



Shrink Smart

The Governance of Shrinkage
within a European Context

Research Brief No. 2

Policy Response, Governance
and Future Directions

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About Shrink Smart

The Governance of Shrinkage within a European Context

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1. Why look at urban shrinkage?

Since their very earliest histories, cities across the world have seen phases of population decline – occasionally to the point of total abandonment. The present is no exception, and many urban areas across the world can be observed to be experiencing population loss. In Europe, since the late 20th century, urban shrinkage has become a normal pathway of urban development for many cities.

According to Turok and Mykhnenko (2007), about 40 per cent of all European cities of more than 200,000 inhabitants have recently lost population over significant periods of time. In Eastern Europe, the majority of large cities have been affected by shrinkage.

Urban shrinkage brings about fundamental challenges for urban societies, planning processes and governance structures. Population decline impacts on almost all arenas of urban life: business and employment, housing, social and technical infrastructure, municipal finances, social cohesion, segregation etc. Shrinkage results in a mismatch between supply of and demand for built structures, urban space and infrastructure. It is difficult to steer or govern urban shrinkage because under the conditions it produces, governance arrangements risk becoming unstable and fragmented. A high dependency on external funding and a funding-dependent restriction on initiatives lead to unstable coalitions. This, however, does not automatically mean a lack of capacity.

Urban shrinkage occurs when the interplay of macro-processes such as economic, demographic, political change or the shape of urbanization processes lead to population losses at the local scale.

For the Shrink Smart case studies, we identified the following main causes of population decline as being either:

- 1) Economic decline, generally leading to net out migration from the city region in search of work
- 2) Suburbanisation or urban sprawl, where the population disperses from the core city toward more peripheral locations within the city region
- 3) Natural demographic change, whereby, usually in an ageing population, death rates exceed birth rates and the population naturally declines.

These causes are influenced in their dynamics by other intervening factors, such as the political system and its impacts at different spatial levels (national, regional, urban, local), the shape of regeneration policies, and the physical structure of the city, ecological conditions or cultural factors. The causes and consequences of shrinkage are often interconnected. This is particularly evident in regard to economic issues: whilst industrial change or economic decline is frequently a key cause of population loss, this out-migration can then exacerbate problems in the city in a cycle of decline.

The consequences of urban shrinkage can be wide ranging, and vary from case to case. However, there are a number of common outcomes of population loss. These include:

- declining population densities,
- growing imbalance between the supply of and demand for housing,
- growing imbalance between the supply of and demand for social infrastructure (eg. schools), transport and utility infrastructures,
- declining demand for local commercial services,
- the emergence of vacant and derelict land and buildings (brownfields and vacancies),
- changing demographic characteristics (particularly a rise in the proportion of elderly people),
- greater pressures on local municipal budgets.

In the 7 FP project Shrink Smart, we aim at a better understanding of local specificities, identifying challenges, and providing solutions for responses to shrinkage at the European level.

