

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



Dr. Jörg Plöger

Senior Researcher at

ILS – Research Institute for Regional
and Urban Development

Visiting Research Fellow at

University of Missouri - St. Louis

St. Louis, 21 Sept. 2016



Comeback cities?

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

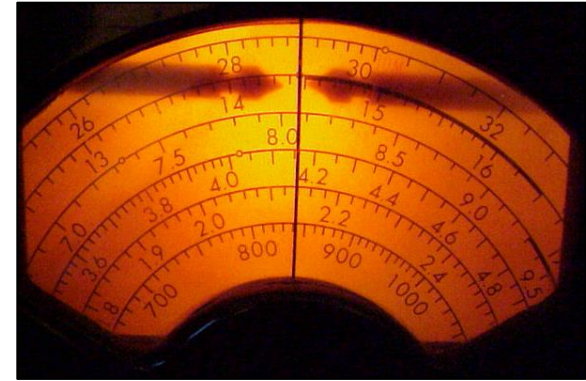
Overview



Listening to Ether
Research Project



Losing Reception
Urban Crisis



Changing the Frequency
Recovery Trajectories



Fine-tuning
Approaches



Staying tuned
Ongoing Challenges

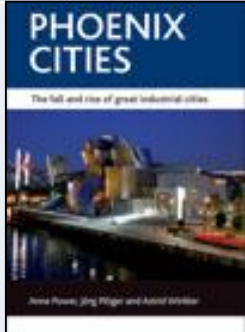


'Weak Market Cities' research project

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



Projects



Project	Weak Market Cities	Economic and financial crisis	Recovering Cities
Duration	2006 - 2009	2010 - 2011	2012 - 2013
Partners	LSE, (Brookings)	ILS, LSE	ILS, IfL , (LSE)
Funding	JRF	BMVBS (NSP)	BBSR (ExWoSt)
Focus	Responses to structural change	Impact of recession	Learning from recovering cities
Case studies	Belfast, Sheffield, Bilbao, St. Etienne, Turin, Bremen, Leipzig	Like phase 1; focus on German cities (incl.: Bochum)	Liverpool/Rochdale; Dortmund/Pirmasens; Poznan/Konin; Cluj/Bistrita
Publications (selected)			

Industrial Crisis

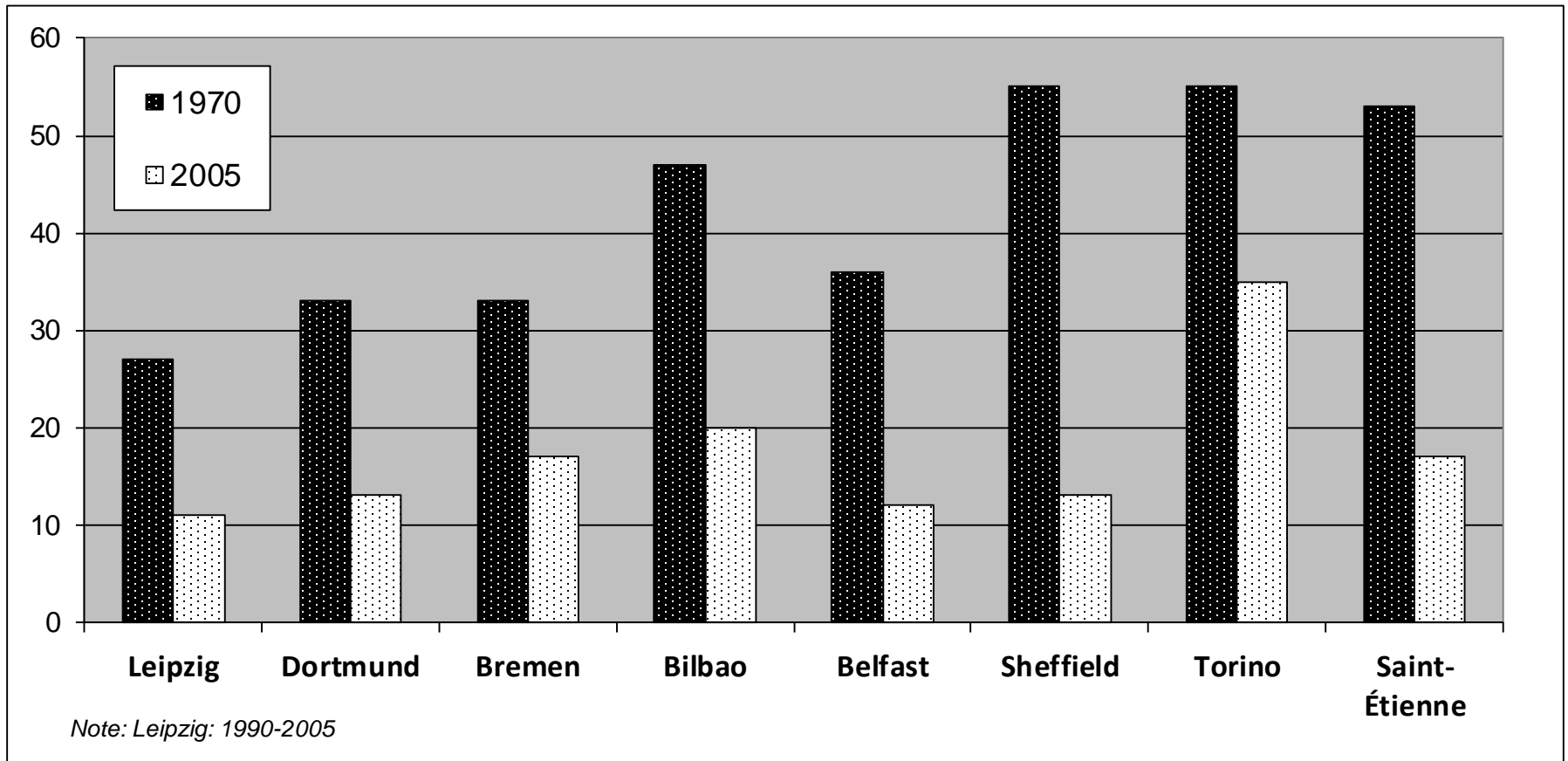
In Western industrialised countries:

