3S RECIPE - Smart Shrinkage Solutions

Fostering Resilient Cities in Inner Peripheries of Europe

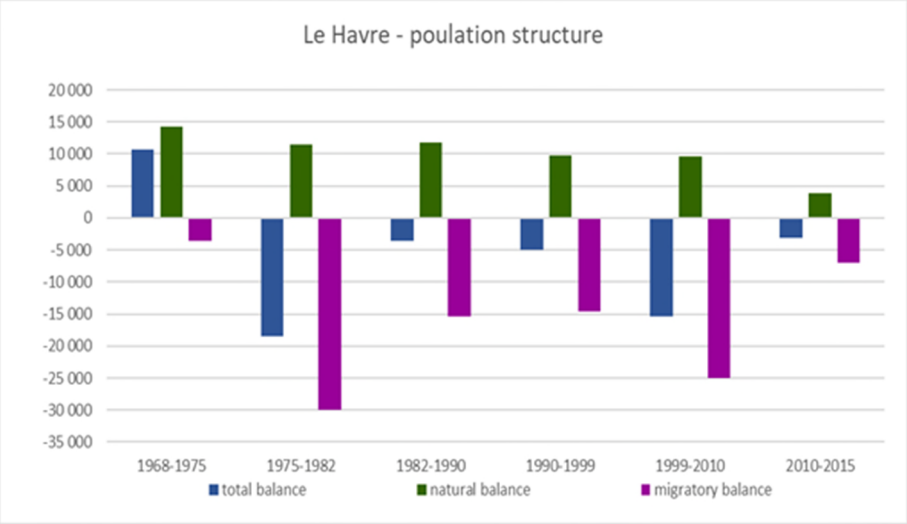
LE HAVRE (FR) POLICY BRIEF #2 • COMPACT AND CONNECTED CITY

EXECUTIVE SUMMARY

This policy brief showcases a solution to **densify and down-size a shrinking city through two actions: on the one hand, stopping old urban operations based on urban sprawl and, on the other hand, reducing new urban operations located in the city-port area which encourage new types of wasteland uses and rejuvenation**. These two politics have been implemented since 2017 in Le Havre - a medium-size industrial port city on the west coast of France, coping with economic restructuring and demographic decline. Building on local knowledge and the stakeholders' experience in implementing this project, this policy brief demonstrates how to develop a solid evidence base to lead to a more compact city that works effectively for the whole area. The key lesson learnt is that to build a resilient urban development a global approach is required, combined with large-scale collaborations and local support, and favoured by a green approach of cities. The brief offers several policy recommendations to enable this process.

INTRODUCTION

Since 1982, the population of Le Havre has been constantly shrinking: from around 199,000 inhabitants in 1982, the city counts today less than 172,000 inhabitants. This demographic decline is mainly due to a negative migration balance, which is less and less compensated by a positive natural balance. More dramatically, the number of households is now stabilised around 81,000 with a much-reduced size (2.1). This situation leads to a new approach to urban development, especially for housing.



For a long time, local authorities thought this decline was due to suburbanisation. Considering urban planning and development, the main solution was for them to build new housing with the hope of stopping the population leaving to live in the suburbs. Each wasteland was considered on the one hand as a symptom of this urban crisis, which the municipality wanted to hide and, on the other hand, as an opportunity to build new housing to meet the needs of the

This project is funded by the Joint Programming Initiative (JPI) Urban Europe jpi-urbaneurope.eu/project/3s-recipe

aspiring population. This type of policy was very common, at least in France, and had several negative consequences: the number of vacant housing increased (from 6.6% in 1999 to 10% in 2015) especially in the city centre, and density was reduced (from 4640.7 person/km^2 in 1968 to 3671.3 person/km^2 in 2015). Considering this medicine worse than the disease, new policies emerged from this focusing on **renewal with a high priority for the city centre where wastelands are not automatically rejuvenated.**

