Revitalizing Older Industrial Cities: What Can the U.S. Learn from Europe?

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Comeback cities?

- What drives the recovery of older-industrial cities?
- Why are some cities faring better than others?
Overview

- Listening to Ether
  Research Project
- Losing Reception
  Urban Crisis
- Changing the Frequency
  Recovery Trajectories

- Fine-tuning
  Approaches
- Staying tuned
  Ongoing Challenges
‘Weak Market Cities’ research project

- Older industrial cities – Experienced urban decline
- Size, function, location
- Ongoing struggle – Still in transition
- Some progress
## Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Weak Market Cities</th>
<th>Economic and financial crisis</th>
<th>Recovering Cities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Duration</strong></td>
<td>2006 - 2009</td>
<td>2010 - 2011</td>
<td>2012 - 2013</td>
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<tr>
<td><strong>Partners</strong></td>
<td>LSE, (Brookings)</td>
<td>ILS, LSE</td>
<td>ILS, IfL ,(LSE)</td>
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<tr>
<td><strong>Funding</strong></td>
<td>JRF</td>
<td>BMVBS (NSP)</td>
<td>BBSR (ExWoSt)</td>
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<td><strong>Focus</strong></td>
<td>Responses to structural change</td>
<td>Impact of recession</td>
<td>Learning from recovering cities</td>
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<td><strong>Case studies</strong></td>
<td>Belfast, Sheffield, Bilbao, St. Etienne, Turin, Bremen, Leipzig</td>
<td>Like phase 1; focus on German cities (incl.: Bochum)</td>
<td>Liverpool/Rochdale; Dortmund/Pirmasens; Poznan/Konin; Cluj/Bistrita</td>
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<td><strong>Publications</strong></td>
<td><img src="phoenix_cities_cover.jpg" alt="PHOENIX CITIES" /></td>
<td><img src="weak_market_cities_cover.jpg" alt="Weak Market Cities" /></td>
<td><img src="recovering_cities_cover.jpg" alt="Recovering Cities" /></td>
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<td>(selected)</td>
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</table>
Industrial Crisis

In Western industrialised countries:

• Profound economic restructuring
• Economic recession in 1970s
• Collapse of (heavy) industries
• Lock-in of development paths
• Impact on labor market
• Spatial impact
Crisis: Industrial decline

Proportion of workforce in manufacturing employment (1970-2005), in %

Note: Leipzig: 1990-2005

Note: All statistical data used throughout presentation based on official statistics unless stated otherwise.
Crisis: Job losses

Development of Unemployment Rate (1970-1990), in %

Note: no data for Leipzig and Saint-Etienne before 1990 respectively Dortmund and Torino before 1980
Crisis: Population decline

Population development per decade (1970-80, 1980-90), in %

- Bremen
- Dortmund
- Leipzig
- Bilbao
- Saint-Etienne
- Torino
- Sheffield
- Belfast

Legend:
- 1970-1980
- 1980-1990
Demographic trends, Germany

Population development
Average growth rate per year

Main Cities
- Strong increase
- Moderate increase
- Moderate decrease
- Strong decrease

Region in percent
- Strong increase ≥ 1,0
- Moderate increase 0,0 to < 1,0
- Moderate decrease -1,0 to < 0,0
- Strong decrease to < 0,0
Crisis: Divided cities

Variations in neighborhood unemployment rates (2001), in %

- Bremen
- Leipzig
- Bilbao
- Saint-Etienne
- Torino
- Sheffield
- Belfast

- City unemployment rate
- Highest neighbourhood unemployment rate
- Lowest neighbourhood unemployment rate

Source: Urban Audit
Note: Bilbao not in Urban Audit, city data only
Recovery approaches
Recovery approaches
Shifting political landscapes

• *Leipzig*: Strong civic pride (1989 “Monday demonstrations”); post-reunification optimism; “fresh start” with new people

• *Bremen*: City-state autonomy; commercial elite with interest in local development; new political coalition (1991)

• *Bilbao*: Strong regional and local leadership emerging after return to democracy (late 1970s); Basque autonomy

• *Belfast*: Peace process (1990s), new confidence in Northern Ireland; some devolution to regional level

• *Sheffield*: New political leadership of city council (1997) and partnership-orientated Chief Executive

• *Torino*: 1st directly elected mayor (1993); role of bank foundations
Recovery approaches
Large-scale urban redevelopment, Bilbao