- 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

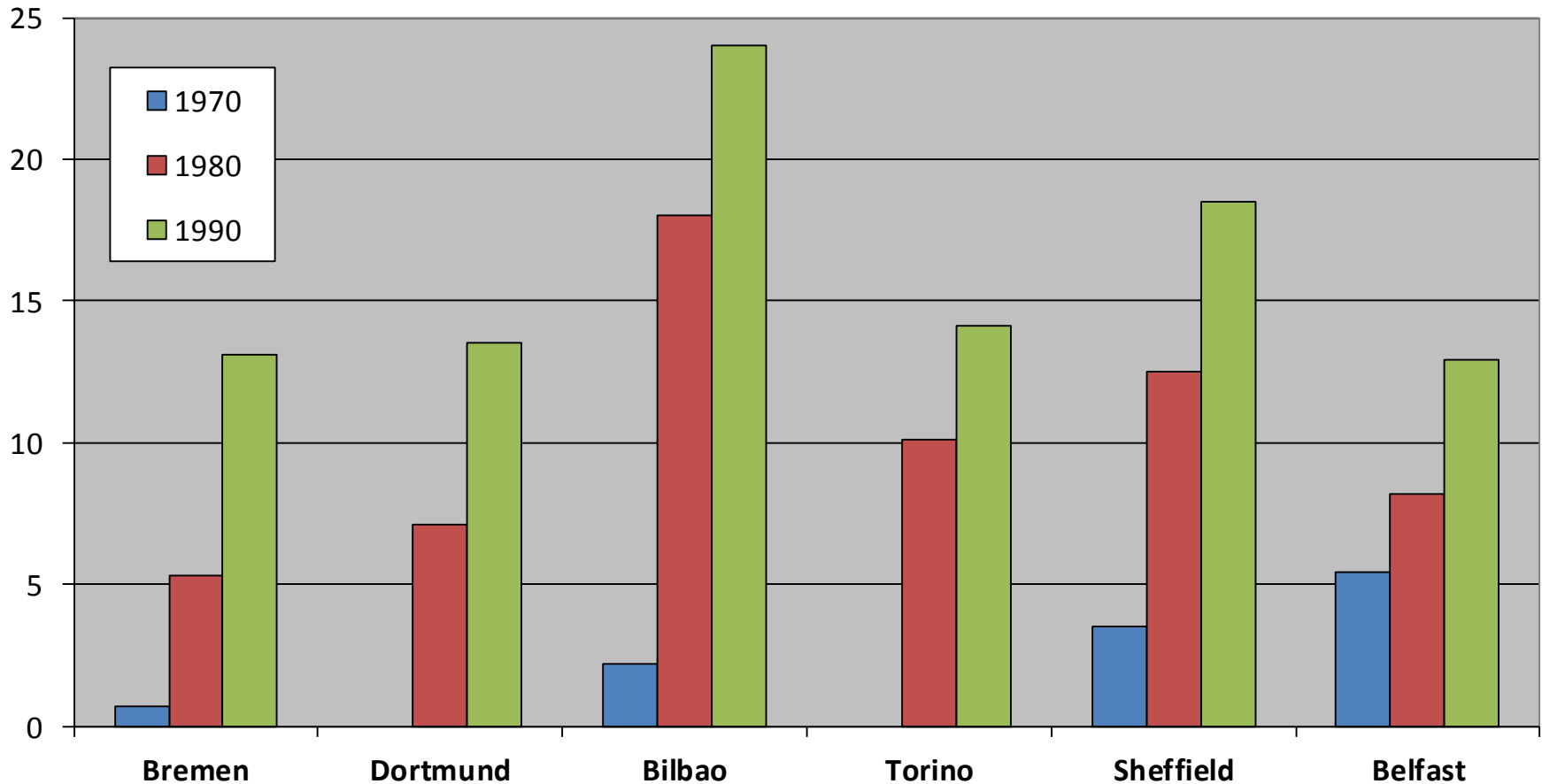
Proportion of workforce in manufacturing employment (1970-2005), in %