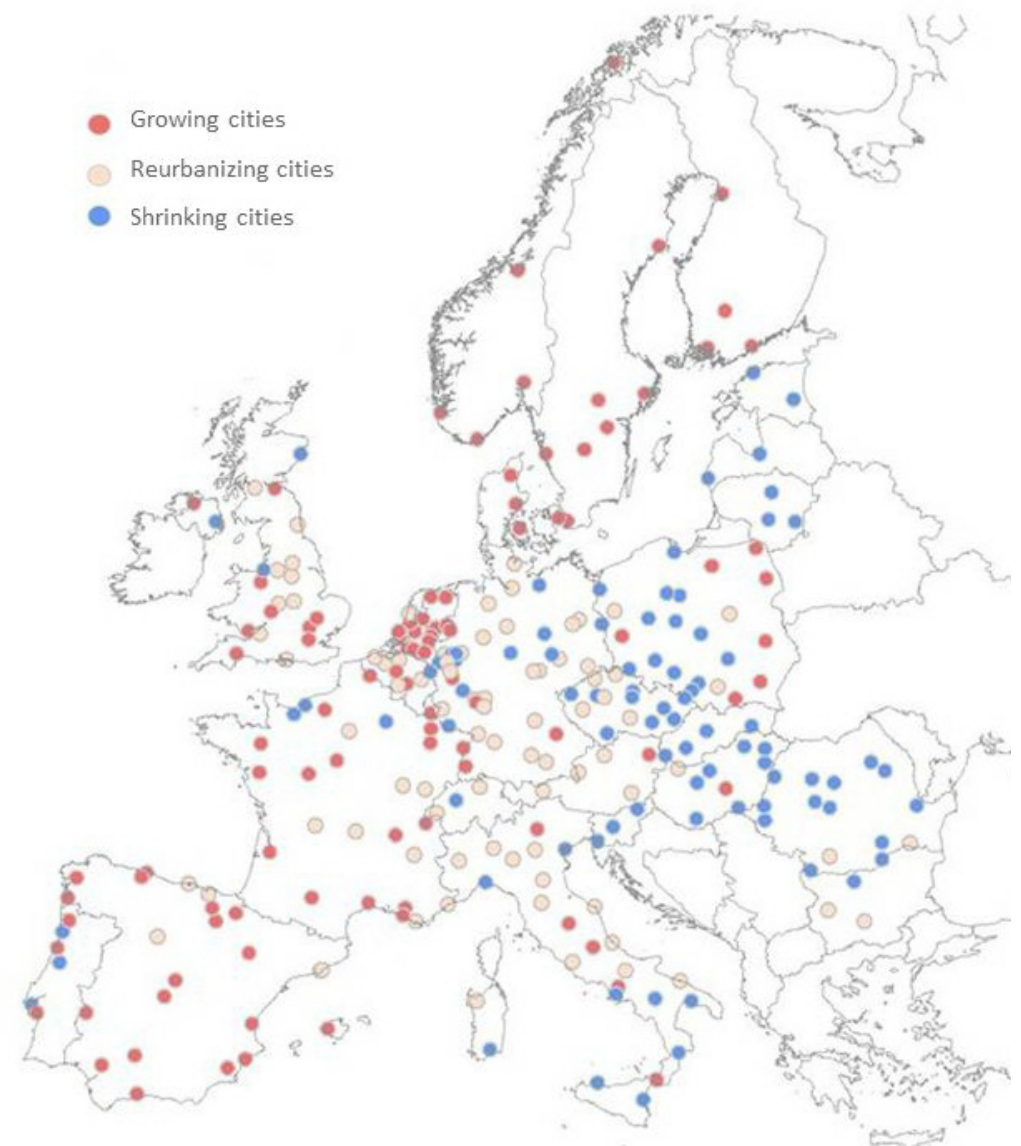


Figure 1: population development of European large cities 1991-2008
Source: Kabisch & Haase 2011

There is no one-dimensional trend of urban development in Europe: Shrinking cities represent “normality” in urban Europe next to growing and reurbanizing cities. Figure 1 illustrates the population development of all European cities >200,000 from 1991-2008 shows that one can find shrinking cities all over Europe with a focus in its eastern parts. Many cities that were shrinking in previous years have stabilized and reurbanized in recent years (Rink et al. 2012).

2. Who and what is Shrink Smart?

Over the past three years, a multi-disciplinary consortium of social scientists from across Europe have been exploring the trajectories of shrinking cities, challenges resulting from shrinkage, and governance responses. The Shrink Smart project has investigated seven urban regions across Europe – with a particular focus on Eastern and Southern Europe. The research undertaken by the team in close cooperation with the case study cities has produced a wealth of detailed information, which is available online at www.shrinksmart.eu.

