



3S RECIPE - Smart Shrinkage Solutions Fostering Resilient Cities in Inner Peripheries of Europe

ZONGULDAK (TR) POLICY BRIEF #1 • RESILIENT URBAN ECONOMY & MUNICIPAL FINANCE

EXECUTIVE SUMMARY

This policy brief showcases a successful solution to rising unemployment, job-seeking out-migration, and dependence on coal mining through **university-based urban regeneration**. This was achieved in the early 1990s in Zonguldak – a medium-sized city in north-western Turkey, coping with deindustrialisation and demographic decline. Building on local knowledge and the first-hand stakeholders' experience, this brief demonstrates how to deliver a **knowledge economy-based local economic development** solution that works effectively for the whole city. The key lesson learnt is that decision-makers should i) build on **local historical specialisations** and align the university's potentials with **new economic opportunities**; ii) recognise how the local university could **positively interact** with the wider urban environment and local stakeholders; iii) evaluate potential strategic **solutions to facilitate** such an interaction; and iv) **effectively manage** the implementation of this strategic urban regeneration and economic development partnership.



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INTRODUCTION

After many decades of development as Turkey's key heavy industrial growth pole, since the early 1980s the city of Zonguldak has been faced with decline of its industrial main sector. Between 1987 and 2001, the overall share of industry in the local economy had dropped sharply, shrinking on average by 4.7% a year. Zonguldak's deindustrialisation was also accompanied by a rise in registered unemployment from 4.6% in 1990 to 5.2% in 2000 (Işın, 2009). As a result, the city's relative economic decline has led to mounting out-migration. After decades of

population growth, in the early 1980s, Zonguldak province started to lose inhabitants at a rate of 2.0% per year, with population loss accelerating in the late 1990s to 7.4% per year. The socio-economic impact of economic decline has been most pronounced in the city of Zonguldak itself (the urban core), where the **registered unemployment** rate reached **9.1%** in 2000 (Işın, 2009), and **total population declined** from its peak of 118,000 in 1985 to **104,000 in 2000**.

In the early 1990s, in an attempt to diversify the coal-dependent economy of Zonguldak and create new jobs locally, the central government alongside the local state actors launched a **university-based urban economic development** drive.





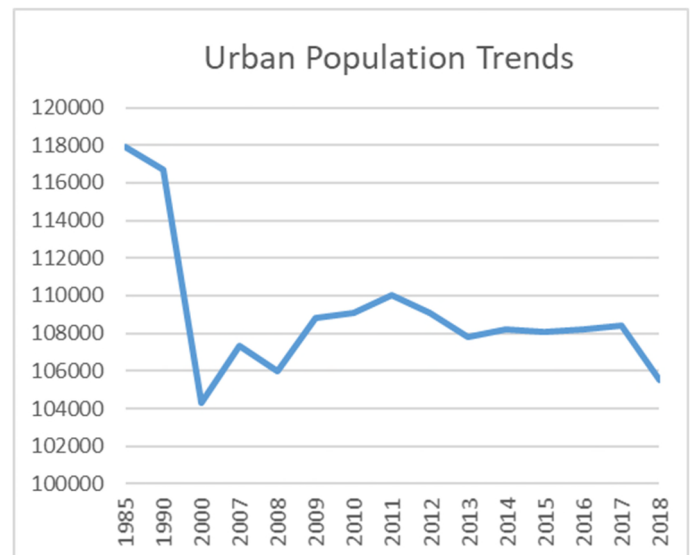
Zonguldak: *Lavuar* coal-washing plant after demolition, early 2010s.

UNIVERSITY-CENTRED DEVELOPMENT: A KEY MECHANISM FOR REVITALISING A SHRINKING CITY

The key ingredient of the Turkish state's urban regeneration agenda for Zonguldak was the ambition to establish a local university and deliver a specialised higher education campus on a site situated just 3 km (1.86 miles) from the city centre. The University was duly established as *Zonguldak Karaelmas University* in accordance with the State Law No. 3837 on 11th July 1992, and was later re-named as *Bülent Ecevit University* on 11th April 2012 by the Law No. 6287. Since 1992, Zonguldak's provision of higher education, vocational training, and scientific research has significantly expanded: **Zonguldak Bülent Ecevit University** currently is home to 14 faculties, 3 institutes, 4 higher education schools, 9 vocational schools, 1 State Conservatory, and 33 research centres. The University has grown to occupy 11 different campuses scattered in various settlements across the province, hosting around 35,270 students, with 1217 academic staff, and almost 2200 administrative personnel (BEÜ, 2021).