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

Crisis: Job losses

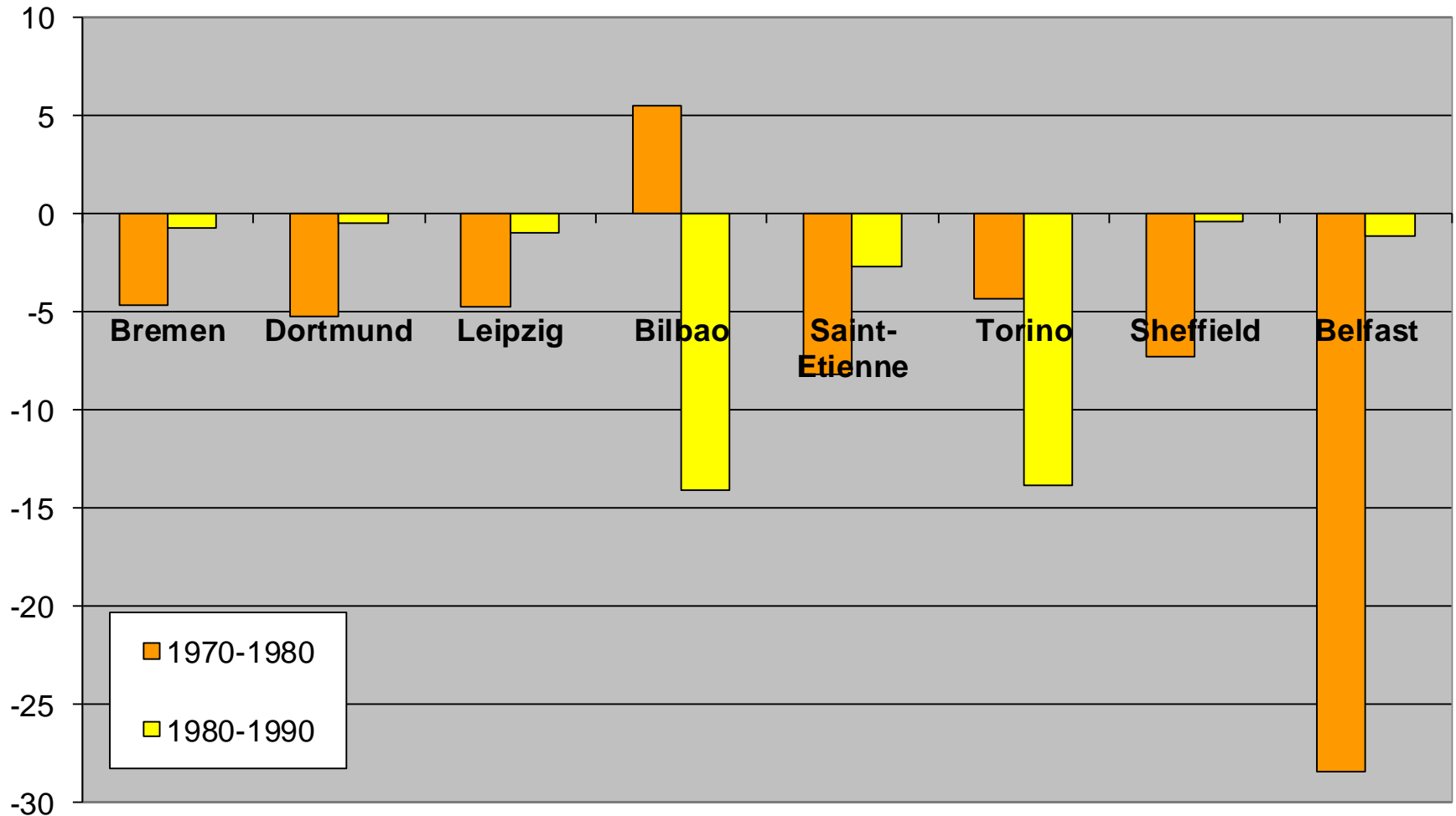
Development of Unemployment Rate (1970-1990), in %