The project has been financed by the EU's 7 FP, theme 8 (Socio-Economic Sciences and Humanities). The Shrink Smart consortium is made up of eight partners from seven European countries researching ten cities within seven case study areas. These are:

- Helmholtz Centre for Environmental Research, Leipzig (Germany),
- Liverpool John Moores University (United Kingdom),
- Ostrava University (Czech Republic),
- Silesian University, Katowice (Poland),
- University of Birmingham (United Kingdom),
- University La Sapienza, Rome (Italy),
- West University of Timișoara (Romania),
- Industrial Economics Institute Donetsk, Academy of Sciences (Ukraine).

The research undertaken in Shrink Smart builds on ten case studies across Europe, ranging from Liverpool (UK) to Donetsk and Makiivka (Ukraine). Among the Shrink Smart case studies, most cities shrunk as a result of economic decline and/or the systemic change in Eastern Europe after 1989.



There are examples of both long-term and rapidly shrinking cities. There are also cities within our sample that have managed to stabilize during the 2000s. But even where this has been the case, they still have to cope with the residual consequences and potentially face new periods of shrinkage in the near future.

	Shrinkage period (peak to present)	Peak population	Present population	Annual Change in per cent	Total Change in per cent
Liverpool	1931-2008	855,000	434,900	-0.64	-49.1
Halle	1986-2008	329,625	230,900	-1.36	-30.0
Leipzig	1933-2008	713,470	515,469	-0.37	-27.8
Genoa	1970-2009	842,114	610,766	-0.70	-27.5
Bytom	1987-2009	239,800	183,200	-1.07	-23.6
Sosnowiec	1987-2009	259,600	220,400	-0.69	-15.1
Ostrava	1990-2009	331,219	306,006	-0.40	-7.6
Donetsk	1992-2009	1,121,400	974,598	-0.77	-13.1
Makiivka	1987-2009	455,000	363,677	-0.91	-20.1
Timisoara	1990-2009	351,293	312,113	-0.59	-11.2

Table 1: Populations development in the Shrink Smart case studies
Source: Rink et al. 2010

In studying how cities react to shrinkage, the concept of “urban governance” has been central. We have used a broad definition of governance as it has been applied by UN-Habitat: “Urban governance is the sum of the many ways individuals and institutions, public and private, plan and manage the common affairs of the city. It is a continuing process through which conflicting or diverse interests may be accommodated and cooperative action can be taken. It includes formal institutions as well as informal arrangements and the social capital of citizens” (UN-HABITAT).

Governance is a large and complex idea and different issues and policy areas are governed in different ways. Therefore, in each case we selected for investigation those policy areas that were of particular interest in that place. A number of these issues overlapped the cases, allowing direct cross-comparisons. With the help of participative elements, workshops with the investigated cities, the policy fields for the governance research were identified. These included:

- economic regeneration (Genoa, Leipzig and Halle)
- urban regeneration and housing (Genoa, Leipzig, Halle, Liverpool and Bytom),
- brownfield management (Bytom and Sosnowiec, Donetsk, Makiivka, Leipzig, Halle and Timișoara),
- social cohesion (Genoa, Leipzig and Ostrava),
- suburbanization (Timișoara),
- financial redistribution (Donetsk and Makiivka).

3. How do cities respond to shrinkage?

Among the urban regions studied, one can find a broad variety of responses to shrinkage. Generally, these can be structured along two dimensions: between growth orientated and accepting or mediating policy responses; and spatially between focussing investment in areas of decline (typically inner urban areas and peripheral social housing areas) or in areas with the best growth potential (typically suburban and urban fringe areas) (see Verwest 2011). We can see elements of all these choices in each of our case study cities. Generally, according to our research results, we distinguish between:

- 1) ‘Western’ holistic explicit growth or stabilization strategies dealing implicitly with consequences of shrinkage, and
- 2) Postsocialist pro-growth strategies emphasizing job-creation based on attraction of inward investment and European funding, rather not regarding at causes and consequences of shrinkage.

