

Retooling for degrowth of cities in CEE countries, challenge and potential directions for planning the cities.

**Lukasz Pancewicz, PhD,
Gdansk University of Technology
Faculty of Architecture, Chair of Urban and Regional Planning**

Municipal Planning Office of Lodz

Introduction

The discussion on challenging the prevailing growth paradigm needs to be contextualized in order to materialize any potential concepts for action. The challenge of discussing the concepts of *“Degrowth”* (Latouche 2009) or *Stable State economy* (O’Neill et al. 2010) lies not merely in defining the philosophical or theoretical grounding of this idea but also in seeking in parallel its implications in day to day *practicality* of planning the future of the cities. The paper describes the cities that were subjected to negative effects of the “shock” transition (Bontje 2005) towards market economy (former industrial hubs), and argues that they are the places of experiment. City planning has been chosen as one of the fields where such discussion should be seriously considered. It is an activity that, by its character, involves projection and analysis of possible futures with an intention to anticipate the changes and respond to them. Working within city space also means touching upon a complex system of economic, social and spatial interdependences.

Despite relatively mild effects of the world financial and economic crisis on Central and Eastern European cities, in the long run they face challenges similar to their western counterparts - falling birthrates and ageing populations, growing pressure of global economic competition that pushes for lower wages and increasing job insecurity as well as significant environmental challenges. The major difference between the West and the East is the stage of development. The CEE region is passing through a specific moment in its history, as two decades have passed since the "shock therapy". This change, and subsequent accession into EU of the countries such as Poland, had accelerated substantial structural changes of the cities - new hard infrastructure has been built in an attempt to match the level of development of Western counterparts along with significant private sector development. Structural funding and initial expansion of the private markets had significantly contributed to support modernizing policies which helped to streamline this structural upgrading. It had also contributed to strong pro-development mind set of political elites and the municipal administrations.

The upcoming future challenges such as slow down of economic growth that is based on exploitation of low-pay labour, a difficulty to restructure its industries to materialize well paid jobs in the advanced

sectors of economy, the need to tackle the effects of population ageing is increasingly challenging the pro-growth policies revealing their limited capacity to help to steer the future of the cities. Such effects are amplified in the cities and regions that did not closely follow the path of so-called economic “convergence” towards the West, as they were struggling with the industrial legacies. The paper highlights and refers to cases of Poland and its third largest city – Lodz. Once the second largest city in Poland with 750,000 inhabitants and strong textile industry, it has suffered a decline of manufacturing. The city is facing the perspective of depopulation and loss of approx. 150,000 inhabitants by 2030 due to a steady reduction of the number of inhabitants, due to failing birthrates and unmatched outmigration. In a common discourse, Lodz has been often characterized or seen as a “failed” working class city due to its struggle to contain the effects of depopulation and shrinkage. Recently, the city began its push to regain its position with a bundle of pro-growth policies, hard investment and boosterism, funded largely by significant public expenditure, devised to act as a stimulant for the flagging markets.

The push for regrowth calls for more serious debate on choosing the right assumptions in planning for the future. In the paper, the case of Lodz is merely a pretext to consider what is the opportunity to implement the “right-sizing” policies and bottom up mobilization (Schilling Logan 2008). More fundamentally, the concept and validity of building acceptance for alternative futures, in the difficult context of the precarious economic situation of the city, needs to be discussed.

Planning the cities in distress under the growth-decline dichotomy

The unplanned obsolescence of the cities in a wake of global changes is not merely the Western phenomenon (Turok Mykhenko 2007) and should rather be considered as a condition inherent to the works of the current and largely unsustainable economic system. Sharpening competition, as a result of globalized division of labour, pushes for lower manufacturing costs coupled with the migration of manufacturing and the rise of modern logistics. The workings of the global capital have created conditions, in which many cities struggled to adjust to new realities and loss of their employment base. In a way the cities, their economic and social fabric are “consumed” as a result of the progress logic. This problem has been exasperated in the cities that used to be industrial monocultures, vulnerable in a face of global mobility of the capital and strive for lowering the operational (i.e. human) costs of running the economy.