REDUCING THE CONSTRUCTION OF NEW HOUSING STOCK AND RECONSIDERING WASTELANDS: A KEY MECHANISM COMPACTING A SHRINKING CITY

As a key ingredient of its regeneration agenda, the coordination of several urban operations was promoted. Indeed, the operation in the north of the city (Le Grand Hameau) based on construction on natural land was considerably reduced (from 1,200 to 420 dwellings). At the same time, renewal actions emerged with a reconsideration of wastelands no longer as an opportunity to build housing but as a space for new citizen-led projects. Located very close to the city centre a new campus for students in a former very industrial district, DUMONT D'URVILLE was also reduced to leave extra space for the HANGAR ZERO project. In addition, at the beginning of 2015, every space on this 6ha area was designated for housing (540 dwellings of 41,544 sq. ft), offices and retails. After several debates, the operation was downsized and reoriented to be more sustainable: 2,200 sq. ft. were leased for the long-term use of the civic association. In the end, this new urban quarter will not only comprise housing but also two gardens for the elderly or youth, offices, retail spaces, restaurant, shops and new public spaces.

To identify the practical mechanisms driving the industrial regeneration process, we have used a distinctive in-house ***Urban Futures Method*** designed to facilitate stakeholders' collective reflection on and learning about this solution, its benefits, and necessary conditions for effective urban regeneration and smart shrinkage practices (Lombardi *et al*, 2012). In particular, the local stakeholders have collectively stressed the need for three main **intended benefits**: (1) compactification and densifying city (2) diversifying activities in this neighbourhood (3) an incoming new population with higher revenues. Consequently, according to the local stakeholders, there were three sets of **necessary conditions** (see below) to create the enabling context for a powerful economic area - the smart shrinkage solution - to deliver its intended benefits.

Enabling conditions	What are the mechanisms to make it happen?
1. Land tenure transitions	The retention of property by owners waiting for an increase in value, the fact that urbanised land is likely to be polluted and the differential between the price of land undergoing urban extension and that undergoing renewal hampers the planning of a compact city.

2.	**The share of unbuilt space in housing or office operations**	Diversification is only possible if the project's development is not too much in deficit. This balance is currently supported by the construction of new buildings, either through sales or through current subsidy schemes. Unbuilt spaces in the city, on the other hand, remain unprofitable. At the same time, citizen projects to occupy wastelands such as Hangar 0 are struggling to justify the sustainability of their economic model: although many of them have now demonstrated their interest in the name of the commons, they are still fragile and dependent on numerous public subsidies.
3.	**Opting for a localized territorial approach to taxation**	Numerous subsidies are currently used to balance the budget of urban development operations in certain contexts despite the existence of an existing sufficient supply of housing. This is for instance the case for VAT reduction. However, these solutions do not match neither a spatial logic that prioritizes, for example, city centres, nor a territorial dynamic that challenges the rationale of the actual act of construction.

RECOMMENDATIONS: LEARNING FROM LE HAVRE

- **Create a global approach to urban development and consider new projects could weaken some older districts**

In today's complex urban settings, making the right strategic decision is more important and more difficult than ever. Urban renewal policies are not an easy topic in cities; shrinking cities often have low value land, which can be further complicated by the cost of removing pollution left over from former industries. To privilege a global approach could be a way to demonstrate that new building, especially located outside the city in sprawl districts, weakens older districts. There is a need to analyse the local housing market very precisely, outside of the common approach that new housing attracts more residents.

- **Local government should prioritise existing local needs rather than prioritising the attractiveness of the city for a new population**

Regenerating an urban district with mix-use activities in a former industrial area could be successful if local needs are prioritised. A serious risk could arise if urban regeneration is orientated towards new imaginary inhabitants and non-concrete needs. Very often in French shrinking cities, the debate is orientated on suburbanisation, and local government is convinced that people are just leaving the city for the suburbs. They ignore local needs. Making a regeneration programme solution effective also depends on the capacity of decision-makers to involve residents, groups, and users in the co-production of the project.