Both strategies are exogenous - based mainly on external resources. Of course, these external resources are combined with local knowledge. Generally, the development strategies of shrinking city regions in western democratic countries with market economies are a mix between growth strategies supporting economic development (especially in the field of service economy) combined with strategies dealing with the consequences of shrinkage. These strategies are rather holistic because they are not limited to the support of economic & business development, but deal with urban regeneration, re-usage of brownfields and with social exclusion and generally appear to be closely aligned with notions of sustainable development.

Western European holistic strategies

In the 'western' case study cities we generally found the following policy characteristics to be more important in comparison with strategies of Central and Eastern European cities:

- well established and functioning public sector and institutions,
- a wide use of partnerships, agencies and intermediary institutions,
- established know-how, skilled experts, organizations and institutions in the field of urban planning,
- relatively sufficient financial resources from European, national and subnational levels of government,
- an acceptance of the desirability of tackling urban sprawl and promoting more compact cities,
- regional planning and coordination of policies of local municipalities in a region,
- the acceptance of legal and statutory restrictions, such as restrictions on housing and retail development at the urban ring or the use of compulsory purchase orders and
- a certain acceptance of shrinkage by politicians and experts and of the necessity of planning for decline in some city parts.

Thus the 'western' European cases might be said to show a combination of established and new responses, still promoting growth but accepting:

- the fundamental concepts of sustainable and compact cities,
- the need to adapt policy to decline and to mediate the consequences in some areas and
- the need for both substantial public sector intervention and private investment to achieve the strategic objectives.

The case of eastern Germany cannot be assigned easily to one of the strategy types. The Shrink Smart consortium decided to include Leipzig and Halle to the "Western holistic approaches". Due to the transfer of institutions after German unification, eastern Germany features more characteristics of a Western type of governance despite the fact that it underwent postsocialist transition, too. Especially Halle has formulated explicit strategies for sustaining quality of life for fewer inhabitants in the future.

Central and East European postsocialist shrinking cities

Central and East European postsocialist countries display different institutional arrangements for local and regional development in comparison with Western European countries. The general framework conditions for implementation of strategies dealing with shrinkage are as follows:

- The establishment of new democratic and administrative institutions caused a delay in dealing with issues such as shrinkage.
- There is a strong general belief in market forces as panacea solving any problems and the 'harmfulness' of strong public sector for economic and social development.
- The general implemented reindustrialisation strategy by attracting FDIs and private investors, creating of any jobs and economic growth is seen as a solution for all economic, societal and environmental problems.
- European Union policies, regulations and funds have an increasing but selective influence on policy making at national, regional and local level.
- The outcome of the strategies pursued by postsocialist shrinking cities has been re-industrialization and the emergence of new branches and development of service sector, especially retail and advanced business services.

Altogether, the development strategies of shrinking city regions in postsocialist countries have been more growth orientated (in a neoliberal sense) than in the countries with western-style democratic, market-orientated structures and welfare systems.

There seems to have been a strong preference for the private sector to solve problems and heavy reliance on exogenous investment to stimulate this growth. Despite emphasising neo-liberal pro-growth strategies one can observe attempts to add elements dealing with consequences of shrinkage in other policy fields, but rather in an incremental way.

4. How are these responses governed?

In each case the governance of responses to shrinkage varied - in terms of the identity and nature of institutions, as well as the relations and interactions between them. These differences were the result of many factors, which included:

- existing governance systems/cultures/traditions, political traditions,
- the issue being addressed,
- the nature of multi-level arrangements and relationships,
- the availability and origin of resources.

Thus, for example, cities have their [own traditions and cultures](#) which frequently lead to hegemony of certain narratives about the nature of urban problems, their causes and possible solutions. These narratives determine both the chances of a particular issue entering the political arena and the types of policies formed. For example, in [Leipzig and Halle](#) normative settings with respect to the aesthetic value of the pre-war and large housing estate building stock, together with strong opposition from anti-demolition civic society groups, resulted in the thwarting of plans to demolish dilapidated pre-war stock. Instead, new approaches have been employed to save these buildings from breakdown.

