and race, which are critical in understanding the formation of suburbs and the phenomena of shrinking cities there. Therefore it is impossible to avoid interventions responding to the shrinking city phenomenon without confronting the social and environmental justice aspects. This is not usually the case for Europe, where suburbanization has been less extreme, and main factors pushing for the shrinking cities phenomena, are also more closely linked to the aging demographics, de-industrialization (in the West), and the collapse of the communist regime (in the East).

Rieniets, Tim (2009). "Shrinking Cities: Causes and Effects of Urban Population Losses in the Twentieth Century". *Nature and Culture*.

Fulton, William B. (2001). *Who sprawls most? How growth patterns differ across the U.S.*. Washington, DC: Brookings Institution, Center on Urban and Metropolitan Policy.

Bibliography

Hollander, J.; J. Németh (2011). "The bounds of smart decline: a foundational theory for planning shrinking cities". *Housing and Policy Debate*.

Hollander, J. (2010). "Moving Toward a Shrinking Cities Metric: Analyzing Land Use Changes Associated with Depopulation in Flint, Michigan".

Pallagst, K. (2009). "Shrinking cities in the United States of America: Three cases, three planning stories". *The Future of Shrinking Cities*.

Frey, William (1987). "Migration and Depopulation of the Metropolis: Regional Restructuring or Rural Renaissance". *American Sociological Review*.

Bontje, M. (2005). "Facing the challenge of shrinking cities in East Germany: The case of Leipzig". *GeoJournal*.

Glazer, Sidney (1965). *Detroit: A Study in Urban Development*. New York: Bookman Associates, Inc.

Martelle, Scott (2012). *Detroit: A Biography*. Chicago, IL: Chicago Review Press.

Schteke, Sophie; Dagmar Haase (September 2007). "Multi-Criteria Assessment of Socio-Environmental Aspects in Shrinking Cities. Experiences from Eastern Germany". *Environmental Impact Assessment Review*.

Clark, David. (2013). *Urban Decline (Routledge Revivals)*. Hoboken: Taylor and Francis.

Friedrichs, Jurgen (1993). "A Theory of Urban Decline: Economy, Demography and Political Elites". *Urban Studies*.

Rall, Emily Lorance; Haase, Dagmar (2011). "Creative intervention in a dynamic city: A sustainability assessment of an interim use strategy for brownfields in Leipzig, Germany". *Landscape and Urban Planning*.

Sugrue, Thomas (2005). *The Origins of the Urban Crisis: Race and Inequality in Postwar Detroit*. Princeton, NJ: Princeton University Press.

Vernon, Raymond (1979). "The Product Cycle Hypothesis in a New International Environment". *Oxford Bulletin of Economics and Statistics*.