The literature on the mechanisms of shrinking or deindustrialized cities is extensive and understanding of processes of creation of “vicious circles” of decline and processes of cutting the economic base and subsequent depopulation and their relationship with economic processes is already known (Bernt 2005, Rink et al. 2010). There is also much more limited but slowly growing

volume of work accumulated on the potential strategies to deal with this process on the level of planning practice (Vervest 2011, Bernt et al. 2012). In the mainstream practical discourse, there is a prevailing assumption of the dichotomy between the "healthy growth" and the devastating decline as the main alternatives, that local policy makers and ultimately their planners are inclined to choose from. This dichotomy needs to be reviewed and critically discussed.

The policy responses results in mixed approaches of "fixing the problem", including the rationalization of the policy to the new conditions and trying to draw a long term plan for the development. Such strategies were pioneered in Leipzig (Plöger 2007). The first aimed at rationalization of the physical structure of the city, the other attempts to focus on reorientation towards seemingly "new" economic opportunities. The first approach deals with operational aspects of the city, but also its spatiality. The tools include necessary "cuts", adjustments and attempts to manage the process of "perforation" of the city spaces, in order to rationalize current structure. These adjustment strategies react to forced abandonment of the unwanted and blighted landscapes, with a focus on the remaining areas subjected to some forms of regeneration policy. Whilst these policies of self-restraint are prudent, the economic underline in this process remains strong. The removal of the major areas of large scale housing in Germany has not been merely the planned abandonment of the 'obsolete' houses but also a measure to reinvigorate the oversaturated housing market and stabilize the falling prices (Bernt 2005, Jessen 2012). On the economic level the reaction is to focus on exploitation of economic niches. In Poland, Special Economic Zones (SEZ) - the preferential tax regimes coupled with targeted, governmental sponsored support for migrating of industries from the West - were seen as such opportunity. The effectiveness of such policies locally occurred in the early years of transformation as the development of industry within SEZ compensated for post-transition loss of industries (Strykiewicz et al. 2011) but was not limited only to CEE countries. A decade earlier it happened in the Eastern Germany with Leipzig attracting DHL logistics centre and BMW auto factory in the early 2000s. (Plöger 2007). Yet the likely end of the lifespan of the SEZ in 2030 and growing competition from new EU accession countries, only shows the vulnerability of such policies. Other niches in a way attempted to replicate the policies, aimed to capitalize on post-industrial focus on exploiting the services and so-called "creative industries" or high-end technical innovation, through narrow R&D specialization (Deloitte 2013). Such policies, migrated towards CEE countries in the same period as their implementation resulted in criticism in the West for being nothing more just reiteration of neoliberal adjustment policies that eventually fail to bring about the long lasting solutions (Macgills 2009). Of course it is a great simplification. Not all of these paths and solutions are wrong, as the 'right sizing' of the city structure, or support for self-organization of the residents but nonetheless

many do fall in the risk of operate within the dominant paradigm - in line with economic system that generates the problem in a first place.

The summary above illustrates that dominant framing of the possible solutions is at flaw. It leaves little room for debate other than a discussion on methodologies of fixing the problem with getting back into the path of growth and following a similar route of "convergence" towards predictable global models. Eventually such narratives put planning of the future of the city focused on regaining the inevitable losses in the development and employment against the other, more successful cities. Unsurprisingly, the decision makers and residents are haunted by the fate of the cities, that in the mainstream discourse are vilified for falling out of the line. In many other cities (including Poland) Detroit emerged in public debates as a sort of "straw dog" or a sort of anti-role-model for the comparison to struggling cities, in the wake of its bankruptcy (see Matys, 2014). It is the validity of entering this competition on the terms set by such simplistic perspectives that needs to be questioned in general. Here the possibility that planning may need to leave the binary world of the growth-decline cycles and creative destruction offered by the capital. The "failing" cities, which are left alone to struggle, may offer a glimpse of alternative futures.