Leipzig and Halle: “Wächterhäuser” (Guardian houses)

The aim of this tool is to save an old and probably derelict building by using it, to prevent the building from damage through vandalism and ongoing decay. The “Wächterhäuser” programme creates a framework where homeowners and potential renters sign a flexible contract to settle the conditions of the use of these vacant houses. The contract regulates the permission for a temporary use of the house. The mutual agreement means that no rent has to be paid (except heat, water and electricity) but the tenants or users have to protect, to maintain and to renovate the rooms, the flat or the house by themselves. The private owners will be given the chance to reduce the ongoing running costs and to find and to turn over simple uses as first steps of a revitalisation.



Another key determinant of how shrinkage was addressed is the [particular problem with shrinkage at a certain place](#).

A good example for this is [Genoa](#): There, the inner city physical and housing regeneration consisted of partnerships between the municipal authority and private developers and included the use of public subsidies. Social policy addressing the problems of an ageing population displayed a more substantial involvement of civil society groups, such as locally based churches - albeit often with the use of external funding.

Genoa: Integrative neighbourhood agreement in the historical centre

Started in 2007, this agreement was employed in one of the most critical and depopulated areas of the historical city centre. This policy tool funded through national and regional integrated funds and carried out by the municipal department for urban development in collaboration with private owners and NGOs included a two-fold approach focussed on urban renewal (refurbishment of buildings, renovation of streets, technical and utility infrastructure) and social inclusion (construction of social housing and a building for young women, a nursery school and a health station). A neighbourhood centre (Casa di quartiere “GhettUp”) was opened as a location to meet, network and provide assistance. Although social and urban decline are still visible in the district that locals call “Ghetto”, the agreement-related activities have improved the quality of residential environment and social cohesion; real opportunities were created for the inhabitants to access social and public services.



The **issue of local government resources** is crucial and also difficult to generalize. The rate of fiscal autonomy varies significantly from one city to another, and it is not immediately connected with the shape of the state, or with the balance of powers between different territorial levels. **Romania**, for example, is not a federal state, but **Timișoara** has to rely on its own finance more than any other of our project cases, while two very different states like Germany and Italy have similar figures relating to locally retained taxes. In **Ukraine**, for example, the inter-budgetary transfer's formula is heavily geared towards considering output per head indicators as the primary measure of the socio-economic health of a municipality.

Makiivka: Abolition of inner-city boroughs

In 2001, as an efficiency savings measure, the city council of Makiivka pioneered the abolishing of inner-city borough councils, combining the financial resources of four local municipalities and cutting public administration costs. Subsequently, a large number of Ukrainian cities have followed this example, with the city of Donetsk planning to abolish its nine municipalities ahead of the 2015 local elections.



The formula used ignores both the decline in population and environmental degradation suffered by large, (post-)industrial, ‘net donor’ cities, including **Donetsk**, leaving them with insufficient funds to deal with profound challenges of urban shrinkage. These institutional differences cause varying degrees of dependence on the income generated inside the city, and consequently different degrees of institutional sensibility to depopulation. Additionally, a particularly significant factor is the financial relationship between the local, regional and national governments. Grants and subsidies provided to local authorities from higher levels of government are often determined (fully or partially) by population. A shrinking population could mean a loss of local authority income from external sources (in addition to losses from local income) at a time when resources are particularly in need to cope with resultant problems.

The multi-level nature of governance arrangements was crucial to understanding responses to shrinkage in all cases. In Germany and the UK central government policies (Stadtumbau Ost and Housing Market Renewal) each had a powerful impact in attempting to balance housing supply and demand, although each has been criticised by some commentators who see the programmes as too centralist, driven by economic agendas and too insensitive to local social and environmental concerns.

