

## FACING SHRINKAGE – PERSPECTIVES OF URBAN DEVELOPMENT IN SERBIA

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**Summary:** *Both urban research and planning practice lately significantly contributed to understanding and dealing with the phenomenon of urban shrinkage. Although affected the most by population decrease and industrial regression since the political changes in 1990, these advancements seem to have had varied influence in the former Central and Eastern Europe. The focus of this paper is thus set on the problem of significant population decline in the particular urban context of the Republic of Serbia that was still neither fully recognized nor adequately addressed. Through consideration of some international examples of strategic advancements in dealing with shrinkage (particularly of Leipzig in Germany and Detroit in the US), the aim is to draw attention to this issue, question solution transferability, as well as point out at some future perspectives for shrinking urban realm in Serbia.*

**Keywords:** *shrinking cities; urban governance; strategic response; Serbia; international perspective*

### 1. INTRODUCTION

Rapid expansion of global urban population associated urban change with continuous growth of cities. In most countries, however, only a relatively small number of cities currently grows. The upward trajectory mainly occurs at the expense of a majority of cities that have either experienced descending trends or have already started to 'shrink'. Urban research has already dealt with these problems, although most of the terms and theoretical concepts originated from the Anglo-American realm. Considering that the concept of shrinking cities only recently entered international debate, as well as the fact that many cases remained out of sight, there are still plenty of unanswered questions related to its causes, manifestation forms and consequences. One of such is the particular case of Central and Eastern Europe (CEE), in which urban research so far has been focusing on capital cities that generally demonstrated rapid development trends, while its second-order cities confronted serious population losses, ageing and out-migration [1, 2]. Even when the shrinkage reality finally started to get more widely recognized, another challenge was to adopt adequate policy framework that could encompass local complexities of this phenomenon.

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Set against this background, this study takes on a particular case to examine how far the concept of urban shrinkage applies to the second-order cities in the Republic of Serbia, particularly considering its alarmingly low fertility rates, out-migration and ageing of its population. The major objective is to raise awareness and provoke responsiveness to this concept on the planning and policy-making levels in Serbia, as well as to challenge transferability of the concept through some of international best practices.

The first section of the paper introduces theoretical background on the phenomena of shrinking cities and its manifestation in the CEE context. The second part illustrates the problem of discrepancy between the official planning practice and reality in Serbian small and medium-sized shrinking cities. The following section highlights the best international praxis from Detroit and Leipzig. The paper is concluded with discussion on the concept transferability, as well as with rethinking the ways the cities in Serbia should be planned and governed.

## 2. SHRINKING CITIES: ADVANCEMENTS AND LIMITATIONS FOR URBAN RESEARCH AND PRACTICE

The concept of urban shrinkage stems from the phenomenon observed in the East German federal states after the reunification, where the massive population losses came as a result of job migration, decreasing birth-rates and suburbanization [3]. This phenomenon has been recognized as a long-term, structural component of urban development since the turn of the millennia, and relatively recently acknowledged as a global, multidimensional phenomenon [4]. The reasons why shrinking of cities failed to gain more international attention earlier are primarily to be found in the dominant paradigm among planners and policy makers that since early industrialisation remained exclusively set on promoting urban growth [5]. The well-known case of declining Rust Belt cities has demonstrated how former booming of industrial sector has caused one-dimensional development orientation that later initiated industrial path dependency [6]. Growth paradigm has thus not only stifled acknowledgment and acceptance of the reality of urban shrinkage, but also prevented planners from recognizing potential opportunities that this process might offer. The 2008 financial crisis has later demonstrated how neoliberalisation imposes constant restructuring, which finally resulted with first shifts in urban governance and planning practice towards finding new potentials and alternatives for the so-called 'smart decline'. Nevertheless, a general lack of "(...) systematic empirical analysis of the crisis as a 'laboratory' for urban governance models" [7: 818] still remains evident in urban research and planning praxis.

Another important issue that hindered thorough understanding of urban shrinkage concerns an imbalance in the representation of geographical cases. Characterized by the extreme downfall of its former industrial giants, the US American context has so far attracted most of the scholarly attention. The later elaborated European cases offered necessary diversification of knowledge about the phenomenon. This has shown that the post-industrial transformation processes, followed by considerable deconcentration, decentralisation, and suburbanisation, had significantly fewer implications in the European case, which were generally more affected by falling birth rates and complex post-socialist transition. Many scholars thus characterized urban shrinkage in Europe as 'less drastic' [8]. Nevertheless, significant disparities in restructuring forces, extents and

spatial distributions of decline resulted with some considerable distinctions even among the shrinking cities in Europe.