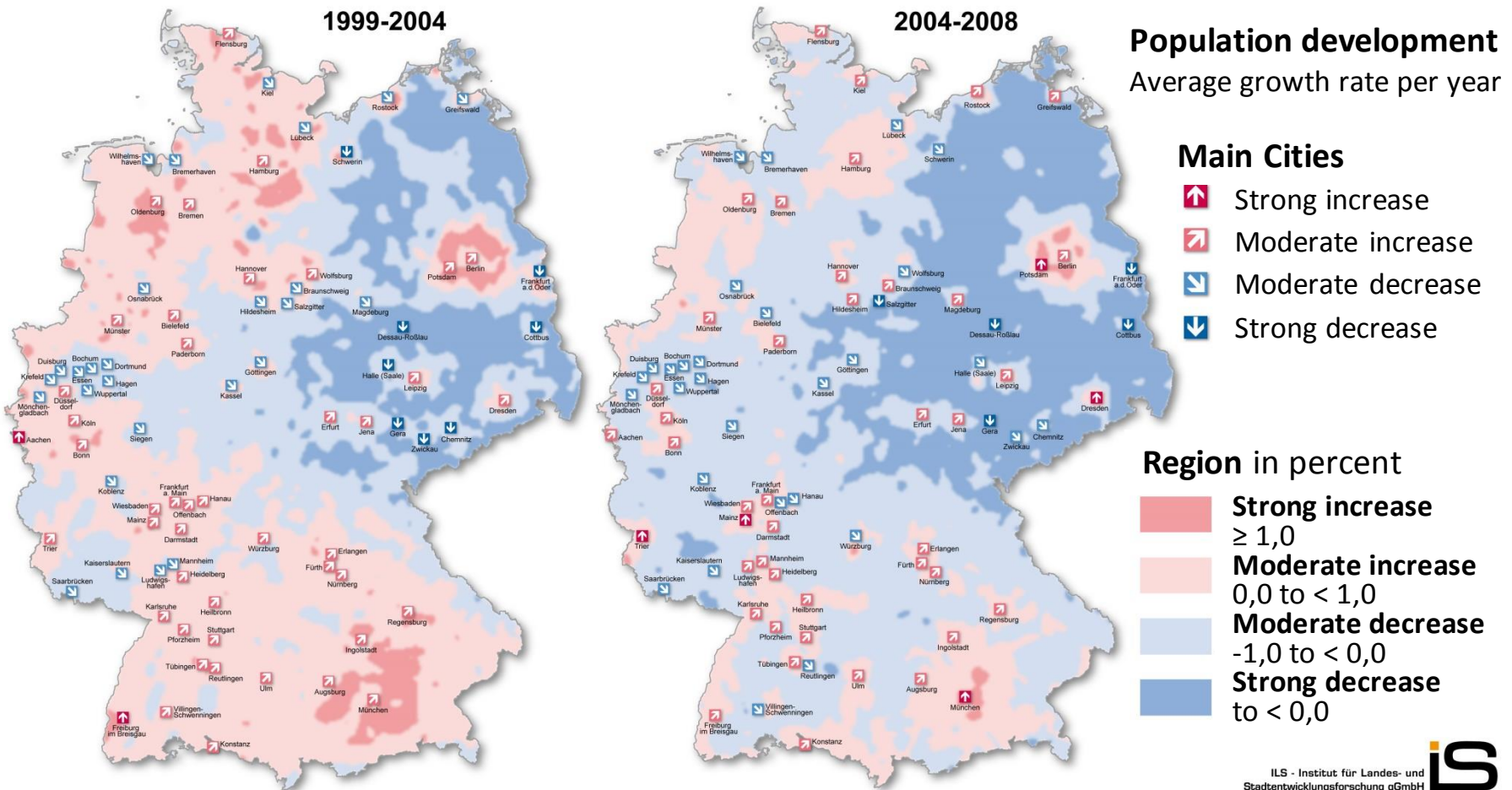
Note: no data for Leipzig and Saint-Etienne before 1990 respectively Dortmund and Torino before 1980

