LESSONS FROM LEIPZIG

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In the Summer of 2011, 13 master's students from York's Faculty of Environmental Studies travelled to Berlin and Leipzig to participate in a graduate urban planning course, co-taught by a team of York University faculty members under the directorship of environmental studies Professor Ute Lehrer and urban studies coordinator Douglas Young, as well as CITY postdoctoral fellow Will Poppe. The students learned first-hand how German planners are responding to large-scale population decline in urbanized areas.

From June 24 to July 9, the students spoke with urban researchers, local planners, activists and residents. Through these conversations, along with many hours of exploring Leipzig, Berlin and Halle-Neustadt on foot and by bike, and taking hundreds of photographs, the students pieced together a picture of how East German cities are working to adapt to their shrinking populations and socio-economic challenges, and what these changes have meant for the everyday lives of residents.

This report is aimed at planners and policy-makers in Toronto and the GTA, and draws on their research in Germany to make recommendations for how Toronto's tower neighbourhoods might be transformed.

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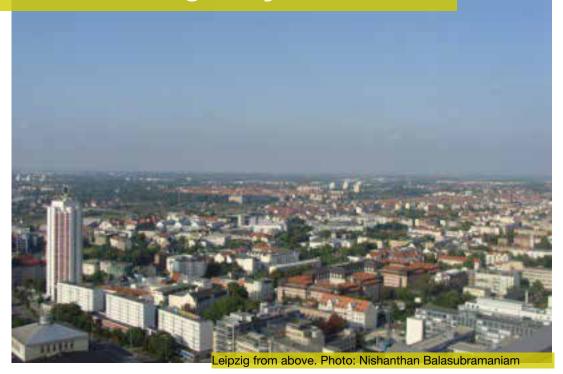# Landscapes and Open Space in Leipzig

PART V:
Lessons from Leipzig: Do growing cities have something to learn?

PART 1:
The Context of Urban Shrinkage: Urban Restructuring, Housing and Employment

1. Urban Restructuring in the Shrinking City

Leipzig from above. Photo: Nishanthan Balasubramaniam

The process of urban restructuring in the North American context involves the movement of populations and economic activity outward from traditional and historical city cores to the periphery. It includes the shift of industrial landscapes and specialized services towards the periphery as well as mass residential suburbanization. In both complement and contrast, Eastern European cities are undergoing state- and private sector-led urban restructuring. In the East German context and the broader Eastern European context, urban restructuring research focuses on the restructuring of populations and economies in cities that have experienced shrinkage (Rink, Haase, Bernt, Arndt & Ludwig, 2010). The spatial outcomes of population and economic restructuring are different. The city of Leipzig has adopted restructuring strategies that aim to reverse suburbanization by promoting the movement of populations back into the central city. However, economic growth is occurring in both the city centre and in peripheral, highway-adjacent areas. This simultaneous inward and outward restructuring is in response to an overall climate of shrinkage experienced in the post-socialist era (Rink et al., 2010).

The current urban restructuring processes in Leipzig are a response to two previous periods of restructuring, in the 1990's after the reunification of East and West Germany. The first period occurred between 1990-1998, and was characterized by mass deindustrialization (Nuissl & Rink, 2005), state-led suburbanization and population decline due to out-migration and a falling birth-rate (Rink et al., 2010). This first phase of restructuring expanded the geographic boundaries of the settlement areas around Leipzig and left many housing and industrial vacancies in the city. Leipzig's population dropped by 100,000 (20%) during this period, which led to complementary vacancies in 20% of the total housing units (Rink et al., 2010). The second phase of restructuring in Leipzig, which began in 1999, was in response to the drastic shrinkage of the early and mid-nineties. In order to curb the shrinkage of its population, the City of Leipzig adopted an amalgamation strategy in 1999 which enlarged its municipal territory and stabilized the population. This second phase integrates national and local policies in order to regain balance in the urban structure (Rink et al., 2010). The second phase of restructuring is of particular interest as it addresses the consequences of shrinkage and highlights the challenges that emerge in periods of decline. Leipzig manifests this restructuring through policies such as the federal Urban Restructuring in East Germany Program (*Stadtumbau Ost*) and the municipal SEKO

Integrated Urban Development Concept, which aim to preserve the inner-city core and promote the re-population of this area (Rink et al., 2010; Stadt Leipzig, 2010).

Photo: Gwen Potter
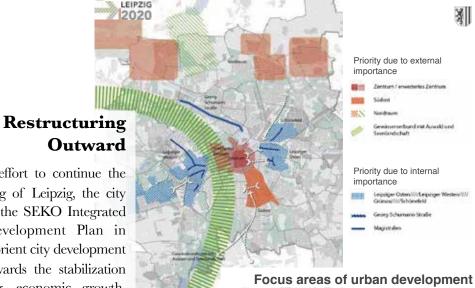
Concentrating Inward

The aim of *Stadtumbau Ost* was to improve the attractiveness of East German cities by reducing housing overstock and upgrading specific types of housing in cities experiencing shrinkage (EUKN, 2002). The program ran from 2001 until 2009, with a total investment of 2.5 billion euros in over 400 municipalities, with the goal of "deconstructing" approximately 350,000

Demolition in Grünau. Photo: Gwen Potter

vacant dwellings (EUKN, 2011). In Leipzig this translated to the demolition of 10,211 apartments between 2002 and 2007 (Rink et al., 2010). Demolition was only approved on buildings that were constructed after 1919 (EUKN, 2011). Funding was allocated equally for the demolition of housing overstock and a variety of upgrading measures, which emphasized the upgrading of existing buildings deemed to be historically and culturally significant (constructed before 1949), the adaptation and dismantling of infrastructure, and the re-use of vacant areas (EUKN, 2002; EUKN, 2011). *Stadtumbau Ost* contributed to restructuring by aiding in the demolition of housing overstock outside of the core and the upgrading, maintenance, and redevelopment of housing in the historic centre. The 'success' of the program led to a continuation into 2016 and the establishment of a similar program in West Germany, *Stadtumbau West*, in 2004 (BBSR, 2010).