In post socialist countries, where local government was not very influential prior to 1990, top-down central state decision making was frequent in the immediate post-socialist times, while more recently local governments are making their first attempts at urban entrepreneurialism. Even so, development agencies created by the national state (e.g. the Katowice Special Economic Zone in the Polish case, or the state agency CzechInvest which supports the re-use of brownfields in the Czech Republic) operating at a local scale remained essential in local regeneration plans, maintaining the presence of the national institutional level at the local scale, but “external” to local government.

Liverpool: Planning Policies on Housing Development

Since the 1990s restrictive land use planning policies have severely limited suburbanisation (urban sprawl). National Planning Policy requires at least 60% of all new housing to be on previously developed land (in the Liverpool conurbation the figure achieved is over 80%). A Regional Spatial Strategy (2004-2010) also sought to focus housing investment in the major conurbations. Since 1983 there has been a ‘green belt’ around the city where virtually all development is prohibited and in recent years, through a ‘supplementary planning document’ the City Council has sought to concentrate housing investment in the inner, older districts.



Ostrava: CzechInvest

Established in 1992 by the Ministry of Industry and Trade of the Czech government, CzechInvest is the investment and business development agency of the Czech Republic whose services and development programmes contribute to attracting foreign investment and to developing Czech companies, regions and municipalities. Its mission is to support investment activities to the highest level of competence through information service, consultancy and by linkage with structural funds of the EU. Among others, CzechInvest supports the reuse of brownfield sites which is important for shrinking post-mining cities such as Ostrava.



Sosnowiec: Partner of the Katowice Special Economic Zone

The Katowice Special Economic Zone (KSEZ) was established in 1996 in order to solve problems related to the regional economic situation and labour market in Upper Silesia. Several municipalities of the Upper Silesian Agglomeration (among them Sosnowiec) form part of the KSEZ. The proposed areas of investment are localized in places with earlier industrial activities; investors are attracted by tax releases and the provision of basic services such as provision of access roads or decontamination of the areas. The KSEZ supports the localization of new technologies and service sector business. Up to present, investments settled on KSEZ areas created several thousand new jobs and led to a decrease in brownfields in the region. Involved municipal and regional actors assess the KSEZ to be an appropriate tool to counteract economic decline in Upper Silesia.



5. Conclusions, lessons and policy recommendations

Whilst the scope for transferring strategies between countries and cities is limited by an array of cultural, institutional and socio-economic factors, there are nevertheless opportunities to learn from the experiences of others and to adapt and modify strategies and policy tools to local situations.

One of the key differences identified in our research was that between cities having a long experience of shrinkage and those cities where population decline has come as a relative recent and unpleasant shock.

It seems likely that these more recently shrinking cities can usefully learn from the longer experience of those cities which have already established institutional capacities and well-developed knowledge of strategies and tools to respond to the causes and consequences of shrinkage. What is needed is to create learning organisations within these recently shrinking cities that can adapt the experience of others to their own cultural, institutional and economic situations. However, such learning structures would also benefit from considering the critiques to established practices which have emerged as they have been implemented. Whilst such strategies have been very effective in many cases, they should not be viewed as faultless.

A general ambition of EU perspectives on urban development is to create prosperous, attractive and sustainable cities, as formulated in the Leipzig Charter on Sustainable European Cities (2007).

Thus, even shrinking cities should be expected to balance population and employment opportunities, provide clean, safe, sustainable environments, and avoid social exclusion.

Strategies therefore need to be coherent and holistic, i.e. they need to comprehensively deal with all the economic, social and environmental issues that arise from shrinkage, and not focus partially on economic growth alone, or stemming suburbanisation alone.

The EU has for many years put forward strong arguments against urban sprawl and in favour of more compact cities. Whether pursuing strategies for re-growth or managed decline, these arguments should not be relaxed: they are as valid for shrinking cities as for expanding cities. However, there are some areas of potential conflict. The reality of shrinking cities may be that a lower density of redevelopment has to be accepted in some places. This is not necessarily contrary to notions of sustainable development as it opens up possibilities for productive urban landscapes (urban agriculture, urban forestry). Following such pathways, shrinking cities can compete on the basis of better living conditions compared with growing cities.