Crisis: Population decline

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

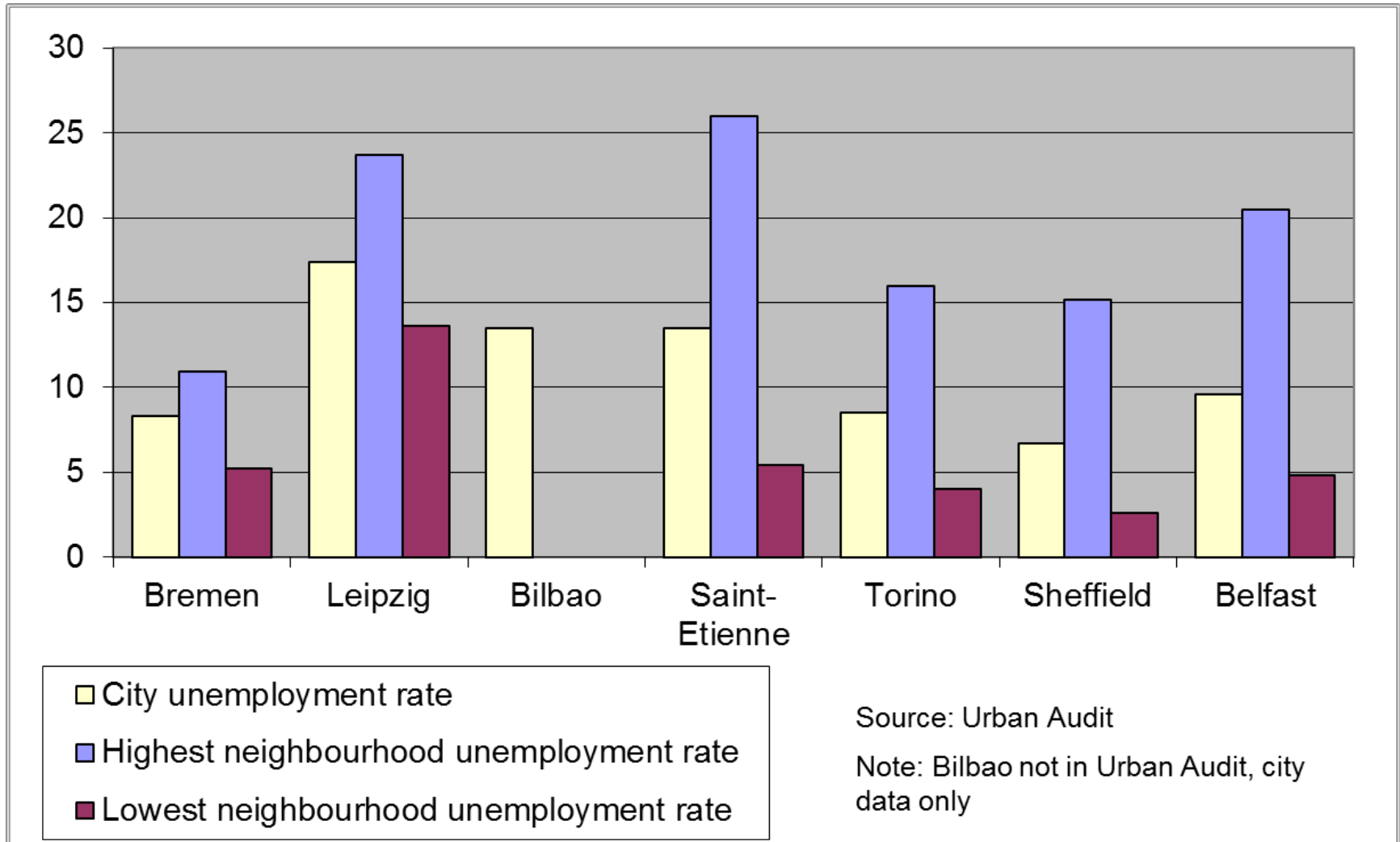


Demographic trends, Germany



Crisis: Divided cities

Variations in neighborhood unemployment rates (2001), in %





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

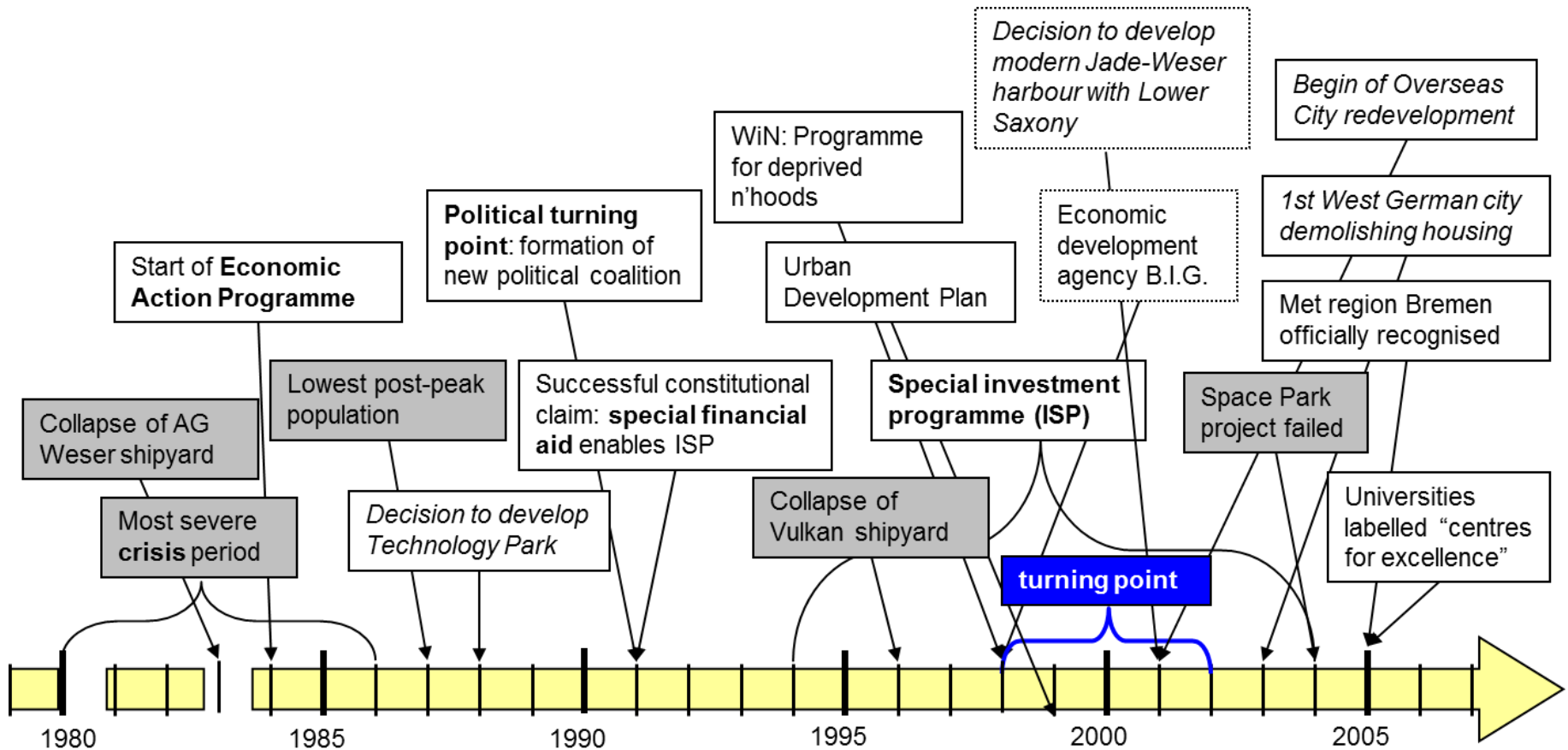
Path change, Bremen

- 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



Legend	Key moments	Physical key moments
	Negative events	Foundation of new agencies, partnerships