The expansion of the university has provided Zonguldak with the necessary impetus for a reversal of population migration patterns and **a gradual re-growth** (see Zonguldak's population trends figure here). It also has led to the development of a new retail and commercial quarter around the campus and stimulated the redevelopment of the entire surrounding residential neighbourhood. Consequently, the city's moribund real estate market has been invigorated due to a rise in demand, as the existing housing stock around the university campus was either transformed into student accommodation or turned into retail and commercial usage. Although this state-initiated and market-led studentification process has contributed to rising rents, it **prevented the city from suffering** one of the central consequences of shrinkage – **abandonment**.

To identify the practical mechanisms that facilitate Zonguldak's urban regeneration success, we have used a distinctive in-house *Urban Futures* methodology. It has been designed to facilitate stakeholders' collective reflection on and learning about the city's smart shrinkage solutions, their benefits, and necessary conditions for effective urban regeneration and long-term resilience (Lombardi *et al*, 2012). During a special workshop on 11th September 2017, hosted by the Municipality and the Mayor of Zonguldak, local actors – with the knowledge of economic development initiatives implemented in Zonguldak over the last three decades – highlighted the





university-based urban economic development solution as the most successful, oldest, and long-term intervention, which has generated a host of direct and tangible benefits for the city and the city-region, as a whole. In particular, the local stakeholders have collectively stressed this smart shrinkage solution leading to the following five **intended benefits**: (1) the development and further augmentation of **human capital** emanating from the city's historical economic specialisation (coal-mining), particularly, in mechanical and mining engineering; (2) **diversification** of the local economy away from its heavy dependence on coal-mining by strengthening service industries and enhancing the city's role as a **service centre** for the entire city-region; (3) altering the city's traditional image based in coal, and creating a **new identity** of Zonguldak as a *creative university town*; (4) making the city **attractive** to young people across the city-region, and capable of **retaining young graduates**; and (5) **economic revitalisation** of the city as a whole by fostering a vibrant urban economy through the expansion of commerce, consumer retail, and service activities. Consequently, according to the local stakeholders, there were **four sets of conditions necessary** to create the enabling context for a centrally-planned university-based urban economic development strategy to deliver on its shared objectives, as follows:

| Outcome | What are the necessary conditions that make it happen? |
|---|--|
| 1. Human capital development | <ul style="list-style-type: none"> • Collaboration between the university and the local government leadership and an enabling mentality on the side of the local government, which considers constructively how the university interacts with the wider urban environment. |
| 2. Diversification | <ul style="list-style-type: none"> • The ability of local stakeholders to co-operate and evaluate potential strategic alternatives vis-à-vis the city's economic future, facilitating the university-city interaction. Local capacity effectively to manage the implementation of an economic diversification programme. |
| 3. A creative university town identity | <ul style="list-style-type: none"> • Deployment of the university's creative-type departments and studios, especially, in arts, architecture & design, within the city centre in order to change public perceptions, create a new image, and stimulate urban vitality. |
| 4. Attractiveness & liveability | <ul style="list-style-type: none"> • Producing new, high quality and dynamic spaces in the city, accommodating diverse cultural and leisure activities for a richer urban living experience. Ensuring the attractiveness of the city profile for students, graduates, university employees, and households by providing them with a liveable built environment, abundant leisure and tourism opportunities, comfort, and public safety. |
| 5. Economic revitalisation | <ul style="list-style-type: none"> • Promotion of entrepreneurship, smart specialisation, and job creation by encouraging graduates to stay in the city and ensuring financial and regulatory support for business development; identifying new commercial activities related to the city's historical specialisation, and creating a local pool of novel employment sectors based around a well-educated workforce. |





LEARNING FROM ZONGULDAK: POLICY RECOMMENDATIONS

➤ **The local authority should engage in institutional experimentation to expand its governance capacity and overcome the challenges faced at administrative and political levels**

Generating a smart shrinkage solution to achieve better outcomes for a place faced with complex socio-economic problems requires an ability to *learn from failures* and explore potentially novel solutions. The municipal government should engage in institutional experimentation, which enables it to develop novel institutional practices and mechanisms of intervention and to overcome many administrative and political challenges in the long run. Experimentation helps redress the local government's role as ineffective because of limited powers and scarce resources and transform the obstructive nature of the practical context. Taking a risk may benefit the local authority to materialise an effective solution to a complex urban shrinkage problem and hence induce change.