Focus areas of urban development

Restructuring Outward

In an effort to continue the restructuring of Leipzig, the city established the SEKO Integrated Urban Development Plan in order to reorient city development policies towards the stabilization of housing, economic growth, and cultural development (Stadt Leipzig, 2011). The plan identifies the northern fringe of Leipzig as a location for new employment development, the centre as a location for cultural development, and the Southern fringe as a location for recreation and tourism surrounding the lakes formed from reclaimed mining sites. Focused areas of urban development are classified based on their role as internal and external priorities. Areas of internal importance include the declining housing districts to the east and west of the city centre, while areas of external importance include the city centre itself and the northern industrial areas (Heinig, 2011). These northern priority districts represent the new centres of economic growth that have emerged in the periphery.

Privatization (Nuissl & Rink, 2005) in the post-socialist era and competition amongst regional economies have enabled the creation of peripheral corporate mega landscapes that are comparable to the restructuring processes seen in North America. This is an aspect of urban restructuring which has changed the landscape of the metropolis in regions of both growth and decline. It is an outward growing form of highway-adjacent development which attracts global investment, creates employment, and regional economic presence (Bontje, 2004). These changes to the urban structure of Leipzig demonstrate the complex relationship between the management of shrinking populations and an overstock of housing and the simultaneous promotion of economic growth in a post-industrial, privatized, global economy.

Conclusion

Growth is often associated with national and international importance and competitiveness (Bontje, 2004). Leipzig has deliberately engaged in substantial restructuring in order to manage housing overstocks, curb the influence of the rapid suburbanization of the 1990's, and recreate the employment potential lost in the post-socialist era. While the city expects to maintain a stable population through the year 2020, Rink et al. (2010) predict that a new wave of shrinkage will occur after 2015 due to the aging population. This emphasizes the importance of creating a lasting compact urban form through restructuring processes that promote inward growth from the periphery to the core. It is evident that the restructuring processes seen in Leipzig struggle to balance inward population movement while trying to rebuild an economic base that tends to move outward in the current global economic climate. The conflict between inward and outward growth is pronounced by the contrast between public investment that supports inward restructuring and private investments which perpetuate outward growth. The overall restructuring framework in Leipzig attempts to improve regional presence, slow down suburbanization, and strengthen the urban core. The challenges inherent in producing such a compact form in a just and equitable fashion will be examined in detail throughout this report.

2. Housing in Leipzig

Photo: Josh Neubauer

Housing is a key component of Leipzig's urban restructuring strategies that promote the movement of populations from the edge back into the centre, in order to reduce residential vacancies and address the issue of population shrinkage. However, this focus on the centralization of populations has led to the emergence of new challenges. It is important to understand the history of Leipzig's housing trends and policy in order to grasp the current issues that surround Leipzig's housing market. The housing stock in Leipzig is dominated by multi-family residential buildings built before 1914, a time referred to as the Gründerzeit period (Kabisch et al., 2008). When originally built, this housing usually lacked bathrooms and separate toilets and was dependent on coal-fueled heating systems. Under the German Democratic Republic, new construction was strongly preferred above renovations according to socialist building principles and housing policy. However, urban renewal was frequently postponed or cancelled due to a lack of funding and even more so due to the lack of prioritization by the GDR regime.

Large Housing Estates, Leipzig Grünau

Instead of renovating the huge working class areas adjacent to the city centre, new large-scale, prefabricated, high-rise areas were built at considerable distances from the city centre. Leipzig-Grünau, which was built just west of the city for 100,000 inhabitants between 1976 and 1987, is a good example (Rink et al., 2011). Between 1970 and 1990 an additional 40,000 new dwelling units were constructed in order to reduce the housing shortage that existed at the time, and also to increase the supply of modern housing (Kabisch et al., 2009). The addition of these dwellings was required for reasons such as the rising numbers of households, the increasing demand for more comfortable accommodations, the reduction in sizes of households, and the conditions of the old deteriorating housing stock. However, by 1989 the situation changed dramatically. Leipzig's housing shortage became a surplus as a consequence of population decline, an increasing number of renovated flats and newly-built housing, and a suburbanization trend. From 1988 to 2003 the population in Leipzig-Grünau decreased from 85,000 residents to 50,000. Over a period of 15 years the borough lost 40% of its inhabitants due to suburbanization in areas around Leipzig and also due to migration into inner city quarters (Large House Estates Stabilization Action, 2006).

Photo: Josh Neubauer

In the early 1990's the German federal government introduced policies that addressed the preservation of East German large housing areas. This movement was focused on ideologies of 'social harmony' and 'the technical ability of modernization', which shaped the planning paradigm of actors involved in housing. Large housing estates were also seen as an integral part of the built environment and social structure. As a result, and supported by massive state-aid incentives, tens of thousands of old buildings were renovated and new dwellings were built. "In 2000, 14% of all dwellings (43,000) in Leipzig were less than ten years old. At the same time around 75% of the old housing stock had been renovated" (Rink et al., 2011, p. 43).

Restructuring for whom?

While there was growth in the supply of housing up to the early 2000's, there was also a decrease in demand for housing. This discrepancy between supply and demand created significant issues which needed to be addressed, the main being vacancy. The surplus in housing supply also raised concerns regarding the lack of maintenance, security problems, loss of profit, devaluation of vacant sites and reduced mortgage values. Although there were numerous issues that resulted from this mass supply of vacancies there was one potential benefit: the possibility that the emergence of housing vacancies might lead to falling rents/prices and ultimately could lead to a greater choice of housing for *some* residential groups. It was during the 2000's that residential mobility increased and was at its highest level as a result of housing vacancies also reaching a peak. A response to this growing gap in supply and demand was still very much needed and *Stadumbau Ost* supported the demolition of vacant houses with 70% in large housing estates between 2001 and 2007 (Rink et al., 2011).

It is estimated that at least 86% of the entire housing stock in Leipzig is rental (Kabisch et al., 2009), yet there has been a decrease in rental housing and an expansion in owner-occupied housing, which represented 11% of the dwelling types in 2000 (Bontje, 2004). The municipality supported instruments which encouraged people to stay in the city and counteract a further out-migration into the suburban zone. "In prioritized areas, such as Grünau, new ownership forms of housing were developed as part of an integrated approach towards disadvantaged districts (1999-2007), one of the urban tools used was the construction of town houses" (Heinig, 2011). The support of owner-occupied housing in old built-up stock or newly built detached housing in the inner city forms a part of the reurbanization policy, the *Selbstnutzer* program. However, what this represented is a dichotomy between renters and owners, ultimately between lower income and higher income groups.