The specific constellation of deindustrialisation, post-socialist change, demographic ageing, and suburbanisation occurring in the former German Democratic Republic (GDR) after the reunification far surpassed implications of shrinkage that occurred among other European cities of that time. This finally drew attention to the influence of demographic fluctuations on urban development. However, many later cross-European studies demonstrated that a 'new pole of shrinkage' shifted further to the East and South-East of Europe, where three out of four cities reported population decrease [2]. According to the UN projections, the population in CEE countries is estimated to shrink by 15% or more by 2050, among which Serbia is highly ranked (fig. 1). Such prognoses could be considered as the final confirmation that urban shrinkage has already become more realistic pathway of urban development in Europe [6].

Country	2017 (million)	2050 (million)	Percentage change
Bulgaria	7.08	5.42	-23
Latvia	1.95	1.52	-22
Moldova	4.05	3.29	-19
Ukraine	44.22	36.42	-18
Croatia	4.19	3.46	-17
Lithuania	2.89	2.41	-17
Romania	19.68	16.40	-17
Serbia	8.79	7.45	-15
Poland	38.17	32.39	-15
Hungary	9.72	8.28	-15

Figure 1. World's top 10 fastest shrinking populations by 2050. Source: <https://qz.com/>

Behind effective dealing with the effects of urban shrinkage as a long-term phenomenon stands the dilemma of coping with or adapting to urban shrinkage that dominates the discussions among both researchers and practitioners [6]. While the East German experience resulted with recognition of demographic influences on urban development that initiated proactive approaches among researchers and planners, the Anglo-American debate hasn't really given up on turning decline into regrowth [7]. Strategies based on culture, tourism, and other sectors thus proved to be effective in finding ways out of urban decline in many cities. An alternative path of the debate discussed some positive effects and opportunities that shrinkage could bring to the cities, in which dynamism, innovation and collaboration was particularly celebrated.

There are only a few cities that managed to cope with their new shrinking realities with certain success. From a number of declining cities in the former GDR, Leipzig is one of the rare ones that managed to achieve a remarkable turn away from its rapidly declining urban economy and dramatic loss of urban population. Effective urban governance, coupled with national and international subsidy programmes, has resulted in locally adapted strategic frameworks that have recently provided an anticipated return to the trajectory of urban growth. In the US case, municipal government, policy makers and

elites of Detroit invested a great deal of effort to stem the city's rapid decline. Its innovative strategy based on stabilisation, recovery, and irreversible degrowth was embraced only after the city declared bankruptcy, which was the sign that local government finally faced the gloomy reality. However, in many other countries – such as in the CEE region – the concept of urban shrinkage as investigated until today in both its theoretical and practical terms seem to have had significantly lower influence. In the context of Serbian planning and policy making, urban shrinkage hasn't been adequately dealt with, except from the statistical figures providing evidences of the shrinking urban reality. Causes and consequences of such an approach in this particular case will be elaborated in the following section.

### 3. SHRINKING REALITY vs. PLANNING PRACTICE IN SERBIA

The results of the last census in the Republic of Serbia, held in 2011, showed that population decline became a dominant trend among a strong majority of listed urban settlements in the country [9]. Such a bleak demographic situation was actually continuation of population trends, which largely reflected dynamic political and socioeconomic processes that have started in the late 1990s and continued during the following few decades (fig. 2: right). Years of civil wars, coupled with economic difficulties and lack of job perspectives lead not only to skyrocketing out-migration rates, but also extremely low fertility and high abortion rates. In addition, Serbia currently has one of the oldest populations in Europe. This has altogether resulted with a population deficit of 377,335 than recorded by the previous census in 2002, which equals to a decline of over 5% for less than a decade [10].