- **Avoid the automatic filling of vacant spaces with the construction of new buildings, which could end up counter-productive for a shrinking city.**

Wasteland within shrinking cities could be considered as a synonym of crisis. Local government could be tempted to hide it with new urban operations and build on it fast, automatically. A better way could be to take some time for defining the major risks and opportunities, or even needs, of the existing population. Nowadays, several civic associations propose to occupy this wasteland in order to develop new projects and support liveability in these districts. The decision-makers should consider this kind of experimentation as a means of helping and improving the quality of life in these neighbourhoods. It means consultation and a readiness for risk because in such a case politicians are not the main and only decision-makers.

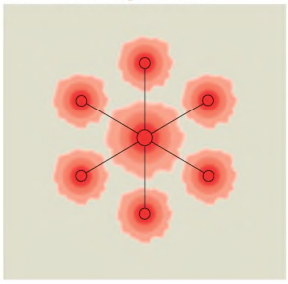
WOULD THIS COMPACT STRATEGY DELIVER THE SAME BENEFITS WHATEVER THE FUTURE BRINGS?

A smart shrinkage solution may be strategic (e.g., designing a right-size renewal operation) or detailed (e.g., expanding parking space at a park & ride railway station). Whatever the short-term effect of a given solution, policy-makers must adopt a longer-term perspective to ensure its **continued performance** throughout its intended lifespan, despite changing conditions. The question to ask is, thus: Will today's smart shrinkage solutions deliver their intended benefits over a 40-year regeneration cycle, typically used for planning investment and development proposals? During this project, we have tested the likely future performance of each urban development and regeneration-related 'smart shrinkage solution-benefit pair' – that is, actions taken today in the name of sustainable urban development – in a series of possible future scenarios for the year 2060. If a proposed solution delivers a positive legacy, regardless of the future against which it is tested, then it can be adopted with confidence. Four **plausible but distinct** future scenarios were included into our analysis (see Lombardi *et. al.*, 2012: Table 2). A summary of these four global **urban future scenarios** is provided below:

New Sustainability Paradigm (NSP)

Key driver: Equity and sustainability

Settlement pattern



Description

An ethos of 'one planet living' facilitates a shared vision for more sustainable living and a much improved quality of life. New socio-economic arrangements result in changes to the character of urban industrial civilisation. Local is valued but global links also play a role. A sustainable and more equitable future is emerging from new values, a revised model of development and the active engagement of civil society.

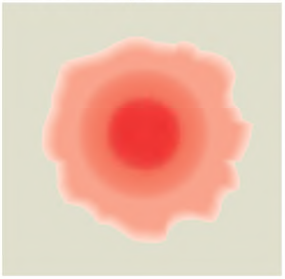
Philosophy

The worldview of the *New Sustainability Paradigm* has few historical precedents, although John Stuart Mill, the nineteenth century political economist, was prescient in theorising a post-industrial and post-scarcity social arrangement based on human development rather than material acquisition (Mill, 1848).

Policy Reform (PR)

Key driver: Economic growth with greater equity

Settlement pattern



Description

Policy Reform depends on comprehensive and coordinated government action for poverty reduction and environmental sustainability, negating trends toward high inequity. The values of consumerism and individualism persist, creating a tension with policies that prioritise sustainability.

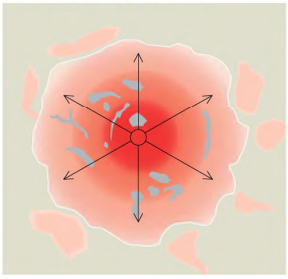
Philosophy

In *Policy Reform*, the belief is that markets require strong policy guidance to address inherent tendencies toward economic crisis, social conflict and environmental degradation. John Maynard Keynes, influenced by the Great Depression, is an important predecessor of those who hold that it is necessary to manage capitalism in order to temper its crises (Keynes, 1936).