It is mostly the better-off households (families and couples) who benefited from incentives and programs which focused attention on keeping well-off households in the city, who had never planned to move to the suburbs. Most of the program sites were located in attractive inner-city districts and only few of them were to be found in areas hit by urban shrinkage. The housing programs that have emerged do not provide a solution to the mass vacancies in Leipzig, but rather place preference on attracting and maintaining particular groups. While the inhabitants of the suburban housing estates (renters) are fairly mixed in terms of both their socioeconomic status and their demography, they in particular have helped the suburban zone to gain population from the urban core in all demographic groups. Rental populations include single-person households and the elderly, who wouldn't

normally be conceived of as 'typical suburbanites', in contrast with the privately owned, suburban, single-family homes inhabited by families with one or two children, higher education and above-average income (Rink et al., 2011). At the onset of the demolition of pre-fabricated housing in Grünau, planners and urban designers pointed out that these buildings were instrumental for the whole neighborhood, yet it was exactly these buildings that were taken down (Puckelwaldt, B., Personal Communication: 7 July, 2011). Preferences for owner occupied housing over rental in housing policy have furthered social exclusion, social imbalances, and polarization in Leipzig.

Leipzig's housing policy currently implies that there is enough housing choice available through high amounts of vacancy and therefore housing affordability is not an issue. Hence, those that live in areas that have been hit the hardest by urban shrinkage, and consequently, demolition, should have no difficulties finding and relocating to other forms of residency. However, the number of households obtaining housing subsidies by the state increased significantly between 2000 and 2003, from 35,459 to 44,525. The population experiencing "relative poverty" has grown from 6% to 10% while the population with middle income has declined from 50% to 44%, and the population with higher incomes has expanded in the same time period from 20% to 22% (Plöger, 2007). These statistics do not reflect versatility in housing choices or affordability.

Photo: Josh Neubauer

Conclusion

The case of Grünau illustrates that there are populations who will have a difficult time finding alternative and substitute housing. More attention and policy directions are needed to adequately address the needs of these residents. In 2006, the Housing Complex 7 in Grünau had the percentage of welfare recipients increase by 20% within 20 months. The number of unemployed in Grünau amounts to 110 per 1,000 inhabitants, which is clearly above the city's average of 85 (Large House Estates Stabilization Action, 2006). Expecting such populations to be able to relocate and find alternative suitable housing without any policy initiatives to assist those that are being displaced is not equitable. There has been an attack on socialist era housing: prioritizing inner city housing has been the main trend post-unification and the emphasis of restructuring strategies. The consequences and promises of these trends have not emerged, especially in regards to the equality of incomes (Schlegel, S., Personal Communication: 6 July, 2011).

Photo: Josh Neubauer

3. The Periphery: Employment Relocation and New Urban Form

Photo: Nishanthan Balasubramaniam

Peripheral development in Leipzig is characterized by a large scale built environment headlined by the airport, an exhibition centre, logistics firms and automobile manufacturing plants. This development represents the outward restructuring of employment location. Despite the visible shrinking processes taking place, Leipzig's periphery continues to grow. The redevelopment of the Leipzig-Halle airport and the development of new roadways in the area led to an increased interest in the periphery by investors. Many newer developments have sprung up in the western Leipzig periphery including various logistics firms set up in the region, such as the brand new Goodman plant still under construction. The process of suburbanization not only moved a population outwards from the centre, but the Leipzig-Halle Airport, BMW and other large industries in the area employ many of the residents in the suburbs. In this sense, suburbanization (which was heavily subsidized through developer tax deductions of up to 50%) allowed for the development of an employment sector in the periphery (Rink, D., Personal Communication: 6 July, 2011). However, in contrast, the development of this employment created an undesirable suburban environment. After the expansion of the airport, housing values declined because of the close proximity. As a result, investors and developers were not able to recover investments.

The Leipzig-Halle Airport was expanded in hopes of becoming more of an international airport, but today it is used largely as a cargo airport with several regional flights. The process of suburbanization acted as means to bring employment outside of the city, but this movement of employment sectors has subsequently pushed residents back inwards.

Flexspace

The character of the periphery is neither urban nor suburban in the traditional sense, restructuring processes have allowed for the movement of large industrial sites to the edge. These processes are reflected by the notion of Flexspace which describes a form of commercial development that occurs in the periphery along major traffic arteries and has no clear boundaries. It is the result of the restructuring processes that have led to the growth of "peripheral centres without a centre" (Lehrer, 1994, p. 187). Lehrer (1994) defines Flexspace through its departure from homogenous suburban form and its distinct use of the built form to represent a "custom-made commercialization" of the landscape (p. 187 & 203). This new landscape replaces the Fordist spatial model with one that reflects the influence of flexible accumulation or the new flexible economy

marked by deindustrialization, advanced capitalism and changing labour processes, markets, products, and patterns of consumption. Buildings in Flexspace act as corporate markers as they represent the corporate brand identity and "the appearance of the building has to function just as the product itself" (Lehrer, 1994, p. 196). The periphery of Leipzig relates to Flexspace as large corporations such as BMW choose to locate in these highly integrated rail- and highway-adjacent locations.

The BMW plant not only acts as a significant employment location in the periphery, but also displays the broader influences of outward restructuring and new urban form. BMW's plant started full production in 2005. The city and region actively pursued the acquisition of BMW as a local employer. The City of Leipzig purchased the land, changed its land use and extended its city boundary to include the plant. The region of Saxony subsidized BMW with 400 million euros, developed new railway infrastructure directly into the plant and redeveloped existing highway networks in order to persuade BMW to build a plant in the region (Rink, D., Personal Communication: 6 July, 2011). The investment would improve and develop new buildings and initially provide 800 new jobs (Rink, D., Personal Communication: 6 July, 2011). The plant was built on a

greenfield site, includes a body shop, paint facility, assembly line, and dealership. The greenfield site allowed BMW to reorient the production process. The company arranged the production buildings in a circle radiating out from the central building in order to minimize distance.

The central building, designed by London architect Zaha Hadid, integrates the assembly line into the structure with large pillars of sunlight streaming through soaring glass walls. The use of an international architect and the emphasis placed on the design of the plant departs from traditional industrial building typologies. This displays the changing urban form of employment landscapes and the ways in which brand identity has shaped the periphery. Unfinished car bodies move along a track that runs above offices throughout the building. The plant ultimately added 5,500 jobs to the area and these employees are part of a new work structure in Leipzig (Rink, D., Personal Communication: 6 July, 2011). The logistics functions of the plant have been contracted out to other parties. Three main logistics providers (Rudolf Logistics, Schenker Logistics and Hoechst Subsidiary Infraserve) share the task of importing and exporting products from the plant (Rink, D., Personal Communication: 6 July, 2011). Logistics companies now provide a large portion of the employment in Leipzig's periphery.