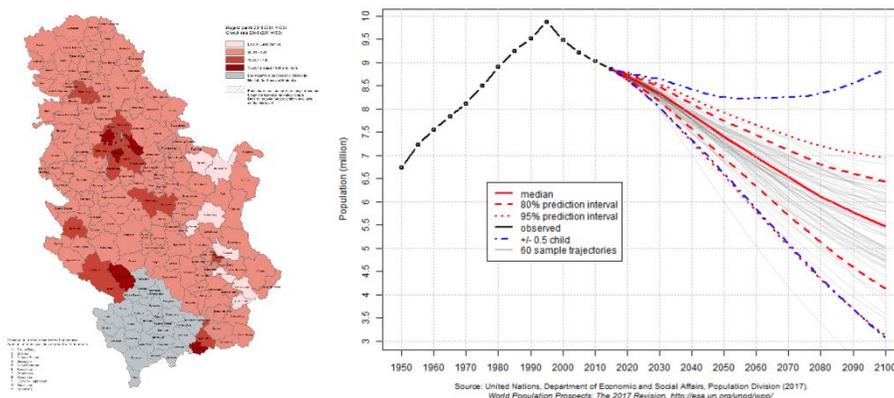


Figure 2. Serbia's declining population (l) and its future perspectives (r).  
Sources: The Statistical Office of the Republic of Serbia 2011: 76 (l);  
UN, [https://esa.un.org/unpd/wpp/Graphs/Probabilistic/POP/TOT/\(r\)](https://esa.un.org/unpd/wpp/Graphs/Probabilistic/POP/TOT/(r)).

Dramatic demographic situation in Serbia had devastating effects on its cities. Urban population dynamics in the period between the two censuses 2002-2011 revealed its two

major features. First, similar to the trend in other European countries, Serbia's biggest cities rapidly grew. As a consequence, there was a great increase in the administrative territory of the capital Belgrade, which currently occupies 3.6% of the total territory of the Republic, representing almost one third of its total urban population. Second, the group of small and medium-sized towns showed a sharp depopulating trend. With a lack of empowerment, their former role has been challenged in that respect [10]. Population movements from rural to urban areas in Serbia that have formerly characterized much of the migratory balance map of the country were therefore fully replaced by Belgrade's urban primacy in the recent demographic movements (fig. 2: left). Besides from this disparity, Belgrade faces typical problems associated with rapid growth, such as suburbanization, segregation and informal housing [11], while a great majority of other cities found themselves in front of completely different set of urban problems. Serbia is at a present rate losing in average 42,000 people per year, which equals an average medium-sized town in the country [11]. In contrast to enormous challenges that such unbalanced demographic dynamics already created, it seems that this issue hasn't been studied sufficiently at any level, while planning practice remains unresponsive to these signals [12].

A few attempts on the national level to address rapid depopulation of small and medium-sized towns haven't shown satisfactory impact. The Law on Regional Development, enacted in 2009, was the first step towards more effective regional organisation of the country. Unfortunately, besides from its good intentions, adequate implementation mechanisms haven't been clearly defined [13]. Furthermore, the Spatial Plan of the Republic of Serbia 2010-2020 similarly advocated for a more balanced distribution of the population, suggesting the country's spatial-functional development to be based on a model of functional urban areas, as "the instruments of balanced or tolerably unbalanced spatial development" [13: 6]. This goal was to be achieved through development of a polycentric model of urbanization and regional development policy. Such a model based on the development of small and medium-sized cities, as the dominant development trend of urbanization in Europe, was supposed to reduce the current negative demographic, economic, and social effects, primarily caused by the rapid and uncontrolled migration flows. Nevertheless, despite the proposed measures for a more balanced population policy and sustainable demographic and urban development, there are still many implementation problems; above all general lack of social awareness, concrete measures and decisive state activity [13].

Besides from the obvious incapability of the state to deal with the rising issues, the situation seems to be even more alarming on the fragile local policy level. General urban plans of many cities and towns still seem to be under the influence of urban growth paradigm, resulting with a lack of adaptation and preparedness to the actual situation. One of the best examples to illustrate this statement is the post-socialist path dependency that fostered subordination to the objectives of the former planning approaches. Many shrinking cities in Serbia thus keep on relying on increasing population densities and widening of city built areas, which directly confronts statistical evidences of their declining [12]. General urban plans could indeed serve as important policy documents for pioneering possible solutions for shrinking urban environments; however, blind reliance on the former planning objectives, along with a general lack of reflexive and

creative planning decisions, local leaders and engaged citizens illustrate the scope of already missed opportunities to face and tackle urban development problems in Serbia.

### 4. TRANSFERABILITY – A CHALLENGE OR AN OPPORTUNITY?

Transferability of planning concepts is probably one of the biggest challenges for planning theory and practice. However, while looking for a planning concept that could be taken from one locality and implemented in another one would definitely be a futile job, studying best international practices could be considered beneficial for both raising awareness and inspiring national and local policy makers and planning experts. The following part thus brings brief reflections on some of the best international examples of successful dealing with urban shrinkage, before highlighting some general directions for the particular Serbian urban context.