From these conclusions, we would like to put forward the following policy recommendations which are based on the actual experiences observed in our case study cities. We are aware that not all recommendations will fit all circumstances but they are intended to provide a useful starting point for discussion. Since the administrative competences for dealing with shrinkage are embedded in multi-levelled approaches, the following recommendations are aimed at the different institutional levels: regional and local, on national and on European level.

Subnational level

Align urban regeneration and planning policies. Urban regeneration policies benefit from being aligned with planning policy so that they are mutually supportive. This means restricting peripheral development so as to encourage reinvestment in declining urban areas. Setting targets for the amount, proportion and density of development that should occur within urban areas can also be helpful in encouraging regeneration.

Establish focussed regeneration agencies. Regeneration in a number of cities appears to have benefitted from the establishment of focussed regeneration agencies that can support both endogenous and inward investment. These agencies are usually at ‘arms-length’ from direct day-to-day local or regional government control.

Establish city-regional planning mechanisms. To provide a better balance of cooperation and competition and to look for cross-benefits, the establishment of multi-settlement-strategic planning is recommended. I.e. establishing city-regional and/or regional planning mechanisms that can provide a strategic framework for development, limit wasteful competition between areas and take account of the wider social costs and benefits of different spatial development options.

Include future development scenarios into today’s planning decisions. Policy makers generally need to be more aware of local demographic changes and forecasts and their consequences and need to be more sensitive to demographic changes in a holistic way. The implications for and of demographic change need to be built into all policy-making processes at local and national levels.

Include all stakeholders in decision making. Since the consequences of shrinkage impact upon many policy sectors and many actors, it is important that policy decision-making is inclusive, with all actors informed and all voices heard. The Local Strategic Partnerships (LSPs) developed in the UK in the 2000s provide a good example of such policy co-ordination. LSPs bring together the many strands of governance operating in an area including local government, utilities, health, community and voluntary organisations. Their role is to develop a unified community strategy across sectors and agencies and to encourage joint working, efficient use of resources and coordinated policy implementation.

Liverpool: responding to shrinking housing demand

Set up in the Liverpool City Region 2003, New Heartlands was one of the Government’s ten Housing Market Renewal (HMR) pathfinders across England charged with finding new ways to tackle the problems of low demand and housing market collapse in difficult neighbourhoods. The task of the pathfinder organisation was to facilitate and coordinate the work of the local authorities and other agencies, including social housing providers, community organisations and private developers. Although not without criticism, over the eight years until 2011, the NewHeartlands programme achieved a better alignment of housing supply and demand than hitherto. This included the acquisition and demolition of older stock, building nearly 3,000 new homes and refurbishing more than 20,000 properties. Community engagement was at the heart of the programme. The investment also helped create more attractive and supportive neighbourhoods, delivering improvements to public transport, health facilities, community policing and the general environment.



National level

Coordinate ‘shrinking cities’ policy across all sectors of government. The installation of a coordination platform or network infrastructure for shrinking cities on the national level can support local activities, strengthens networking, capacity building and knowledge-transfer and help to raise awareness. A good example is the transfer agency “Urban Restructuring East” (Bundestransferstelle Stadtumbau-Ost) in Germany. This national funded agency is an instrument to steer urban restructuring in shrinking cities.

Strengthen public debate on shrinking cities. To create more acceptance and positive recognition of potentials of/in shrinking cities it is necessary to strengthen the public debate on this urban issue. This can be achieved through the development of event-related promotion and PR in favour of shrinking cities like International Building Exhibitions (IBA) in Germany, a closer interlocking research and planning or cultural/arts-projects like the European-American project “Shrinking Cities” (2002-2006). Public and media-related activities can change the negative perception of shrinking cities and mobilise civil society and public participation.