City planning here, understood as a traditional institution and political process of anticipating of and preparing for the future of urban areas, is confronted with its own fundamental contradictions here. In terms of skills and thinking behind the process it may not be well suited to easily switch to consider degrowth. In the age of industrial revolution, planning was born of the desire and necessity to manage and control the spatial organization of expanding industrial cities. Its own legacy of pro-growth policies does not merely leave it unprepared in terms of techniques and knowledge but also at the ideological level. As a State-led action, planning has been tasked to balance the consequences of the economic development. However its current vocabulary and ideologies fail when one of the main milieus of planning is no longer present and the rules of the current economic game are no longer set by planners, let alone the local communities. Modern city planning is also caught in struggle on proving the causality between planning action and real changes on the ground, only recently to discover that it is increasingly impotent in addressing the core reasons of decline. It had become painfully apparent with the cities witnessing the effects of transition and deindustrialization. The new scenarios must come from elsewhere or at least they have to start from abandoning the established practice where planning .

Discussing "Degrowth" and scenarios for the future of the cities.

Challenging the pro-growth is difficult due to a fundamental problem with accepting and considering the change towards the "steady state" economy (ESEE, 2008, O'Neil et al. 2010) as more than just a

concept. The discussion on spatiality is one of the dimensions where such changes occur contextually and are locally grounded. Adding urban dimension to the discussion is also inevitable as land values and ownership play a significant role in capital accumulation processes (Harvey 2011) and affect the direction of proposed actions. The "escape from capital" may be also limited due to the financial nature of many restructurization strategies - such as German *StadtumbauOst* or still drafted National Regeneration Programme (MIR 2014) for the cities also heavily rely on external development impulses - either publicly funded or under growing strain of public finance various forms of privatization of regeneration funding.

In the scale of the large city, the components of possible planning scenarios supporting degrowth could potentially focus on a variety of defined rationalization of city as a kind of follow up. They include the limitation of land speculation and conservation, pushing for more responsible use of existing resources or carefully invest the dwindling public money in selected areas, such as inner cities in a need of renewal (Schilling et al. 2008). The policy focuses on quality of living rather than prioritizing the processes of reckless capitalization of remaining resources. With the falling house and land prices the cities also try to run the programmes of massive property privatization (especially housing rights transfers) in order to offload the burden on public budgets (Schilling et al. 2008) or engage in various forms of "blight removal" such as public investment in areas in need of improvement or selling the surplus land to cover the growing fiscal deficits. Such actions are getting grounded in practice as established policies, tested as mitigation against the effects of shrinkage (...). Yet they do not necessarily lead to transformative change, as they may easily fall into the logic of urban austerity politics or technocratic "pin-pointed" shallow improvements, such as aestheticization or "imagineering" strategies.

The example comes from smaller scale changes in local communities, that search for a way to build the autonomy from the pressure of capital, long-term prospect of depletion of resources (Hopkins, 2008) or preparing for "energy descend", voluntary stepping down and aiming to reduce the high environmental footprint (Holmgren 2009). These ideas stemmed from the need of meaningful action based on very conscious and voluntary abandonment of the growth policies and building the forms of autonomy from the system. The key lesson coming from them is a radical change of values and attitudes towards the city. The very same lesson could direct changes of statutory planning which, under the challenge, needs to face radical rethinking and trade "smart decline" policies into helping the city to support the growth of alternatives such as Transition Towns (Hopkins 2008). Leaving the unrealistic assumption that planners can steer the processes of development behind, there is a need to protect the public goods, protect the city from slipping into the worst decline. The experience of market failure in CEE countries show that stemming the suburbanization, cutting on land value

speculation or land hoarding could be achieved by State-led interventions, such as land valuation taxation mechanisms (Kowalewski 2013). In that situation planners would have to act with the principle of making "no harm" for the community initiatives, whilst maintaining the "vital" of the public realm (Vey, 2007): the key utilities, protected structures open spaces. Such approach, especially in Poland, would still need a substantial change in attitudes towards the State interventionism, mainly in private property rights. More importantly, such role would, by nature of the desired changes, require substantial devolution of power. Again, the potential for action lies in changing the attitudes rather than trying to frame a strategy for a change.

Case of Lodz as a city in transition in the CEE, what discussing degrowth could mean for urban polices.

Lodz, third largest city in Poland with approximately 739,832 inhabitants offers an insight into the discussion on putting degrowth as a policy agenda and duality of State and non-State action in dealing with the issue of shrinkage and ultimately the attempts of redirecting the policy of the city.