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

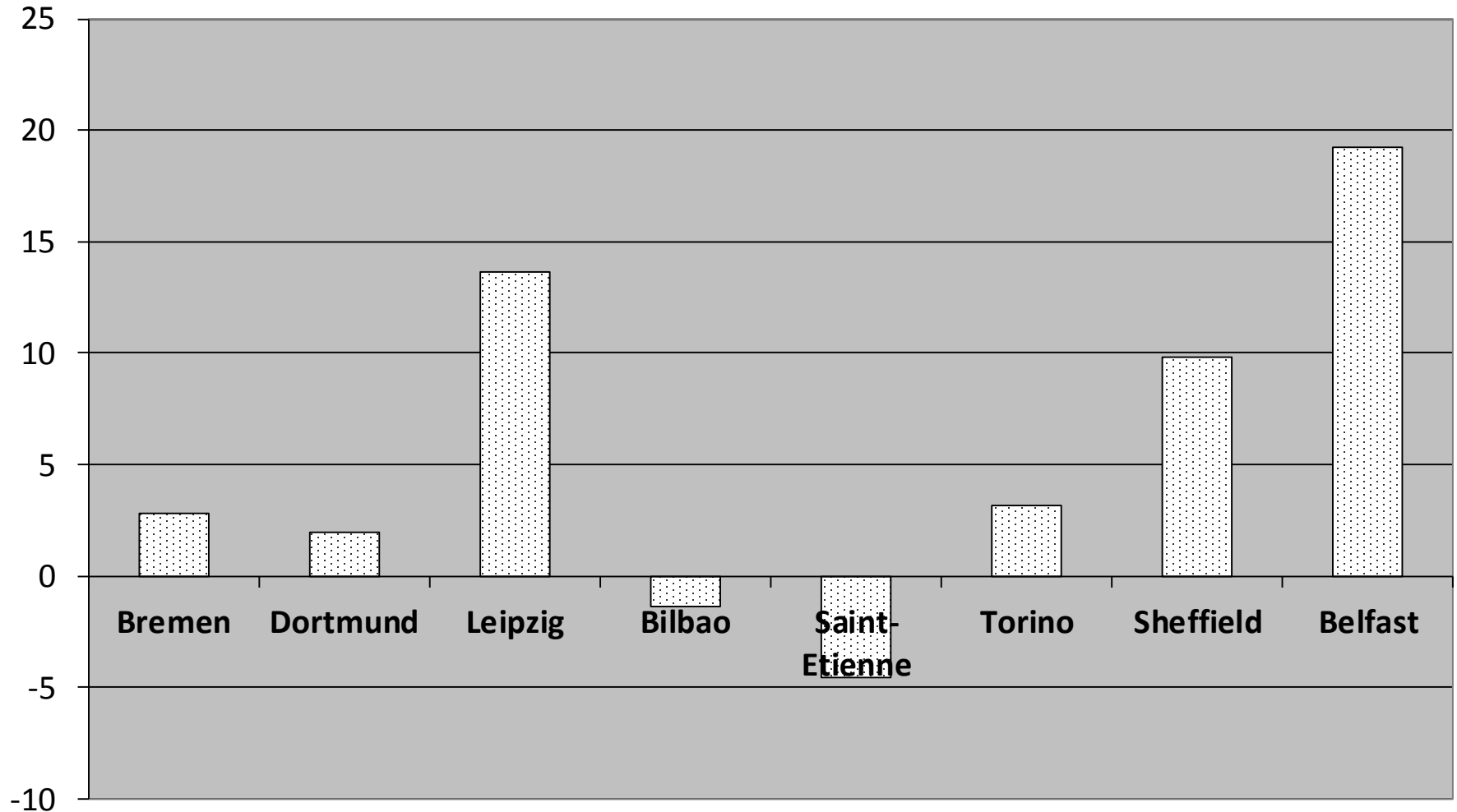






Recovery: Population

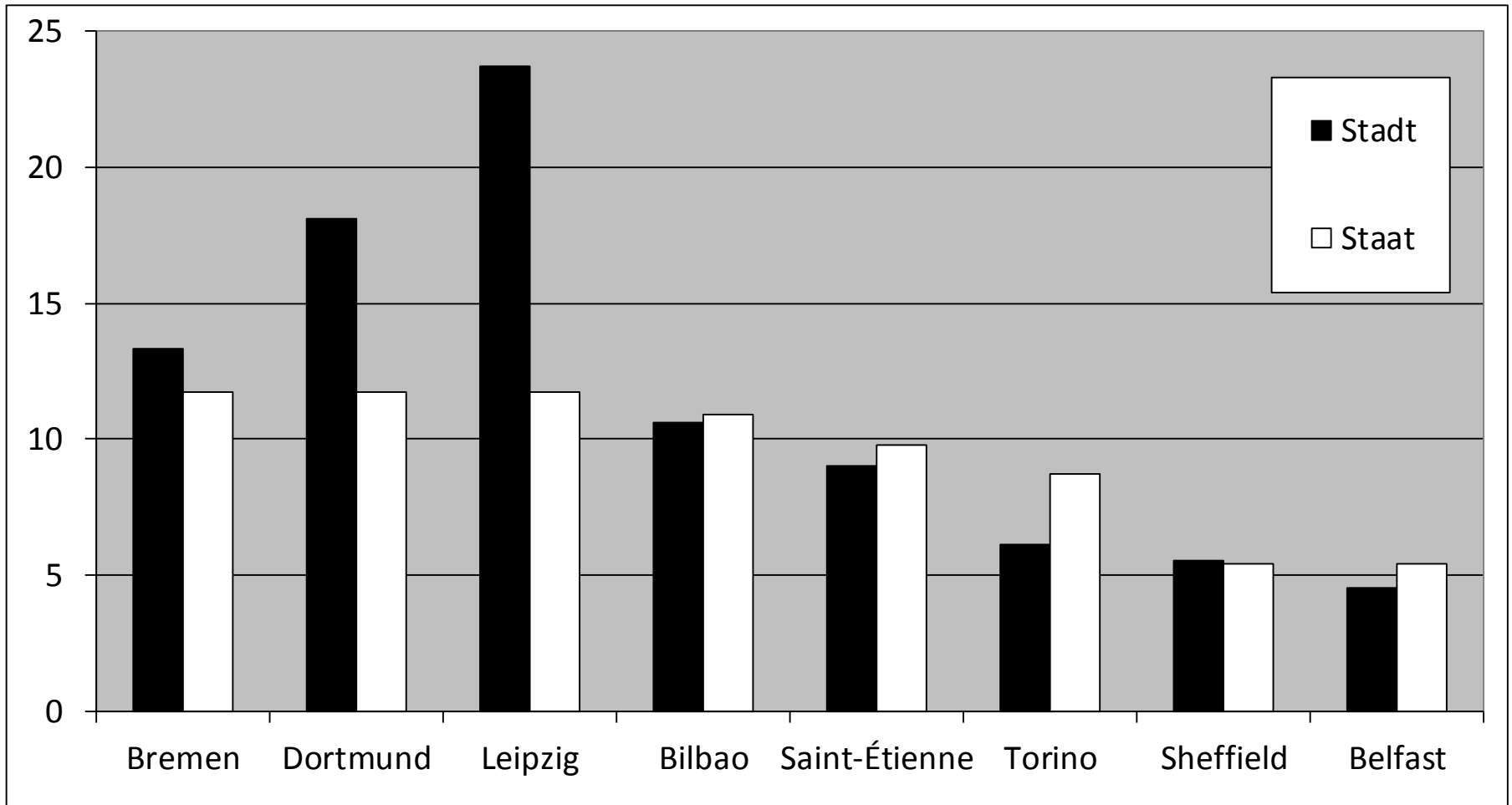
Population development (2000-2015), in %