The Leipzig BMW Plant. Photo: Nishanthan Balasubramaniam

Conclusion

While there has been significant employment growth in the periphery since unification, there is still a lack of development in the periphery due to the cancellation of temporary fiscal instruments and government support programs after unification (Couch, Karecha, Nuissl & Rink, 2005). These programs proved to be effective in creating development in the inner city and generating urban sprawl. However the economically weak East Germany and a loss of populations made it very difficult to rent office spaces in the periphery. This developmental growth may be difficult to restore even in times of economic expansion and only specific 'attractive' suburbs are likely to benefit. (Couch, Karecha, Nuissl & Rink, 2005). Leipzig now functions as a regional centre for Saxony, it prides itself on its symbolic investments such as Porsche, BMW and the exhibition centre.

The Leipzig periphery clearly has a new urban form, one with enclaves of suburbanization left over from expansion in the 1990's and a clear manufacturing and commercial presence. This urban form reflects the principles of Flexspace as large employment developments use design to mark their identity and the employment landscape is juxtaposed against farms and residences. There exists a flexible accumulation of manufacturing, logistical, industrial, agricultural, and residential amenities. The urban form changes from the periphery towards the city centre. There are small housing lots that look similar to North American suburbs, farms, allotment gardens, and residential apartments both existing together and sequentially from the edge to the centre. There is limited bus service into the outer region and the tram line ends at the exhibition grounds. Therefore, the region is still highly dependent on automobile traffic. In recent years there has not been much investment by the city into the periphery other than the large automobile plants. There are not currently any peripheral development projects planned or under construction that provide housing or services to the outer area.

4.Urban Planning, Policy and Real Estate Investment

Photo: Dan Godin

In the two decades following reunification, real estate investment has both shaped and been shaped by urban planning and policies. This two-way relationship between real estate investment and urban planning and policy is especially evident in the housing market. Generally speaking, during the first decade following reunification, an expansion in the supply side of the housing market was facilitated by specific government programs and fiscal instruments. Furthermore, while particular policies pulled investment toward the periphery, other policies inhibited investment in inner cities, further pushing the accommodation of this surge towards the periphery. After 2000, an oversupply in the housing market – exacerbated by those very policies in place during the first decade – was confronted through a government subsidy program largely shaped by the interests of large housing companies resulting from the impact of previous rounds of real estate investment in a context of declining housing demand.

Peripheral Real Estate Development 1990 – 2000

In the decade following reunification, eastern Germany experienced a massive increase in the number of dwelling units. Between 1991 and 1999, 773,368 new units were created, 85% of which were in new buildings, often constructed on greenfield sites (Bernt, 2009). This surge in the supply side of the housing market is significant not only for its occurrence in a period of economic decline and population loss, but also for the predominance of greenfield, and thus peripheral, development. Immediately following reunification, Eastern Germany was "flooded" with real estate investors looking to capitalize on an emerging real estate market (Nuissl & Rink, 2005). These investors were met with a relative "vacuum" of enforceable development plans and a planning bureaucracy that was fairly inexperienced with both the new legislative planning framework as well as the bargaining process particular to private sector development (Nuissl & Rink, 2005). Therefore, the initial phase of post-reunification urban development can be characterized by relatively weak public coordination, leading to a development landscape shaped largely by a number of different private investment decisions.

The surge was further facilitated by specific programs and fiscal instruments implemented by the federal government to stimulate an influx of capital. One example of this is the *Sonder-AFA*, a special tax write-off whereby 50% of the total amount invested in new housing in the territory of the former GDR could be written off (Nuissl & Rink, 2005). Not only did this program directly enable an expansion on the supply side of the housing market, it also indirectly encouraged peripheral development as the allowable write-off for new development was roughly twice that for the renovation of existing building stock (Nussil & Rink, 2005). The attractiveness of peripheral development was further stimulated by the legal institutionalization of restitution. Restitution in this context refers to the legal principle which states that returning property expropriated by the former GDR to its original owner should take priority over financial compensation. This process proved to be extremely complicated and time consuming with some restitution claims remaining unsettled for nearly a decade (Nuissl & Rink, 2005). As Nuissl and Rink (2005) note, in many inner city areas as much as 90% of property was subject to restitution claims and due to the uncertainty of ownership arising from restitution claims, many investors saw little point in renovating or reconstructing property in inner cities. Essentially, real estate capital flowed to those areas with a lower cost of development and minimal risk of investment, which in this particular context happened to be peripheral greenfield sites.

Oversupply and Restoring Equilibrium 2001 – 2009

Photo: Josh Neubauer

While it is not surprising that a surge on the supply side of the housing market coupled with economic decline and population loss would create a condition of oversupply, the very existence of housing vacancies remained somewhat of a "taboo" topic in the sphere of federal politics (Bernt, 2009). It was only through the lobbying efforts of a coalition of municipal and cooperative housing companies on the one hand and municipal governments on the other that the Federal Ministry of Transport, Building and Urban Development (BMVBW) undertook a study of the housing market in Eastern Germany (Bernt, M., Personal Communication: June 30, 2011). By identifying one million vacant units in Eastern Germany and recommending a program of large-scale demolition, this study led directly to the creation of *Stadtumbau Ost* (Bernt, 2009; Kabisch, 2007).

Both the creation and implementation of *Stadtumbau Ost* are illustrative of how urban planning and policy can be beholden to real estate interests. In the first case, the creation of *Stadtumbau Ost* can be seen as the direct result of lobbying on the part of housing companies facing the potential of financial insolvency. During the 1990's, many large housing companies took out loans to upgrade their asset stock leaving them in an increased position of debt (Bernt, M., Personal Communication: June 30, 2011; Bernt, 2009). The oversupply in the housing market led to an environment of decreasing rental incomes, falling prices, rising mortgages and

intense competition for tenants with the combined result being that interest payments on debts were increasingly difficult to service. The large housing companies realized that a "market solution", whereby the worst affected firms are allowed to go bankrupt, was not practical. Bankruptcies would not eliminate the overall condition of oversupply and could potentially lead to a vicious cycle with a further decline in average rents through the liquidation of insolvent companies' assets at below market prices (Bernt, 2009). Therefore, the unsustainable debt positions of the large housing companies – a direct result of earlier real estate investment – led to pressure for a non-market, government-subsidized solution to the oversupply in the housing market.