Timișoara Master Plan

The city of Timișoara has developed a masterplan for the whole metropolitan area. Its implementation in 2009 was a substantial step forward in governing urban development in the city region. One of the central aims of the plan is the regulation and restriction of ongoing suburbanisation, as this is a main source of shrinkage in the Timișoara region.



Transferstelle Stadtumbau Ost

With the aim to increase the quality of projects undertaken in the context of the German federal programme “Urban Restructuring East”, a “Federal transfer office on urban restructuring in the new federal states” has been established with the support of the federal government. Since 2002, it has become a centre of expertise and allows for continuous academic assessment of the programme and its implementation. Core tasks of the federal transfer office include enabling and actively supporting information exchange and knowledge transfer between the various actors involved in the processes of urban restructuring, studying and analyzing the implementation of the programme as well as providing information and advice to the commissioning bodies. (more information @ www.stadtumbau-ost.info)



IBA Sachsen Anhalt

The International Building Exhibition on urban restructuring Saxony-Anhalt 2010 (IBA) has focused on the phenomenon of shrinking cities. Against the background of the German federal state of Saxony-Anhalt, it explored exemplary and innovative urban redevelopment tools that were put to the test in 19 cities which are affected by demographic change. Thereby, the IBA focused deliberately not on large-scale, prestigious projects but on projects in small and medium-sized cities. With innovative and exemplary tools and focussing on seven intersecting themes (city types, landscape, education, legacy, identity, climate change and shrinkage), the IBA made perspectives for cities with high population losses and declining economic activity an issue. (more information @ www.iba-stadtumbau.de)

European level

All cities, including shrinking cities, should be encouraged to develop in a sustainable way. Since it is a general objective of European Union perspectives on urban development is to create prosperous, liveable, diverse and resource saving cities. European level policies needs to emphasise that even shrinking cities should be expected to balance population and employment opportunities, provide clean, safe, sustainable environments, and avoid social exclusion. European perspectives on spatial planning should encourage cities to be coherent and holistic in their strategies, i.e. to deal comprehensively with all the economic, social and environmental issues that arise from shrinkage, and not focus partially on economic growth alone, or stemming suburbanisation alone.

Give special attention to smaller and medium sized cities. Much of the research and policy attention that has been devoted to shrinking cities has focussed on larger cities. However, we feel that the problems of smaller and medium sized cities have been overlooked in these processes, and it is perhaps these cities that lack the capacity of larger cities to resolve their own problems. We suggest that the Commission might devote some research and policy attention to smaller and medium sized shrinking cities.

Develop more specific funding streams to support policy development for shrinking cities. Following the former URBAN-programmes of the EU (URBAN I 1994-1999 and URBAN II 2000-2006), the constitution of a similar programme with focus on shrinking cities could be helpful in learning more about the issues. This could be embedded within the Joint Programming Initiative URBAN EUROPE and be more closely connected to the activities of lobbying networks such as EUROCITIES that promote the implementation of national or regional funded locally based programs and initiatives. Funding sources such as the Joint European Support for Sustainable Investment in City Areas (JESSICA) or the European Cohesion Fund could be used to improve the situation of shrinking cities, particularly in Eastern Europe. With the assistance of such programmes exemplary and sustainable approaches and solutions could be elaborated and the lessons shared across the European Communities. Since shrinking cities often have problems with co-financing funding schemes, the scope for unconditional funding should be considered.

Strengthen the impact of European urban policy by streamlining policy priorities, networking and funding. At present, when the Europe 2020 strategy and its key activities, the new Cohesion package and the new funding scheme for the urban realm URBAN EUROPE are in the process of being established and shaped in more detail, we advise EU policy makers to take the chance to strengthen the impact of the EU's urban policy by a more sophisticated balancing of targets and priorities of urban policies and related activities, debates and networking activities as well as funding schemes and mechanisms for both research and urban practice. Shrinking cities and their concerns should have an appropriate stake here.

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Shrink Smart

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