Recovery: Labour market

Unemployment rates

compared with national average (2005), in %

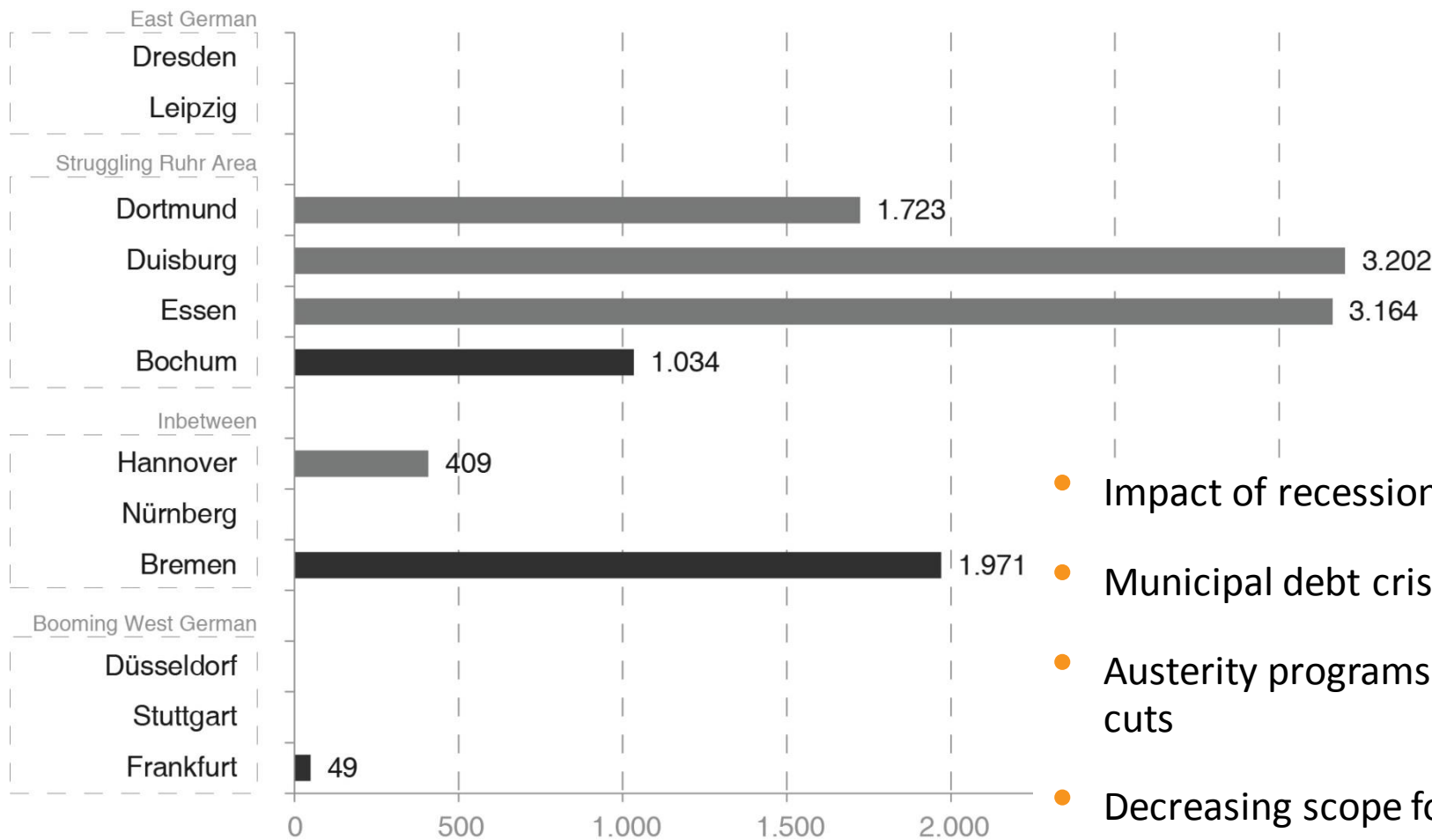


Ongoing Challenges (Fragile Recovery)



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

	Major cities			Average	Medium-sized cities			Average
	Bremen	Leipzig	Bochum		Osterode	Pirmasens	Völklingen	
Net migration in %, 2001 – 2008	1.2	4.5	-2.9	1,5	- 6.2	-7.7	- 6.2	-0,5
Net migration educational purposes	60.8	104.3	45.5	64.1	- 23.8	- 11.8	- 2.9	-12,7
High-skilled in % of workforce	12.1	17.0	9.6	13.7	6.2	5.4	5.6	7.5
Unemployment rate, in %	14.1	19.5	13.9	13.5	14.6	18.7	14.1	10.0

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?