The first example is deterioration of Detroit that was associated with the crisis of its main industry, the car-manufacturing sector. Finding new approaches to dealing with troubled heritage of its industrial past and responding to the new conditions was certainly the major struggle for its policy makers. On the one hand, strategic approaches needed to take control over further decline, but on the other hand also to propose innovative solutions for giving rise to progressive long-term urban politics. On top of all that, industrial path dependency strongly hindered the emergence of innovative approaches.



Figure 3. The grassroots initiative “The Heidelberg Project” in one of Detroit’s troubled neighborhoods (l) and the cover of the DFC strategic framework (r).

Sources: authors’ photo (l); <https://detroitfuturecity.com/> (r).

The centrepiece of the emerging reliance to innovative alternative was the Detroit Future City Strategic Framework (DFC) from 2013. The major objective of this detailed, long-term guide for decision-making (fig. 3: right) entailed acceptance of the shrinking reality and final abandoning of the industrial past, as prerequisites for development of new ways

to increase employment and residential density. Although manufacturing retained an important place in Detroit's development, diversifying the city's economy commenced with supporting alternative economic sectors that had shown some success in job creation (such as digital and creative jobs, education and medical employment, new industrial sectors and local entrepreneurship). The following objective was to stabilise neighbourhoods, as abandonment was the main threat to the city's sustainable future (fig. 3: left). This included creation of a diverse range of neighbourhood styles and choices that would appeal to a wide variety of people, and concentrating the population in areas with higher densities. The final objective involved using the potential for the creative transformation of vacant land and buildings, as the city's greatest, but the most challenging asset [14]. Besides, the strategy also involved reformation of the service delivery systems, taking a collective approach to land and buildings in the city, and the participatory implementation of planning elements [15].

An editorial in the *Detroit Free Press* saw the plan as revolutionary, and urged its immediate implementation [16]. Overall public support for this strategy resulted from the inclusion of local and national experts, the insights of tens of thousands of citizens [17], and from its outstanding, innovative features. The DFC was not only the first strategic framework that advocated for an integrated way of transforming the city and its neighbourhoods, but also the first to accept that Detroit will never again be a city of nearly two million people. Instead, the plan prioritised stabilisation of the city's economy over economic growth, while its long-term future depended on improving the quality of life of its residents. Its realization involved long- and near-term priorities that would be adjusted and updated as the plan implementation develops [17].

The DFC strategy had its most pronounced effect on property vacancy rates in the city. The new policy suggested encouragement of investment and home ownership, while local authorities strived to ensure efficient allocation of deserted or empty lots after taking possession of those whose owners had stopped paying property taxes.<sup>2</sup> The Department of Planning and Development (PDD) managed empty lots through the land bank authority, aiming at auctioning off the property, through which the responsibility over its maintenance was to be turned into securing revenues. Many private companies and non-profit organisations made significant contributions to the reuse of vacant land in the city, not only for food production, but also as places to learn, socialize, and spend quality time. It was estimated that until 2015 there were around 1,400 active urban gardens and farms in Detroit [18], some of them showing extraordinary results.

Another example is the scope of demographic and development issues that appeared in many East German cities after the reunification, resulting from significant structural disparities between the former GDR and its western counterpart. The complex transition to a free market economy led to a total collapse of the economic structure in East German states. In Leipzig itself, around 85% of industrial jobs were lost within only a few years [19]. In only one decade, the city lost approximately 100,000 inhabitants [20]. By the mid-1990s, the consequences of the rapid population decline had also become visible in the urban fabric of Leipzig, including growing housing vacancies and underused urban infrastructure.

In contrast to the UK or the US, where the state has traditionally played a less important role in urban planning, the German Federal government has taken on a variety of

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<sup>2</sup> Between 1973 and 2004, the City of Detroit came into possession of more than 15 per cent of all properties.

measures to deal with the problem of extreme population loss and urban decline since the early 2000s. The national policy was generally based on subsidy programmes, aiming at motivating affected communities to address the problem at the local level. The economic and urban recovery of Leipzig that had commenced in the second half of the 1990s could not have been possible without a strong city leadership. As in the case of Detroit's DFC strategic framework, the integrated concept 'Leipzig 2020' aimed at laying out the city's long-term development until 2020, also emphasizing some important aspects of managing the shrinking process, such as its economic, demographic, and sustainability components. The demolition of physical structures was no longer a consideration, as was previously the case. Through the reliance on both federal and European subsidies, the local government was determined to shift the overall aim of the strategy towards achieving economic regrowth. 'Leipzig 2020' clearly advocated for an increase in the national and international importance of the city, quality of life, social stability, and overall competitiveness [21]. The priority became the establishment of optimal framework conditions for employment and a more balanced age structure in the city [22]. The envisioned shift towards reaching prosperity by 2020 involved, firstly, a focus on strategically selected urban areas in need of further actions to increase their development potential and manage social disparities. Secondly, the local government offered business support services to incoming companies through the specially created employment agency. With active involvement of the local government five major sectors were strategically designated for support: automotive, health care, energy and environment, logistics, and finally, media and creative enterprises [21].

