

Shrinkage, Urban Renewal, Governance



Matthias Bernt, RSA Winter Conference 2012



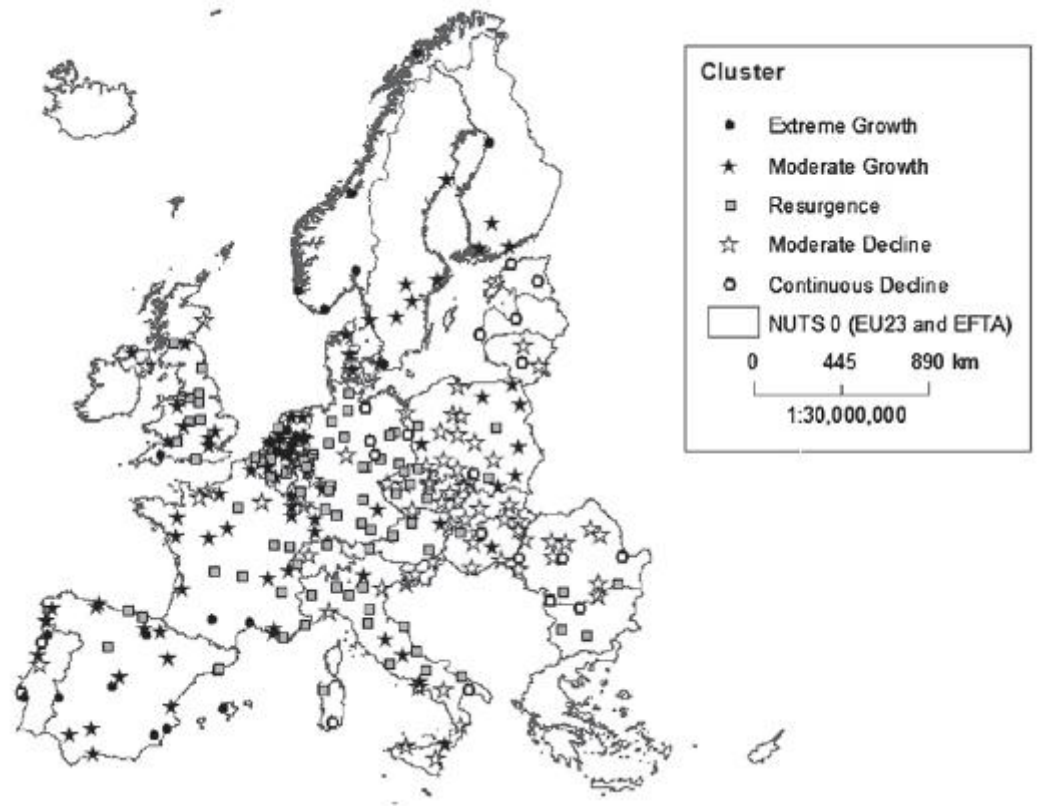
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Outline

- Why talk about shrinkage?
- Municipal Responses in Theory
- Experiences from Ostrava, Leipzig and Bytom
- Conclusions

Urban population development in Europe 1991-2008



(Kabisch, Haase and Haase 2012: 1333)

Impacts of shrinkage on municipal budgets

■ Expenses:

- Irreducible operational costs
- Additional expenses for the adaption of urban infrastructures
- Rising expenditures per capita, as a consequence of demogr. change and unemployment
- Intensified marketing and incentives to investors

■ Revenues:

- Declining economy and population → declining local tax base
- Yet, important variations in the allocation of funds across different countries

Crisis, austerity and urban governance

- City limits (Peterson 1981)
- Growth machines (Logan and Molotch 1987)
- Entrepreneurial cities (Harvey 1989)
- Neoliberalization of urban politics (Brenner, Theodore 2003)
- Post-democratic cities (Swyngedouw 2009, 2011)
- Austerity urbanism (Peck 2012)

Municipal responses

- Raising taxes
- Reorganizing and downsizing the public sector, cutting services, contracting out
- Privatizing public assets
- Engaging in economic development activities, providing infrastructures to attract investors
- Competing with other cities through marketing and symbolic development projects
- Seeking third-party funding opportunities
- Engaging in speculative financial operations (e.g. CBL-Deals)

Ostrava: „All for the market!“



Leipzig: „Coalition of sanity“



Non-decisions in Bytom



Conclusion

- Territorial inequalities, crisis, austerity regimes are no novelty for shrinking cities.
- All observed cities act in a context of austerity and place competition – yet the conditions and strategies are varied.
- Potentials for alternative local development strategies are severely limited.
- „Smart, creative, sustainable, and inclusive“ shrinkage strategies are possible – yet in practice the conditions are often not very supportive.