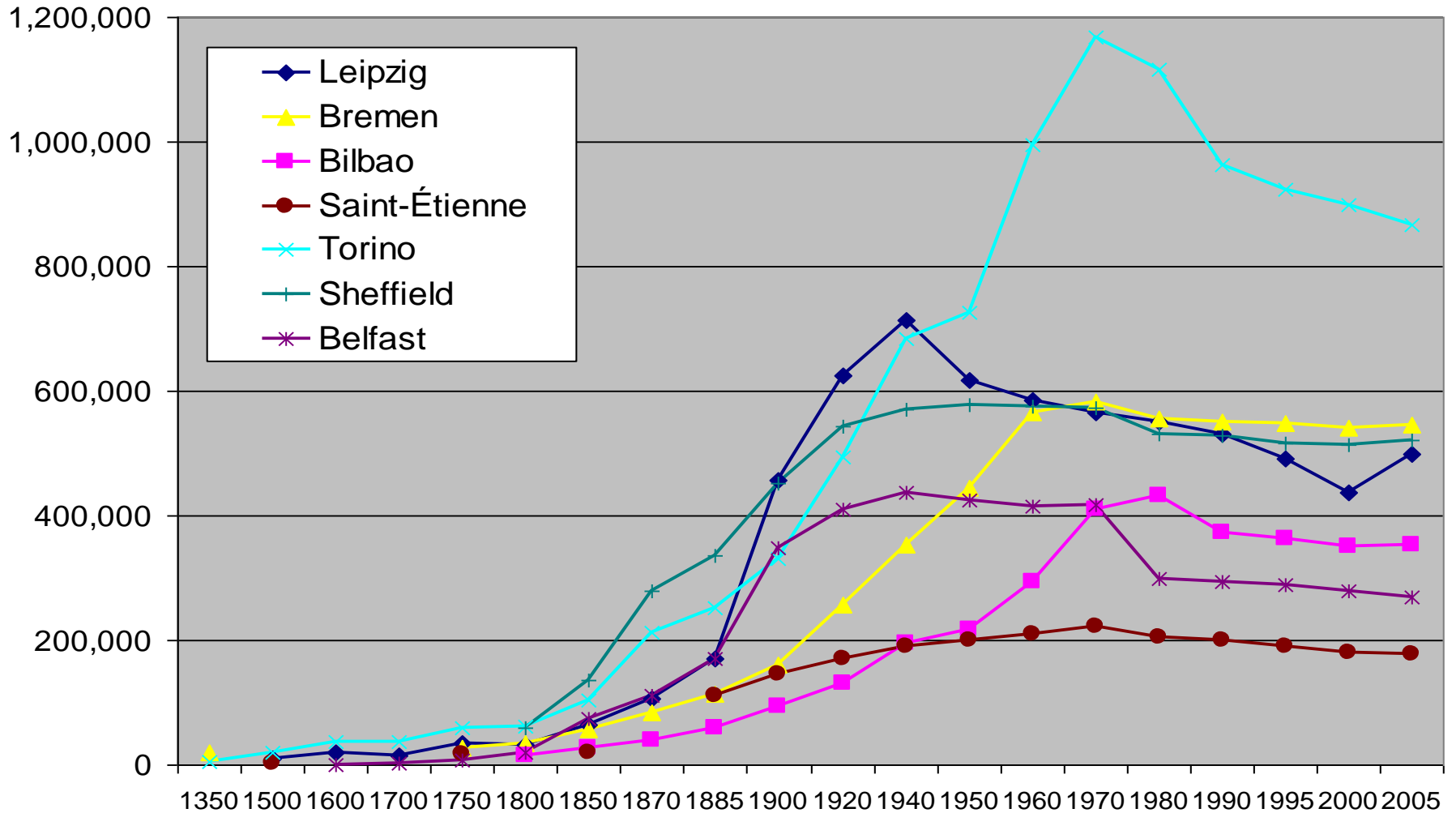
Selected output

- ❖ Plöger, J.; Weck, S. (2014): Confronting Out-Migration and the Skills Gap in Declining German Cities. In: *European Planning Studies*, 22 (2), 437-455.
- ❖ Plöger, J.; Kohlhaas-Weber, I. (2014): 'Shock-proof cities? The impact of and responses to the recent financial and economic crisis in older industrial cities'. In: *Journal of Urban Regeneration & Renewal*, 7 (2), 136-149.
- ❖ Plöger, J. (2013): Comeback Cities? Urban Recovery Approaches in European Industrial Cities. In: Zimmermann, C. (ed.): *Industrial Cities - History and Future*. Frankfurt/New York: Campus, 188-210.
- ❖ Power, A.; Plöger, J.; Winkler, A. (2010): *Phoenix Cities – The Fall and Rise of Great Industrial Cities Across Europe*. Bristol: Policy Press.

Websites

- www.ils-forschung.de/index.php?lang=de&s=ploeger
- www.researchgate.net/profile/Joerg_Ploeger/publications

Population trends



Note: time axis not calibrated