The city was a traditional centre of light industry. Since its creation in the nineteenth century it has been developed upon a monoculture of textile industry. The industrial profile of the city has been maintained throughout the years till the transition period after 1989. Post 1989 the city witnessed a radical change in fortunes as the global markets shifted in the wake of the collapse of USSR, former export destination for the output of Lodz factories. The 'shock' privatization and growing competition resulted in radical changes in the employment sector. In 1992, in the wake of the collapse of industries, the registered unemployment figures have peaked to 16% of workforce. The second crisis of that magnitude hit the city in 2003 when unemployment level reached early 20% of the workforce according to GUS (Polish census office) employment databases 2003. The adjustment to market economy left significant portions of the city in need for redevelopment as large factories vanished as a result of privatization and dereliction, which was exacerbated by the steady outflow of residents towards the suburbs, in consequence of creation of private property markets and releasing the pent up demand for housing. Social and economic toll had more serious consequences for the city - projected loss of inhabitants by approx 7.9% between 2011- 2020, falling birthrates and smaller household sizes (GUS 2009, Szukalski 2010) as well as the areas of concentration of social problems resulting from precarious situation of city inhabitants. Most importantly, the historic city centre, which has been facing years of decline and lack of funding, is now waiting for the regeneration programme of the city centre.

In strategic planning terms Lodz, similarly to Leipzig and other shrinking cities, has followed similar patterns and policies of managing the decline and attempting to regain its economic position. In 1997

SEZ was established within the city metropolitan region, attracting large employers from the IT and household goods manufacturing sectors, mostly foreign companies relocating to Poland. At the same time the city's economy diversified into services, with the rise of new shopping centres, including one of the largest in the country. The office employment did not match other Polish cities and focused mostly on offshoring of call centres and services. The industrial legacy remained strong - as in 2010 employment in manufacturing was still at almost 41% of the workforce, mostly employed in smaller companies, yet Lodz is considered as a post-industrial city. In 2009 city also embarked on building its own large scale urban project anchored by the railway station ('New Centre of Lodz').

Lodz is also a city where planning reacted relatively late to the challenges of a shrinking city. The 2003 reform of planning system left the city without valid zoning plans, with only comprehensive planning documents. In 2012 the city area was still covered in less than 5% of the local planning documents. The perspective of "shrinking" was not really mentioned there. In response to the need to direct the development policy 2012 the city formulated a set of strategic documents, calling for the inward growth toward the city centre, a concerted redevelopment of the city centre core- so called Metropolitan zone with a call for putting an anti-sprawl policies in place (UML 2013a, UML 2013b). The strategy, that was a subject to public consultations, introduced majority of "right sizing" policies that now can be implemented. Lodz also stands before implementation of the State-led funded National Urban Regeneration Program, which may act as a seed-fund for the further regeneration of the city. Also the National Urban Policy (MIR, 2014a) The long term perspective of these actions is unknown. The stimulus may add a short term boost for targeted action - in built environment and social policies but there is no guarantee of success in reversing the population decline.

Parallel to the official discourse and in reaction to the official discourse Lodz witnessed a steady mobilization of the non-governmental organizations, institution residents, who often acted in reaction to inefficiencies of the City Hall and formed a true backbone of radical changes in the city. A Participatory Budget of equivalent of 20 mln PLN (roughly 4.8 mln Euro), introduced in 2012 owing to the lobbying of the City third sector. Although it was a tiny fraction (mere 1.5%) of a city investment budget was an example of a program of a city-wide, citizens-led, micro improvements. Lodz non-governmental organizations are also responsible for building and maintaining a network of social entrepreneurship cooperatives (almost 59 of them operate in a city, they are coordinated and supported), which started as a bottom-up alternative to loss of employment. Out of similar needs, the city "third sector" took the responsibility of providing more basic social services as running the daycare centres for children and teenagers from the vulnerable Inner City quarters and started to lobby for directing the regeneration into these areas. Lodz based governmental research centre for hydroecology, a branch of Polish Academy of Sciences and UNESCO, pushed for implementation of

the innovative city-wide system of open spaces, integrated within the network of streams and rivers in an attempt to introduce more environmentally friendly way of rainwater harvesting and management - the Blue-Green Network (Wagner et al. 2008). This small snapshot shows a significant and largely untapped intellectual and political transformative potential that is present in the city. Further development of such initiatives and small step improvements are building the alternatives to the predicament of Lodz that will not be grounded in the developmentalist discourse. Still, left alone, these projects are fragile and small, given the sheer scale of the city in question. Many of the flagship initiatives would still depend on public funding for implementation or, as it in case of urban planning, efficient planning in order to secure the few remaining public land reserves to leverage public policies. The case of Lodz also shows that on the level of ideas, there is plenty of potential, that could result in implementing the reduction of dependence on reckless consumption and secure quality of living - key premises of degrowth. At the same time, building new scenarios will depend on how public social safety nets will be maintained and rebuilt and to what degree public money will be directed to "bridge" the concepts and action towards the transition. Here, the big planning will be present.