➤ **Align individual solutions with the city development plan around a joint vision**

Individual smart shrinkage solutions have to be aligned with the city's overall development around a joint vision. The local authority must look at individual actions more comprehensively and cross-check them against the guiding idea of urban regeneration in order to manage and co-ordinate them effectively and to target resources accordingly. Founding a local university must be clearly linked up with fostering a resilient urban economy.

➤ **Decision-makers should build upon local historical specialisation(s) and integrate the local university's human capital potential with related economic opportunities**

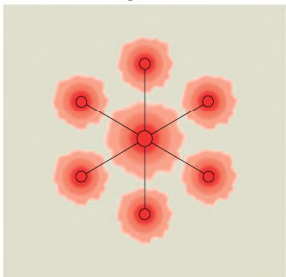
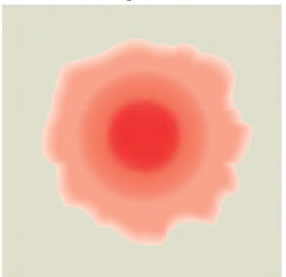
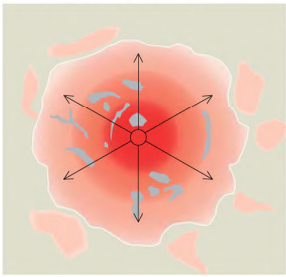
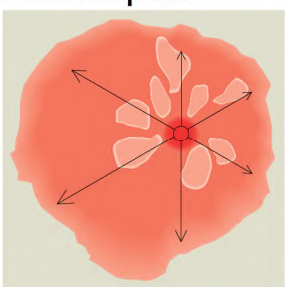
In today's volatile world, cities must continuously adapt to many vagaries facing them. To make a university-based economic development an effective solution for tackling structural problems of urban shrinkage over the long run, local decision-makers have to assess continuously the university's potential for forging new industries and exploring new commercial opportunities. The established economic specialisation of the city might also get a reboot by tapping into academic research and scientific expertise of the local university.

WOULD UNIVERSITY-BASED DEVELOPMENT DELIVER THE SAME BENEFITS WHATEVER THE FUTURE BRINGS?

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 over a 40-year regeneration cycle, 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 <i>New Sustainability Paradigm</i> 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 <i>Policy Reform</i> depends on comprehensive and coordinated government action for poverty reduction and environmental sustainability, negating trends toward high inequality. The values of consumerism and individualism persist, creating a tension with policies that prioritise sustainability. | Philosophy In <i>Policy Reform</i> , 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 <i>Market Forces</i> 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 <i>Market Forces</i> 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 <i>Fortress World</i> 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 <i>Fortress World</i> is the logical outcome of the unattended social polarisation and environmental degradation they observe. |

The **Urban Future Method** applied 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 the university-based economic development strategy in the future as follows:

| Urban Futures Method applied to a university-based strategy of local economic development | | | | |
|---|--|--|---|--|
| Necessary Conditions | New Sustainability Paradigm | Policy Reform | Marker Forces | Fortress World |
| Local leadership, collaboration and co-operation between the university and the city, supported by an enabling mentality on the side of the local government | Localism means building on each city's distinctive strengths and assets. Local authorities operate as pro-active collaborative actors, using direct participatory democracy tools to prioritise and tackle existing barriers to sustainability. They engage with local university actors to enhance evidence base and create effective actions | A state interventionist context is characterised by frequent discontinuities and severe changes in government direction. It may just be about maintaining the <i>status quo</i> , not taking a risk. If urban regeneration reform is handled by the central government, it could face resistance as it would be seen as a top-down process | State actors will retrench, leaving the market to determine access to education and profitable academic research. <i>Laissez-faire</i> policy provides no guidance for or against a university-based urban regeneration. Yet market forces are driven by a short-term profit motive and have little appetite for investing into a long-term diversified, knowledge-based economy vision | The fortress world actively discourages local co-operative behaviour and creates a hostile environment for the expansion of higher education and academic research, since the latter requires openness and strong connections with the outside networks of excellence. Local elites exercise unbridled power and are afraid of highly educated people questioning the <i>status quo</i> |
| A new image of a creative university town - Deployment of the university's creative arts, architecture and design faculties and studios in the city centre to stimulate urban vitality | A widely recognised perception of the city as welcoming, attractive, creative, and open to newcomers helps reward the local community efforts in creating an inclusive and diverse living environment. Yet active marketing and place branding efforts go against the ethos of sustainability. Capturing and growing an international market share in a zero-sum competition game is not a consideration anymore | Place branding may be pursued as long as it fits within the framework of state redistribution. A welcoming open city image helps ensure a positive perception of the locality and generate a strong sense of civic responsibility amongst its residents. However, the policy emphasis on artists, architects, designers, and highly educated types may increase marginalisation and peripheralisation of the poor and vulnerable communities | In a highly competitive scenario, marketing and place-branding is a fundamental resource to create distinctiveness and market differentiation. Market actors may thus seek to form an active relationship with the university, since increasing economic vitality of the city will be a positive stimulus for business | Retrenchment, not exposure to the outside world is essential. The privileged groups inside the fortress may try to use the university potential for their own individualistic aspirations rather than for stimulating urban vitality. Local communities outside the fortress struggle to improve their image, as creative capacity and new initiatives are severely constrained. All available resources are devoted to addressing ever rising social problems |
| Attractiveness & liveability - new, high quality and dynamic spaces in the city, accommodating diverse cultural and leisure activities for a richer urban living experience | Emphasis on local communities means supporting local amenities to strengthen the local economy. A high quality living environment is central, well designed and looked after by communities. It may especially fit the preferences of highly-educated knowledge workers. Maintenance is provided; individuals also participate voluntarily in regular maintenance operations | Regional equalisation (levelling up) is a government priority and enforced through public intervention catering for housing, liveable neighbourhoods, and higher education for all. Existence of planning policies to ensure management and maintenance of public spaces and buildings for safety and appropriate quality | Growing private demand for high quality living environment drives profit-seeking private investment into the city. The material improvement of degraded physical spaces heats up the residential market, creates new business opportunities, increases the offer for mobile wealthy residents, and stimulates the emergence of new commercial establishments | Segregation prevails. Money for maintenance is available in rich enclaves, with the wealthy having good access to local facilities and amenities. The poor may be lacking the most basic amenities and facilities; none are provided by the state. Maintenance in poor areas is likely to be unfunded |
| Entrepreneurship, smart specialisation & new employment opportunities | Identifying the city's own strengths and comparative assets is key to a viable long-term economic future. Yet the local actors' efforts may | Smart specialisation is a government priority enforced through strong governance models and promoted through public funding. The development | Market conditions determine the level of local entrepreneurial activity. If an opportunity arises, private firms can exploit existing capacities for smart | There is no local economic development policy or strategy to promote entrepreneurship. For the rich, protection and use of the already available |



| | | | | |
|--|--|---|--|--|
| | be inadequate to support private entrepreneurship and smart specialisation, as diversification, co-operatives, and social enterprise remain a societal priority as a means of building resilience against sudden market shocks | of micro- and SME sector and of creative industries is strongly promoted for their potential positive impact on the local economy, jobs, and growth | specialisation. A specialised firm maximises profits and maintains competitiveness by tapping into its comparative advantage. When a cluster of specialised firms is formed, the host city benefits in many ways | resources inside the fortress is primary concern. For the poor, barter is a necessity and self-reliance remains the prevailing survival strategy |
|--|--|---|--|--|

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

Developing a university for revitalising the urban economy is a policy being applied in many shrinking cities worldwide. **University-based urban regeneration** is a particularly popular strategy to compensate for the loss of mining and heavy industrial activities. The outcomes of the Urban Futures Methodology applied in Zonguldak shows that such a solution will be most successful, if there is **intensive collaboration** between the university and local actors as well as the central government, and if the city's historical economic specialisation is augmented through new industries, **entrepreneurial activities**, and employment. Consequently, this smart shrinkage solution works best in the **New Sustainability Paradigm** and **Policy Reform** urban future scenarios, with the expected chance of success reaching 75%. The proposed solution can be almost as successful in the **Market Forces** urban future, where the private sector's initiative can be seized upon for developing new and attractive leisure, sports, and entertainment amenities, as well as for building and renovating accommodation, consumer, and retail services for students and the university staff. The change of a shrinking city's public perception both locally and nationally away from its traditional and dying industries and towards new, creative, and high-technology ones could also be achieved most expeditiously with the help of the private sector. Evidently, a university-based public policy intervention aimed at regenerating a shrinking city is a totally unsuitable solution in the **Fortress World** urban future scenario.

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