In the second case, the implementation of *Stadtumbau Ost* is shaped largely by the particular array of real estate interests, characterized by a variety of actors and ownership structures. In terms of actors, there is a definitive role of lending institutions in the implementation of *Stadtumbau Ost*. Although the program called for both demolition *and* upgrading, in reality municipalities focused mainly on demolition, with up to 80% of funds used on demolition in the State of Saxony (Bernt, M., Personal Communication: 27 June, 2011). This focus on demolition can be attributed in part to the role of lending institutions such as SachsenLB (Saxony's state-run bank), which had financed much of the upgrading activity of the housing

companies during the 1990's and as a result had several outstanding loans. On a macro level, lending institutions such as SachsenLB played an influential role in militating in favour of demolition rather than upgrading; these lending institutions "...made further financing for upgrading dependent on the reduction of negative equity in the form of vacant housing stock" (Kabisch, 2007, p. 4). On a micro level, SachsenLB convinced the State of Saxony to change the informal subsidy ratio for demolition/upgrading such that the demolition of eight to ten units was now required in exchange for financing the upgrade of one unit (Bernt, M., Personal Communication: 20 June, 2011). Thus, just as the real estate investment-driven financial position of the large housing companies played a significant role in the creation of *Stadtumbau Ost* so too did that of the lending institutions in its implementation.

Within the overall context of demolition funding, and despite urban development plans detailing precise locations for demolition, actual demolitions have largely been undertaken by housing companies with particular ownership structures. A significant amount of demolition has occurred in the modernist prefab apartment neighbourhoods where the predominant ownership structures are either municipal or cooperative housing companies (Bernt, M., Personal Communication: 27 June, 2011). This is largely the result of the particular financial

situation of these housing companies. During the time of the GDR, both municipal and cooperative housing companies financed real estate investment through the GDR's state bank. These loans were described as being only "on paper" – while actual money was loaned, there was no real expectation that it would be paid back (Puckelwaldt, B., Personal Communication: 7 July, 2011). With the collapse of the GDR and its institutions, the assets of the state bank were sold to a West German bank. Outstanding loans were now expected to be serviced, thus putting several municipal and cooperative housing companies in a difficult financial situation (Puckelwaldt, B., Personal Communication: 7 July, 2011). It should be noted that many private owners did not face a similar financial position and therefore, "contrary to original intentions, urban restructuring thus emerges as a random process owing to a combination of differing types of ownership, creditworthiness, and mortgage situations" (Bernt, 2009, p. 764). Just as these large housing companies were primary instigators in the creation of *Stadtumbau Ost*, so too did they play a significant role in implementing it as they sought to improve their financial position through the reduction of oversupply in the housing market.

Conclusion

The state has played an active role in both the period of expanding supply in the housing market and in the period of market restructuring. In the first period, the state played both an active (through tax incentives) and passive role (weak planning institutions, planning regulation and principle of restitution) in facilitating investment in the housing market. In the second period the state – despite its role in providing subsidies – was largely beholden to the interests of particular real estate actors. There are certainly reasons why restructuring the housing market is beneficial to the local state, nevertheless the ability of the state to exercise its interests in this regard is constrained by the prominent role of real estate interests both in the creation and implementation of restructuring programs. While it should be acknowledged that several particular historical circumstances were present in the initial period (particularly the relatively weak planning institutions, planning regulation, and principle of restitution), the shift from subsidizing growth to subsidizing demolition is perhaps indicative of a lack of coordination both between and within governments. Specifically, a greater integration of local data with state and federal programs might have made the oversupply situation apparent much earlier, and greater communication within the local state – between the municipality and the municipal and cooperative housing providers might have exposed the fragile financial position of the latter to coordinated action prior to it attaining crisis proportions.

PART II:
Planning in East Germany: Actors, Policies, and Processes

The role of the planner in producing the evolving urban environment in East Germany changed significantly in the years following Germany's reunification. The planning system that has helped to produce the contemporary built environment of cities such as Leipzig is characterized by a multiplicity of actors and a complex framework of strategies and policies designed both to adapt to shrinkage and to counter its consequences for urban form. These actors often have differing interests and the goals of the different policies may conflict with one another, which sometimes results in the adoption of redevelopment plans that do not reflect local conditions. Although there are opportunities for public participation in urban redevelopment, its scope and impact are also constrained by these overarching goals.

1. "Institutional Thickness" in East German Planning:
The impact of new actors at multiple scales

Planning in the "Wild East"

In the early 1990s, East German cities expected population growth and sought to catch up with modernization. In this 'Wild East' planning context, standards were loosened to allow Western private sector actors to create developments such as shopping malls that symbolized Western ideals (Rohl, D., Personal Communication: 7 July, 2011). Local planners had little input in this process and the scope of their authority was weakened as a result (Rink, D., Personal Communication: 30 June, 2011; Sieverts, T., Personal Communication: 4 July, 2011). This period coincided with the introduction of new actors into the planning system through political and economic restructuring (Sieverts, T., Personal Communication: 4 July, 2011). These include several additional levels of government, a variety of private sector actors, and members of the public.

State Actors

Planning legislation in Germany today is set by the federal government, but all levels of government are important actors in the planning process (Heinig, 2011). There is a hierarchy of plans that begins at the state level and increases in specificity down through the regional, city, district, and sub-district levels of government (Heinig, S., Personal Communication: 6 July, 2011). Formal planning occurs in tandem with an equally important informal process that involves diverse non-state actors, which increases the institutional 'thickness' of the process.

This informal process is particularly important in East German cities such as Leipzig because rigid, formal land-use planning could not adequately address the complexities of urban shrinkage and economic restructuring. In this dual process, higher-order plans set out broad planning concepts and local land-use plans regulate development, while informal processes bring together actors from various sectors to accomplish social goals, which are set out in integrated urban development strategies (Heinig, S., Personal Communication: 6 July, 2011).

The East German planning system is also subject to the supra-national government influence of the European

Union, typically as a source of funding. For example, between 1999 and 2007, the EU's *Urban 2* funding program addressed growing inequalities among East German cities. The program provided neighbourhood development funding through the European Regional Development Fund directly to disadvantaged communities, without the involvement of the federal government. While this circumvented the German federal and state governments, the funding allowed municipalities to focus on issues relating to housing, retail, and green spaces that were outside of the official planning agenda (Heinig, S., Personal Communication: 6 July, 2011).

