

# Learning from city recovery in Europe and the United States

Findings  
Informing change

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This study investigates why cities decline, how they recover and how low-income communities within them fare under the impact of dramatic changes.

## Key points

- Cities in Europe and the United States (US) have gone through periods of intense growth, innovation and wealth production. This has led to great social and economic changes, often at the expense of the surrounding environment and social stability.
- Urban industrial collapse was driven by environmental exploitation, shifts in economic power and social dislocation. When environmental resources are used up and the social and economic costs are too high, industry moves to other places.
- Europe-wide patterns of publicly led intervention resulted in a significant reversal of decline.
- These interventions transformed conditions in varying degrees across the seven European cities in the study. However, the recovery of previously declining cities is now threatened by global economic turmoil, resource constraints and climate change.
- The older US 'rust belt' cities, having experienced steeper, longer decline than those in Europe, found it more difficult to recover. They have received less government support and experienced more polarised conditions. Their path to recovery is far less clear, and the impact of economic and environmental problems far starker.
- Although cities in Europe and the US face urgent pressures – including the need to reduce radically their reliance on fossil fuels – their under-used spaces, existing infrastructure, knowledge and skills base, and diverse populations open up new opportunities for urban progress and environmental protection.

## The research

By a team from the London School of Economics

# Introduction

The seven European cities studied are: Sheffield and Belfast in the UK; Bremen and Leipzig in Germany; Torino, Italy; Saint-Étienne, France; and Bilbao, Spain. Other cities, including several US rust belt cities, participated in the programme.

Reports on the seven European cities trace the radical social and economic changes that drove older industrial cities to the brink of collapse. The reports also showcase the cities' resilience and show how former industrial heartlands across Europe can recover.

All the cities faced major crises of de-industrialisation in the 1970s, '80s, and '90s, leading to radical loss of investment, high levels of unemployment, shrinking populations and, in several cases, political conflict. This spurred them on to regain the initiative and build new ways of doing things which now point the way to urban renaissance in the former industrial heartlands of Europe. The scale of investment and human effort that has gone into making recovery possible in these cities over the past 25 years is immense and may provide some resilience in the face of current challenges.

## The history of decline

Each of the seven cities played a dominant role in their country's development before the industrial revolution, and continued as hubs of the new economy, new politics and new urban forms (the pattern of streets in a city). In the nineteenth century they were internationally renowned for spawning the biggest, most powerful industries and inventing the first breakthroughs in a rapidly industrialising world.

City centres became depopulated when the giant industries collapsed around the time of the 1974 oil crisis. The construction of large housing estates on the edge of cities triggered the swift decline of existing slums, flight to the suburbs and overall population dispersal.

When I came back to Sheffield in 1984, I was shocked rigid. There were many thousands of acres of derelict land in the lower Don Valley, which I remembered as the powerhouse of the city's economy. There was very little activity in the city centre. It's difficult to get over to you how desperate things were. The decline was so fast and the city was so frightened, in shock.  
(Senior City Council official)

## How cities recovered

The long crises of job losses, population decline and outward sprawl to escape squalor and disorder left hollow, impoverished, decaying city centres. Defensive, protectionist political responses failed, leading to radical new leadership and alternative ideas. New partnerships were forged and new citizen organisations formed. All seven cities experienced this shift in approach, leading to a carefully brokered and multi-faceted plan to aid recovery and foster initiative in each city.

- First, the *economy* supported new enterprises, reinvestment, new skills and different kinds of jobs.
- Second, investment in *physical infrastructure* and urban environments led to the restoration of public spaces, historic city centres, older neighbourhoods, public transport and parks.
- Third, *social conditions* began to be equalised by tackling problems concentrated in steeply declining inner and outer neighbourhoods housing recent immigrants, unemployed former industrial workers and other vulnerable households.

The recovery process involved major public investments, which then attracted private partners. As transformational activity took root, so new investors arrived, more jobs were created, and the poorest conditions improved. Local urban environments were transformed with public backing and prospects for cities rose.

**Physical and environmental restoration** was the basic requirement for rebuilding public confidence.

- Reclaiming public spaces and restoring city centres as cultural and social magnets revitalised urban environments, attracting new uses.
- Traffic calming and pedestrianising streets and squares made city centres and inner neighbourhoods more attractive, useable and liveable in. Improving public transport links within and between cities connected communities and whole cities with bigger regional and national capitals.

**Economic development** was the most significant ingredient of recovery, although it depended on physical and environmental upgrading to inspire confidence and a critical mass of activity.

- Based on city universities and the legacy of science-based innovation, new enterprises emerged.
- New skills – in services, high-technology industry, maintenance and repair – encouraged new businesses and existing investors to stay in the city.
- Small innovative enterprises with low start-up costs, often supported by universities, research centres and city authorities, proved resilient and adaptable in the face of new threats.