Summary - Is "planning" for degrowth in cities valid?

Situation of cities like Lodz, described in the text, is not likely to change in a short term. The failure of the increasing number of cities to adjust their social and spatial structures to the ever growing demands of global capitalism indicate the fundamental flaws in this system. On a macro scale, degrowing, "folding" or "failed" Western cities create the state of almost permanent social and economic upheaval, resulting from the strain on local communities. Researchers examining shrinking cities called them as a challenge to the "long term sustainability of capitalist modernity" (Matanle 2008).

It is doubtful that under such economic challenges the city planning and management apparatus alone can generate the tangible solutions or radical new vision for implementing degrowth on economic or social level. Most likely the revolution in thinking will occur outside the City Hall. The solution to discussions most likely needs to come from questioning the system that created such condition in a first place and State level policies. On the city level, the city administrations and planning in particular can be useful in buffering the populations from the negative effects of spatial and economic processes. It can act on limiting the suburban sprawl, "deflating" the land speculation through land use decisions or directing increasingly scarce public funding into regeneration policies.

In the interest of long term future and reduction of uncertain dependence on external capital in planning the future, the cities should seriously consider rerouting their public resources into giving

the chance for new experiments in autonomy from the whims of the global capital through social innovation. City Hall should aim to give the residents a "breathing space" from the harsh realities of shrinking cities in hope of creating solutions.

Bibliography:

Bernt M. 2005. Demolition program east [in:] Oswald P. [ed.] Shrinking cities. Volume 1: International research, Hatje Cantz Verlag :Ostfildern-Ruit, Germany, pp 660-665

Bernt M., Cocks M., Couch C., Grossmann K., Haase A., Rink D. 2012.: Policy Response, Governance and Future Directions, Shrink Smart Research Brief No. 2, March 2012, Helmholtz Centre for Environmental Research – UFZ, Leipzig, source: https://www.intern.ufz.de/data/ResearchBrief2_17486.pdf

Bontje M. 2004. Facing the challenge of shrinking cities in East Germany: the case of Leipzig, *Geojournal*, vol 61, 13-21

Deloitte, Łódzka Agencja Rozwoju Regionalnego (LARR). 2013. Regionalna Strategia Innowacji dla Województwa Łódzkiego LORIS 2030, Urząd Marszałkowski Województwa Łódzkiego: Łódź.

European Society for Ecological Economics (ESEE). 2008. Declaration of the participants in the Economic De-Growth For Ecological Sustainability And Social Equity Conference held in Paris on April 18-19, 2008, source: <http://events.it-sudparis.eu/degrowthconference/en/Declaration%20on%20Degrowth%20EN.pdf>

GUS 2009, Prognoza ludności na lata 2008 – 2035, GUS, Studia i Analizy Statystyczne, GUS: Warszawa

Harvey D., 2011, *Enigma of Capital*, Oxford University Press: New York

Holmgren D. 2009. *Future Scenarios: How Communities can adapt to Peak Oil and Climate Change*. Chelsea Green : Vermont.