The Increasing Role of Non-State Actors

As a result of urban shrinkage and the growing importance of informal planning, the role of municipal planners is being redefined. Interviewees in Leipzig frequently cited a need for new ideas, creative approaches, and for the forging of relationships across sectors. This may be in part because there is no specific training or expertise in planning for shrinkage, so planners in shrinking East German cities such as Leipzig must reach out to non-state actors for cooperation in order to address a new urban challenge (Pfeiffer, S., Personal Communication: 5 July, 2011; Heinig, S.,

Personal Communication: 6 July, 2011). Consequently, planning influence is diffused across a greater number of actors and planners are more likely to facilitate, rather than direct, development and demolition.

Private sector involvement is typically seen as an integral part of an ongoing dialogue with and within the community. For example, in the neighboring city of Halle, business and property owners meet informally to discuss potential improvements to the downtown core. They often employ their own architects and submit ideas and proposals to the municipality for consideration (Mally, K., Personal Communication: 29 June, 2011). Design competitions are also used to generate new ideas from non-state actors and they are open to international entrants. Under the *Stadtumbau Ost* program, the federal government recently created an international design competition, the International Building Exhibition (IBA), that allowed 42 cities in Saxony-Anhalt to submit proposals for urban redevelopment projects, of which 19 were selected for implementation. The competition application process affected municipal planning, as municipal land-use plans adopted themes from the competition's themes in order to be considered for selection (Presentation at Bauhaus: 8 July, 2011).

Photo: Josh Neubauer

However, the private sector can be unreliable. While some private sector actors, such as a pharmacy franchise in Leipzig-Grünau, have been eager to invest and engage with the community, others have bought and sold properties without regard to the needs of the community. For example, in Halle-Neustadt, a row of vacant apartment towers have been left to decay by private owners who bought the properties as speculative investments (Hoffman, K., Personal Communication: 29 June, 2011). Similiarly, in Leipzig-Grünau, private sector investment is not seen as having a positive social effect overall, and its unpredictability has frustrated planners (Bernt, M., Personal Communication: 27 June, 2001).

Local planners in Leipzig-Grünau have had to assume the role of coordinating among various property owners to ensure that they do not all demolish their buildings out of financial necessity (Pfeiffer, S., Personal Communication: 5 July, 2011). This role is complicated by the fact that the city of Leipzig is itself one of the largest property owners and has a direct interest in encouraging the policy of demolition and re-concentration in order to protect its own revenue sources. However, the city has no legal control over the decisions of private property owners, and many of the incentives for redevelopment are established by state, federal, and European actors without a regard for local conditions (Bernt, 2009). For example, the financial support for demolitions available under *Stadtumbau Ost* are available primarily to housing co-operatives who have existing debts that date back to the GDR era, and does not directly consider where these buildings are located within the city (Bernt, M., Personal

Communication: 30 June, 2011). Important spatial planning decisions about the siting of demolitions and renovations occur in a piecemeal fashion as a result of the 'thick' network of actors, each with their own economic interests (Pfeiffer, S., Personal Communication: 5 July, 2011).

Private international investors have also become important actors in the East German planning system because in several cities they own essential municipal infrastructures. Austerity measures mandated by state governments in the 1990s also led cities like Leipzig to pursue creative infrastructure financing schemes such as Cross Border Leasing (CBL). As a result, municipal infrastructure planning, including the need to reduce the scale of services such as water provision due to the shrinking population, was distorted by the needs of American investors (Bernt, M., Personal Communication: 28 June, 2011).

Conclusion

In today's context of population decline, local planners now straddle formal and informal processes, and nearly every sector has a stake in planning decisions. As such, the multi-layered institutional framework of planning remains, but holistic planning has become unrealistic as the individual decisions of non-state actors have become a central concern (Haase, A., Personal Communication: 30 June, 2011). At the same time, opening the planning system to new actors has provided local planners with fresh perspectives on how to address urban shrinkage, as well as opportunities for European funding for local projects. Overall, this represents a redefinition of the role of the planner; his or her function is not to provide expertise in community planning, but to skilfully coordinate the actions of numerous contributors so that the combined outcome meet the needs of the public.

2. Conflicting Planning Strategies in the Context of Shrinkage

The new perspectives brought to the East German planning system as a result of the increase in the number of actors have introduced new planning strategies and policy instruments for coping with a declining population. At the same time, these actors often have very different interests, resulting in planning policies that are in conflict with one another. The urban renewal plans and policies that have been implemented in Leipzig, particularly in the Leipzig-Grünau housing estate and in Leipzig Ost, illustrate how these conflicting goals influence the planning process and its outcomes.

Housing Markets and Quality of Life

In the early 2000's, it became clear that shrinkage in East German and other European cities needed to be addressed directly, as more traditional strategies of growth promotion had proven to be unsuccessful (Bernt, 2009; Kabisch, 2007). However, the redevelopment plan put into place in Leipzig cannot simply be understood as a way to keep the city a "vibrant, attractive, and socially stable place

to live" (Kabisch, 2007), but also served as a tool to consolidate the local housing market in order to prevent a significant loss of revenue to the city, the largest local property owner.

Leipzig 2020 is an "Integrated Urban Development Concept" – an informal plan – that enables East German cities to apply for federal funds for redevelopment through *Stadtumbau Ost* (Heinig, 2011). It is intended to be a multi-sectoral plan that encompasses land-use as well as investment priorities for the municipal government. The establishment of this plan allowed the city of Leipzig to access the federal Existing Debt Relief funds, through which housing co-operatives which were required to construct housing under the GDR would have their loans paid in exchange for demolition. The plan also established access to some incentives for renovation of existing buildings, particularly in the central city (Bernt, M., Personal Communication: 30 June, 2011).

The primary goals for urban renewal in Leipzig, as set out in *Leipzig 2020*, include improving the national and international importance of the city and increasing its

competitiveness, as well as strengthening the quality of life and ensuring social cohesion (Heinig, 2011). The City of Leipzig describes its urban renewal policy as "a consolidation strategy for its housing market coupled with an urban redevelopment strategy for all segments of the housing market to improve the competitiveness of inner-city districts with a well-developed infrastructure… based on a close combination of redevelopment and conservation strategies." (Stadt Leipzig, 2011) The "market consolidation" strategy, which relies on the demolitions to reduce the available housing stock, is a direct response to the high vacancy rate caused by the decline in population. It has been described as an attempt to introduce competition between Leipzig's inner neighbourhoods and outlying districts such as the GDR-era Grünau housing estate (Ploger, 2007).

