How to shrink a city

Many cities are losing inhabitants. Better to manage decline than try to stop it

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ONE of the biggest challenges for the world this century is how to accommodate the hundreds of millions of people who will flock to cities, especially in emerging economies. Coping with this human torrent will be fearsomely difficult—but at least the problem is widely acknowledged. That is not true of another pressing urban dilemma: what to do with cities that are losing people.

They are hardly unusual. Almost one in ten American cities is shrinking. So are more than a third of German ones—and the number is growing (see article). Although Japan’s biggest cities are thriving, large numbers of its smaller ones are collapsing. Several South Korean cities have begun to decline—a trend that will speed up unless couples can somehow be persuaded to have more babies. Next will come China, where the force of rapid urbanisation will eventually be overwhelmed by the greater power of demographic contraction. China’s total

An abandoned street containing a rotting nursery or primary school is a sad sight. And declining cities have more than visual problems. Disused buildings deter investors and attract criminals; superfluous infrastructure is costly to maintain; ambitious workers may refuse to move to places where the potential clientele is shrinking. Where cities are economically self-sufficient, a smaller working population means a fragile base on which to balance hefty pension obligations. That is why Detroit went bust.

So it is unsurprising that governments often try to shore up their crumbling smaller cities. Japan recently announced tax cuts for firms that are willing to move their headquarters out of thriving Tokyo. Office parks, art museums and tram lines have been built in troubled American and European cities, on the assumption that if you build it, people will come.
For the most part, they will not. Worse, the attempt to draw workers back to shrinking cities is misconceived. People move from smaller to larger cities in countries like Germany and Japan because the biggest conurbations have stronger economies, with a greater variety of better-paying jobs. The technological revolution, which was once expected to overturn the tyranny of distance, has in fact encouraged workers to cluster together and share clever ideas. Britain’s productivity is pitiful these days (see article) but it is almost one-third higher in London than elsewhere.

Policies meant to counteract the dominance of big cities are not just doomed to fail but can actually be counter-productive. The most successful metropolises should be encouraged to expand by stripping away planning restrictions. If housing were more plentiful in the bigger conurbations it would be cheaper, and the residents of declining cities, who often have little housing equity, would find it easier to move to them. Rent controls and rules that give local people priority in public housing should go, too: they harm the poor by locking them into unproductive places.

**A new kind of garden city**

Even so, many people will stay stuck in shrinking cities, which will grow steadily older. Better transport links to big cities will help some. But a great many cannot be revived. In such cases the best policy is to acquire empty offices and homes, knock them down and return the land to nature—something that has worked in the east German city of Dessau-Roßlau and in Pittsburgh in America. That will require money and new habits of mind. Planners are expert at making cities work better as they grow. Keeping them healthy as they shrink is just as noble.