- Learning from others: Waterfront redevelopment
- Late 1980s: Strategic Plan; main objective: reversal of image
- Creation of Bilbao Ría 2000: redevelopment agency, partnership of large public-sector landowners
- 1992, the “Spanish Year”: Barcelona (Olympics); Madrid (European Capital of Culture); Sevilla (Expo)
Recovery approaches
Path change, Bremen

• Collapse of ship-building and restructuring of harbor-related economy
• Local identity closely tied to these sectors
• Reorientation: future economic success based on high-technology and innovation (e.g. Silicon Valley, 1980s)
• Availability of substantial financial aid from the federal government (investing rather than fighting debts)
• Development of technology park around university; restructuring of university
• Building on existing strengths in aerospace etc.
Recovery trajectories
Bremen timeline

- Start of Economic Action Programme
- Decision to develop modern Jade-Weser harbour with Lower Saxony
- Decision to develop Technology Park
- Lowest post-peak population
- Successful constitutional claim: special financial aid enables ISP
- WiN: Programme for deprived n’hoods
- Urban Development Plan
- Economic development agency B.I.G.
- Special investment programme (ISP)
- Collapse of Vulkan shipyard
- Space Park project failed
- Begin of Overseas City redevelopment
- 1st West German city demolishing housing
- Met region Bremen officially recognised
- Universities labelled “centres for excellence”
- Most severe crisis period
- Foundation of new agencies, partnerships
- Key moments
- Negative events

Legend
Recovery approaches
Strategic orientation, Leipzig

- **Economic development**: Building from scratch; investor-friendly; transport infrastructures.

- **Urban renewal**: Confronting ‘shrinking city’ problems; learning-by-doing approaches; policy-pioneering
Leipzig – Urban Regeneration
Recovery: Population

Population development (2000-2015), in %

Bremen  Dortmund  Leipzig  Bilbao  Saint-Etienne  Torino  Sheffield  Belfast
Recovery: Labour market

Unemployment rates
compared with national average (2005), in %

Stadt
Staat
Ongoing Challenges
(Fragile Recovery)
Challenges
Urban financial crisis

- Impact of recession
- Municipal debt crisis
- Austerity programs, budget cuts
- Decreasing scope for action
- Cities unevenly hit
Challenges
Rising regional disparities

• Focus on metropolitan areas as engines of economic growth
• Rising regional disparities
• Gap between winner and loser regions widens
Challenges
Skills shortages

• Demographic change: decline of working-age population
• Skills gap: some sectors affected
• Policy initiatives: Federal, regional, local levels
• Economic development approaches: shift towards human capital
• “Educating for export”
## Challenges

### Industrial Cities, Skills and Employment

<table>
<thead>
<tr>
<th></th>
<th>Major cities</th>
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<th>Medium-sized cities</th>
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<tbody>
<tr>
<td></td>
<td>Bremen</td>
<td>Leipzig</td>
<td>Bochum</td>
<td>Average</td>
<td>Osterode</td>
<td>Pirmasens</td>
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<td><strong>Net migration</strong></td>
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<td></td>
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<tr>
<td>in %, 2001 – 2008</td>
<td>1.2</td>
<td>4.5</td>
<td>-2.9</td>
<td>1.5</td>
<td>-6.2</td>
<td>-7.7</td>
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<tr>
<td><strong>Net migration</strong></td>
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<tr>
<td>educational purposes</td>
<td>60.8</td>
<td>104.3</td>
<td>45.5</td>
<td>64.1</td>
<td>-23.8</td>
<td>-11.8</td>
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<td><strong>High-skilled</strong></td>
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<td>in % of workforce</td>
<td>12.1</td>
<td>17.0</td>
<td>9.6</td>
<td>13.7</td>
<td>6.2</td>
<td>5.4</td>
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<tr>
<td><strong>Unemployment rate</strong></td>
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</tr>
<tr>
<td>in %</td>
<td>14.1</td>
<td>19.5</td>
<td>13.9</td>
<td>13.5</td>
<td>14.6</td>
<td>18.7</td>
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</tbody>
</table>
Factors shaping recovery process

- Deindustrialisation: ongoing, yet industry remaining important economic driver
- Economic restructuring: former functions and future options
- Education and skills
- Resilience: capacity for constant adaptation
- Political leadership *and* civic participation
- Comprehensive strategies with city-specific focus; long-term instead of short-term problem fixing
- Urban regeneration: how to re-use buildings and land
- Allow for organic developments
- Disadvantaged neighborhoods a major concern
- How to deal with rising regional inequalities?
Selected output


Websites


Population trends

Note: time axis not calibrated