Targeted efforts to redevelop and concentrate housing in particular areas

Photo: Josh Neubauer

within the city are more reflective of the municipal government's interest in maintaining its revenue base than they are of local conditions or preferences. In order to achieve the goal of consolidating the housing market and concentrating population in the central city, planning activity in Leipzig has centred on the identification of "favoured" and "less-favoured" areas. Interviews with key informants in Leipzig indicate a perception that these areas are determined by planners' own biases as well as 'objective' facts (Puckelwaldt, B., Personal Communication: 7 July, 2011; Schlegel, S., Personal Communication: 6 July, 2011). The socialist-era housing estates such as Grünau are identified as undesirable places to live, while the Wilhelminian buildings of the central city are given preference (Stadt Leipzig, 2011; Puckelwaldt, B., Personal Commuication: 7 July, 2011; Schlegel, S., Personal Communication: 6 July, 2011). A former municipal planner argued that this is, at least in part, the result of a bias in favour of central cities. Policy-makers in positions of authority in Leipzig, who are predominantly from West Germany and base their assumptions about

good city form from the conditions found there and the ideal of the traditional European city (Puckelwaldt, B., Personal Communication: 7 July, 2011; Heinig, 2011). This strategy conflicts with the goal of improving quality of life for Leipzig's residents because it disregards actual preferences about where to live. Among certain population groups, peripheral large housing estates with ample green space are seen as highly desirable.

Although the federally funded redevelopment initiatives mandate some form of public involvement in the planning process (Bernt, M., Personal Communication: 30 June, 2011; Heinig, 2011), the work of planners has often been at odds with residents in certain areas of Leipzig. A retired municipal planner, who worked primarily in the Grünau housing estate, explained that the buildings identified as most appropriate for demolition, the eleven-story apartment towers, were in fact those that were seen as most desirable by the district's aging residents due to the accessibility of the building (Puckelwaldt, B., Personal Communication: 7 July, 2011; Bernt, M., Personal Communication: 30 June, 2011). In addition, services such as the S-bahn rail line to the neighbourhood have been eliminated (Puckelwaldt, B., Personal Communication: 7 July, 2011). It could be argued that the "favourable" and "less-favoured" area designations in the Integrated Urban Development Plan have been used to attempt to make some areas

less attractive to current and potential residents.

Social and Spatial Planning

As described in the section on the actors in East German planning system, not all actors have equal influence over the resulting policies. Both the work of urban researchers at the Helmholtz Centre for Environmental Research and interviews with key informants, including the Neighbourhood Manager for Leipzig-Ost, the former planner for the Grünau housing estate, and the manager of a housing cooperative, indicate that Leipzig is experiencing socio-spatial differentiation (Elsässer, R., Personal Communication: 6 July, 2011; Kabisch, 2007; Schlegel, S., Personal Communication: 6 July, 2011). Grünau, for example, attracts more elderly residents, while the more central Leipzig Ost neighbourhood attracts many 'people of migrant backgrounds' and is home to a significantly poorer population than the city as a whole. In Leipzig Ost, planners have adopted a 'geographic strategy', which recognizes that neighbourhoods have different needs depending on their social structures and economic activities and works to identify those needs. However, much of the available redevelopment funding is for improvements to physical infrastructure, while social planning has been neglected (Elsässer, R., Personal Communication: 6 July, 2011; Schlegel, S., Personal Communication: 6 July, 2011). This neglected policy area reflects the

notion that although improvements to quality of life have been identified as one of the key goals of redevelopment in Leipzig, the city's financial health is of paramount interest.

A "Hodgepodge" of Redevelopment Strategies

Another significant issue that arises from the conflicting goals of the redevelopment strategies adopted in response to external funding opportunities is that not all property owners are able to take advantage of the available funding. This has led to urban 'perforation' or 'patchwork' redevelopment, where renewal and decay exist side by side (Bernt, M., Personal Communication: 27 June, 2011).

Planners in Leipzig who must operate within this funding framework cannot compel owners to participate in renewal initiatives, which calls into question the degree to which Leipzig's redevelopment is in fact "integrated". However, there are efforts to compensate: Leipzig maintains an office for city redevelopment and reconstruction planning which actively approaches property owners to ensure that they are aware of funding for which they may be eligible (Elsässer, R., Personal Communication: 6 July, 2011).

Photo: Josh Neubauer

Conclusions

Despite the difficulty of reconciling a policy of housing market consolidation with one of improving quality of life in existing neighbourhoods, several informants emphasized the benefits of the Integrated Development Plan. For example, the perceptible benefits for the residents of Grünau from their participation in the development of a plan for the district have included two new internal bus lines, the installation of solar panels, and the remodeling of some pre-fabricated apartments to create larger units (Puckelwaldt, B., Personal Communication: 7 July, 2011). Public involvement in the redevelopment planning process is key to balancing the conflicting goals of private sector and state actors with local needs. The following section will explore the ways in which members of the public are able to participate in planning their neighbourhoods.

3. Formal and Informal Participation Processes in East German Planning

Civic engagement has been described as "absolutely essential" to the future development of cities by the federal Ministry of Transport, Building and Housing (BMVBS), which is responsible for urban development (BMVBS, 2011). The BMVBS recognizes that there are difficulties in eliciting and maintaining citizen engagement when funding and legislative decisions are made by a complex web of EU, federal, state and municipal authorities, but also that it will be unable to address urban challenges unless civic participation is increased and citizens are involved in decision-making (BMVBS, 2011).

Photo source: Kabisch, S., 2011

In Leipzig, plan-making incorporates formal, legislated participation processes. There are also many examples of informal community participation as a result of grassroots organizing to resist the city's spatial decisions and to advocate for alternative land uses. Regardless of whether it is formal or informal, the impact of community participation in Leipzig on planning policy has been varied.

Recent History of Community Participation

Community participation in planning has a complex history in Leipzig. Under the socialist German Democratic Republic, the interests of citizens were not seen as distinct from the interests of the state and state-run enterprises (Bernt, M., Personal Communication: 30 June, 2011). When Grünau's pre-fabricated tower blocks were built, they were surrounded by dirt and mud as the exterior surroundings were unfinished.