**Social reinvestment** was vital to social order and stability in dense, troubled urban areas. Social programmes helped underpin the wider economic social changes that were under way.

- Restoring older, poorer neighbourhoods helped integrate new minorities, encouraged existing residents to stay, and attracted new in-work residents.
- Supporting unemployed and low-skilled residents to take up training and get jobs began to improve the conditions of poor households. It also re-attracted employers looking for cheap, readily available space, a trained workforce and restored neighbourhoods.
- Social enterprise and community initiatives built up local involvement and established new local services and skills, as well as enhancing integration and opportunities.

## What recovery looks like

Overall, a combination of the following measures pushed cities along the road to recovery.

- Population losses bottomed out in all seven of the cities, with five making a full population recovery by 2005. Even so, sprawl building continues, albeit at a slower rate.
- Job recovery has been strong, although there is still serious economic inactivity among the former industrial workforce. Generally, unemployment levels fell below national averages after a period when they were double or triple the average rates. Since 2008, job losses have accelerated again, although during summer 2009 it became clear that many smaller, newer enterprises in the ex-industrial cities were suffering less than the financial services sector of regional and national capitals.

- The image of the seven cities has improved radically. They have attracted both a new kind of urban tourist and new residents – a combination of younger households, empty nesters and families.
- Cities proved more resilient than hoped for because of their core assets and infrastructure, and their populations and skills. The wider resource pressures, which both Europe and the US are under, aid this recovery process and enhance the resilience of already built-up places.

## Learning from US cities

The hurdles of physical decay, population exodus, job losses, energy consumption, and social and environmental degradation facing US cities were considerably higher. However, the old industrial ‘rust belt’ cities adopted broadly parallel measures and found a similar direction of change. City centre populations began to recover, brownfield sites were reclaimed, old ports were remodelled into waterfront parks, and industrial warehouses were converted into homes, restaurants and new businesses. The future will hinge on further progress in neighbourhood reinvestment; educational and health reforms; the strengthening of public transport; and repopulating cities at greater density.

In spite of major cultural, historical, economic and ethnic differences between Europe and the USA, the direction of change towards reinvestment and revaluing of city assets is strikingly similar. American cities struggle against tougher inequalities, stronger suburbanisation and weaker social supports, and they are more car-dependent. But they have been innovative in rebuilding their viability, and are embracing the climate change agenda at an accelerating pace. Europe can learn much from their harsh experience, steep learning curve and ideas.

## Conclusion

Innovative technologies – such as the world’s first tidal turbine, launched in Belfast in 2008 – point to the potential for future ‘green’ growth. Investment in public infrastructure and transport, and in building reclamation, creates a strong foundation for energy saving, reuse and conservation. Social reinvestment, particularly in the bottom layer, will avert further decline. In a resource-constrained world, cities offer new ways of coping with intensifying environmental, social and economic pressures.

Global financial upheaval, climate change and resource limits are posing unknown threats to the future of cities. But these cities are at the cutting edge of new solutions precisely because of their past experience of hyper-growth, intense decline and dramatic recovery. Existing infrastructure, services and transport connections, and a tradition of invention and innovation, are leading these cities to pioneer exciting new ideas.

Europe is a crowded continent with limited resources, so existing assets are constantly redeployed to cope with new shortages. Innovative reinvention and reuse of finite resources propel cities back to life. Along with their US counterparts, the seven European cities face an uncertain future. But they have demonstrated how they may survive and indeed flourish in a more sustainable world.

## About the project

Over a three-year period, researchers interviewed leading policy-makers and practitioners in each of the case-study European cities, and visited low-income inner and outer areas, suburbs, city centres, science parks and business incubators, universities, museums, heritage and reclamation sites and flagship projects. They collaborated with the Brookings Institution, Washington, visited three case-study cities in the US, and participated in four major Brookings Metropolitan events. They set up the City Reformers Group, representing the seven European cities, US city reformers, regional and national governments, the European Union, academics and partner institutions, LSE and Brookings. This group met four times to debate research findings, present evidence, contribute original research material and host research visits.

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## Further information

The seven city reports are available at [http://sticerd.lse.ac.uk/case/\\_new/publications/default.asp](http://sticerd.lse.ac.uk/case/_new/publications/default.asp), along with the interim report, **Transforming Cities across Europe** (<http://sticerd.lse.ac.uk/dps/case/cr/CASEREport49.pdf>), and information on the City Reformers Group, City Workshops and related publications.

**Phoenix Cities: The fall and rise of great industrial cities** by Anne Power, Jörg Plöger and Astrid Winkler will be published by The Policy Press for the Joseph Rowntree Foundation in 2010.

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