A final result of the strategy in Leipzig is that a number of important urban mega events have been attracted to the city, ranging from various cultural manifestations, fairs and festivals to international sporting events. The city's transformation into a cultural hub, along with affordable property prices, has also made Leipzig especially attractive for the creative class. The city's newly arrived „Big Five“, i.e. Porsche, BMW, DHL, VNG and Amazon, finally turned its urban economy upwards. Since 2010, Leipzig has become one of country's fastest growing cities, with approximately 10,000 new residents per year. This was a final confirmation that the local government has managed to achieve its anticipated aim of positioning the city back on a growth trajectory, through a strategy that recognized and strengthened the city's real development potentials.

## 5. REAL PERSPECTIVES OF URBAN DEVELOPMENT IN SERBIA

Although largely different, the experiences from Detroit and Leipzig represent outstanding examples of goal-oriented and long-term strategic dealing with the shrinking reality that could serve as a starting point in finding possible solutions for other cities. However, there are no universal solutions and each case requires tailor made approach. Taking a look back at the experience of other post-socialist countries reveals that besides transition, also joining the EU further enhanced their work force emigration [11]. Serbian medium-sized cities could face the same scenario, with their already alarming shrinkage rates getting further intensified. The problem is thus highly specific and comprehensive and requires corresponding steps to be undertaken on all levels of power. Until which degree advancements from other countries could be transferred in the specific Serbian context is highly questionable, especially considering particularity of its

current socio-economic, demographic and even geo-political position. Nevertheless, some of the major highlights from Detroit and Leipzig could serve as a useful lesson for planners and policy makers in Serbia. First of all, both examples demonstrated that the initial step in dealing with the shrinking phenomenon is to acknowledge the reality. Further ignoring of the alarming statistical indicators and delaying necessary action will only make it even more difficult to deal with in the future. Second, one of the prerequisites for gaining success showed to be active engagement of local leaders, who played key roles in both drafting and implementing of the strategies. Third, equally important is a collaborative approach, in which active inclusion of citizens could help building a common sense for the local issues and thus insure successful implementation of strategic action. Fourth, drafting of the integrative strategic framework itself should be long-term oriented, but at the same time also flexible, reflexive and prone to updates in short-term, depending on specifics of implementation dynamics and challenges. Fifth, not to be forgotten is the importance of active support from the state level, even outreaching to some regional networks or international arena (such as EU). Finally, creativity, innovation and openness seem to be the only way to recognize realistic local potentials for development, as well as to oppose harmful path dependencies.

Although small and medium-sized cities may be perceived as of a relatively peripheral role, they hold importance for regional and national economies, and play crucial links between big cities and rural areas, preventing thereby urban sprawl and slowing down suburbanisation process [11]. Drafting strategic framework for dealing with unbalanced demographic dynamics should thus be considered as probably correct if set on this very level, although this activity is undoubtedly associated with many local specifics and implementation difficulties. Nevertheless, there seem to be no alternatives left for planners and policy makers in Serbia, but to finally start dealing with this growing issue. Any further delays to define proper action steps would only additionally reduce already disturbed perspectives for urban development of its shrinking cities and towns.

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## СУОЧАВАЊЕ СА СТАГНАЦИЈОМ – ПЕРСПЕКТИВЕ УРБАНОГ РАЗВОЈА У СРБИЈИ

**Резиме:** Истраживачка делатност и пракса урбанистичког планирања је у последње време значајно допринела разумевању феномена урбане стагнације. У фокусу овог рада је проблем значајног пада броја становника у градовима Републике Србије, који још увек није у потпуности прихваћен нити адекватно адресиран. Узимајући у обзир најзначајније примере стратешког приступа решавању проблема урбане стагнације (Лајпциг у Немачкој и Детроит у САД-у), главни циљ је скренути пажњу на овај горући проблем, као и указати на могуће перспективе урбаног развоја стагнирајућих градова у Србији.

**Кључне речи:** урбана стагнација; стратешки приступ; Србија; међународна перспектива