Hopkins R. 2008. *Transition Handbook*, Green Books: London

Jessen J. 2012. High Speed Urban Decline, The Case of Cities in Eastern Germany, in Nan S., Gossop C. (2012) [eds.] *Fast Forward: City Planning in a Hyper Dynamic Age - ISOCARP Review 08*, ISOCARP Publications

Kowalewski A. 2013. Znikające miasto - wykład wprowadzający [in:] Domanski B. [eds.], 2013, *Zarządzanie rozwojem miast o zmniejszającej się liczbie mieszkańców w kontekście perspektywy finansowej 2014-2020*, Senat RP: Warszawa

Latouche S. 2009. *Farewell to Growth*, Polity Press: Cambridge

Mace A., Gallent N., Hall P., Porsch L., Braun R., Pfeiffer U. 2004. *Shrinking to Grow? The Urban Regeneration Challenge in Leipzig and Manchester*, Anglo-German Foundation for the Study of Industrial Society: London

MacGills A. 2009. Ruse of the Creative Class, The American Prospect, source:
<http://prospect.org/article/ruse-creative-class-0>

Matanle P. 2008. Shrinking Sado - Education, Employment and the Decline of the Japan's Rural Regions" in Oswald P. [ed.] Shrinking cities. Japan: V: Case Study Hakodate/Hokkaido, June 2008, Arch+, Berlin.

Matys M. 2013. Łódź – Titanic jak Detroit czy arka Noego, Gazeta Wyborcza 16 sierpnia 2013, source:
http://wyborcza.biz/biznes/1,101562,14422771,Lodz_Titanic_jak_Detroit_czy_arka_Noego.html

Ministerstwo Infrastruktury i Rozwoju (MIR). 2012a. Krajowa Polityka Miejska - wersja I marzec 2014, Ministerstwo Infrastruktury i Rozwoju (MIR): Warsaw, source:
http://www.mir.gov.pl/fundusze/Fundusze_Europejskie_2014_2020/Documents/Krajowa_Polityka_Miejska_wersja_I_27032014.pdf

Ministerstwo Infrastruktury i Rozwoju (MIR). 2012b. Narodowy Plan Rewitalizacji 2022 - Założenia, Ministerstwo Infrastruktury i Rozwoju : Warsaw, source:
http://www.mir.gov.pl/rozwoj_regionalny/Polityka_regionalna/rozwoj_miast/Rewitalizacja/Documents/NarodowyPlanRewitalizacji_Zalozenia_062014.pdf

O'Neil D., Deitz R., Jones N. 2010, Enough is enough – Ideas for a sustainable Economy in a World of Finite Resources, http://steadystate.org/wp-content/uploads/EnoughIsEnough_FullReport.pdf

Plöger J, 2007, Leipzig City Report, Centre for Analysis of Social Exclusion, source:
[http://eprints.lse.ac.uk/3622/1/Leipzig_city_report_\(final\).pdf](http://eprints.lse.ac.uk/3622/1/Leipzig_city_report_(final).pdf)

Rink D., Haase A., Bernt M, Großmann K. 2010. Addressing Urban Shrinkage Across Europe – Challenges and Prospects, Shrink Smart Research Brief No. 1, November 2010, Helmholtz Centre for Environmental Research –UFZ, Leipzig, Source: <https://shrinksmart.ufz.de/data/D9%20Research%20Brief%2014223.pdf>

Schilling J., Logan J. 2008. Greening the Rust Belt, American Planning Association Journal of the American Planning Association; Autumn 2008; 74, 4, pp. 451-466

Szukalski P. 2010. Sytuacja demograficzna Łodzi. Porównanie z innymi wielkimi polskimi miastami. [in:] Domanski B. [eds.], 2013, Zarządzanie rozwojem miast o zmniejszającej się liczbie mieszkańców w kontekście perspektywy finansowej 2014-2020, Senat RP: Warszawa

Turok I. Mykhenko V. 2007. The trajectories of European cities, 1960-2005, Cities, vol. 24, No. 3, p.165-182, 2007

Urząd Miasta Łodzi (UMŁ). 2013a. Integrated Development Strategy for Lodz 2020+, Urząd Miasta Łodzi: Łódź

Urząd Miasta Łodzi (UMŁ).2013b. Strategia Przestrzennego Rozwoju Łodzi 2020+, Urząd Miasta Łodzi: Łódź

Vey Jennifer S. 2007. Restoring Prosperity: The State Role in Revitalizing America's Older Industrial Cities, The Brookings Institution: Washington

Wagner, I., Izydorczyk, K., Drobnińska, A., Fraczkak, W., Zalewski, M. 2008. Inclusion of ecohydrology concept as integral component of systemic in urban water resources management. "The city of Lodz case study, Poland". Proceedings of the New Directions in Urban Water Management, UNESCO Head Quarters. Paris.