Market Forces (MF)

Key driver: Competitive, open global markets

Settlement pattern



Description

Market Forces relies on the self-correcting logic of competitive markets. Current demographic, economic, environmental, and technological trends unfold without major surprise. Competitive, open and integrated markets drive world development. Social and environmental concerns are secondary.

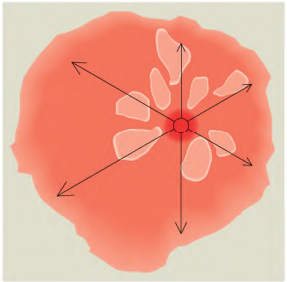
Philosophy

The *Market Forces* bias is one of market optimism, the faith that the hidden hand of well-functioning markets is the key to resolving social, economic and environmental problems. An important philosophic antecedent is Adam Smith (1776), while contemporary representatives include many neo-classical economists and free market enthusiasts.

Fortress World (FW)

Key driver: Protection and control of resources

Settlement pattern



Description

Powerful individuals, groups and organisations develop an authoritarian response to the threats of resource scarcity and social breakdown by forming alliances to protect their own interests. Security and defensibility of resources are paramount for these privileged rich elites. An impoverished majority exists outside the fortress. Policy and regulation exist but enforcement may be limited. Armed forces act to impose order, protect the environment and prevent a societal collapse.

Philosophy

The *Fortress World* mindset was foreshadowed by the philosophy of Thomas Hobbes (1651), who held a pessimistic view of the nature of man and saw the need for powerful leadership. While it is rare to find modern Hobbesians, many people believe, in their resignation and anguish, that some kind of a *Fortress World* is the logical outcome of the unattended social polarisation and environmental degradation they observe.

The Urban Future Method does not favour any particular scenario. Indeed, for a solution to be determined to be robust and resilient to future change, the necessary conditions to support intended benefits being achieved over time must exist in all scenarios. Drawing on expertise, experience, and **knowledge of the local context**, we have graded the likely performance of Le Havre's necessary conditions in the future as follows:

Urban Futures Method applied to compact and accessible city strategy in Le Havre				
Necessary Conditions	**New Sustainability Paradigm**	**Policy Reform**	**Market Forces**	**Fortress World**
Availability of land	The use of new lands for further urbanisation is not in line with the public master plans	The State decides the future land use	The land has a certain value and cannot be used if it generates financial returns	The land would only be available to rich developers to host wealthy people
A minimum of pre-commercialisation	Provided the project incorporates the environmental values and the compact city model	The State may help the pre-commercialisation	The market decides if it is commercially viable	The price of the units will make it exclusive but the project is located in a poor district
A lower value added tax (decided by the State)	The project should not compromise any other project with higher environmental priorities	The State dictates the tax policy	The project should comply to market forces	In the interest of the rich serving the rich, city taxes can always be changed

Key: condition highly unlikely to continue in the future | condition is at risk in the future | condition highly likely to continue in the future

POLICY IMPLICATIONS

Leading a regeneration policy in an industrial shrinking port-city with a strong local cooperation is not an easy solution. It requires a set of complex and costly necessary conditions to be achieved, and with much continuing debate on its ability to deliver smart shrinkage benefits. The results of the methodology reported herein indicate that this strategy will deliver most benefits where social and environmental aspects are prioritised. On the contrary, in the market forces paradigm, having the necessary conditions would be difficult, because differences between prices of land and urban spaces could not lead to compact city.

REFERENCES AND FURTHER READING

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CITE AS: Dubeaux, Sarah, Cunningham Sabot, Emmanuèle & Mykhnenko, Vlad (2020). 3S RECIPE – Smart Shrinkage Solutions: Le Havre (FR) Policy Brief #2. Compact and Connected City. École Normale Supérieure. Zenodo. DOI: 10.5281/zenodo.3841866.

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