Due to the logistical and budgetary constraints, residents were expected to step in to complete the job, "In the evenings, at weekends, and on collective work assignment days – so-called *subotniks* (Russian for Saturday) - residents laboured to 'complete' their new homes" (Weizman, 2008, p. 23). Residents completed railings for stairways, planted and landscaped treed pathways, lawns, flowers and arranged children's playgrounds and street furniture (Weizman, 2008). Although this was a forced approach to citizen participation, it fostered a sense of ownership and pride in Grünau as well as a tradition of neighbourhood collaboration (Puckelwaldt, B., Personal Communication: 7 July, 2011). The residents gained "a stake in the successes and development of their estates" (Weizman, 2008 p. 23). The green spaces that resulted from this forced participation are one of the reasons for the high rates satisfaction with the neighbourhood (Rink et al, 2011).

Greenery in Grünau. Much of the trees were planted by the original residents of the neighborhood. Photo: Gwen Potter

Today, citizens are able to participate in municipal decision making through voting and formal participatory planning processes. However, there is less opportunity for participatory decision-making about local uses of space. A resident could not, for example, plant a tree in Grünau without obtaining a permit and purchasing the land (Malzahn, M., Personal Communication: 27 June, 2011). *Stadtumbau Ost* has further undermined residents' ability to participate in decisions about redevelopment in their neighbourhoods in response to shrinkage.

Stadtumbau Ost and Informal and Formal Community Participation in Grünau

The implementation of *Stadtumbau Ost* in Leipzig was driven by the interests of the municipal government and property owners, rather than by residents. The Grünau large housing estate displays the ways in which the interests of these local residents were compromised. In 1999 and 2000, community forums and design charrettes were held, but by 2002, it became clear that the participatory processes would have little impact on the final decisions about where demolitions would occur. Social services and amenities in the community were scaled back in what some argue was a deliberate strategy to produce a sense of hopelessness and promote out-migration (Puckelwaldt, B., Personal Communication: 7 July, 2011). These decisions led to the organization of a grassroots community resistance.

Contrary to the 'compact city' ideology of many planners, the peripheral buildings closest to the countryside were the most preferred by residents (Puckelwaldt, B. Personal Communication: 7 July 2011; Bernt, M., Personal Communication: 30 June, 2011). In 2003, for example, "2500 people protested against the demolition of an 11-floor slab" building with shops and services on the ground floor (Weizman, 2008, p. 22), however, the protests did not result in changes to the demolition plans. In 2006, after months of rumours that caused further out-migration, the housing association announced the demolition of another 11-storey slab building. In response, residents once again organized themselves to resist the demolition plan. "Residents, retailers, service providers and the staff of the medical centre organized the collection of signatures against the demolition plans. The action, called *Stadtumbau. So Nicht!* ("City regeneration, not like this!"), demanded the revision of the state policy that awarded subsidies for housing demolition."(Weizman, 2008, p. 22). They also called for revision to the City Development Plan, which allowed the housing companies to consolidate and remove "8000 flats from the market, most of them in Grünau" without input from local communities. This consolidation was based upon an agreement called "The Pact of Reason", made in 2000 between Leipzig's development office, the housing associations, and their banks, which was intended to make the demolition process as just as

possible (Weizman, 2008). "3500 signatures were collected and submitted to the planning department" and "post-cards of protest were sent to the Ministry of the Interior of Saxony" and to the bank that held the housing association's mortgage (Weizman, 2008, p. 22).

The community's actions resulted in a public strategy discussion meeting between Leipzig planning officials, the mayor and the public (Weizman, 2008). At this well-attended meeting, residents heard about the future of their homes and community, and though it showed that the city was willing to be transparent, it also contributed to mistrust by the population of Grünau. There were glaring mistakes in the plan that was presented; for example, residents in attendance were still living in buildings shown to be demolished. Entire blocks of homes were slated for demolition and it was clear that the voices of the residents and the history of the estate had not been heard or heeded. "Rather, people suspected that housing associations in collaboration with the city planning officers followed a particular planning strategy that encouraged people to move out" (Weizman, 2008, p. 22). This strategy reflected a "malicious" "unwillingness by city hall to do anything" for the residents of Grünau (Puckelwaldt, B., Personal Communication: 7 July, 2011). Residents persist in their desire to be involved in the planning process despite past failures of participation. In developing *Leipzig 2020*, meetings were held in communities across the City (Heinig, 2011).

However, the impacts of these formal participatory processes are yet to be seen.

Socio-Spatial Segregation and Participation

As a consequence of shrinkage, the conversion to a market-led housing development model, dis-investment, and selective market-led demolitions has led to an increase in socio-spatial segregation and displacement in Leipzig. This process has concentrated poverty and marginalized populations in specific neighbourhoods, such as Leipzig Ost, putting them at risk of socio-economic and ethnic ghettoization. Grünau is also experiencing an increase in poverty, with newer residents more likely to be on social assistance (Haase, 2011). The result of this has created some social tensions between older and newer residents. These tensions may detract from community cohesion and participation in the future (Malzahn, M., Personal Communication: June 27, 2011). One response is the 'Soziale Stadt' Neighbourhood Management Program, which has the potential to maintain and build community cohesion and activate community participation in urban renewal processes. The objective of *Soziale Stadt* is to facilitate an integrated approach to urban renewal by providing a bridge between top-down approaches to urban restructuring and the bottom-up qualitative experience of community members.

Photo: Josh Neubauer

Soziale Stadt and Neighbourhood Management

As a complement to *Stadtumbau Ost*, *Soziale Stadt* funding is meant to be pooled with other departments, levels of government, and the private sector in order to improve the quality of life for residents (Becker, Franke, Lohr & Rosner, 2002), with "the aim of counteracting growing social-spatial polarization in German cities and upgrading and stabilizing deprived neighbourhoods"(BMVBS, 2008). The program requires citizen engagement. The role of the Neighbourhood Manager (NM) is to link non-governmental organizations, networks, residents and community groups to administrative and political structures (BMVBS, 2008). The NM can also bridge the social and the spatial aspects of urban development.

Formal citizen participation processes are not always effective at engaging communities, and NMs use multiple tools, including surveys, meetings, and public events, to reach residents (Elsässer, R., Personal Communcation: 6 July, 2011). Their engagement work can foreground socio-spatial conflicts in ways that are not apparent in planning processes and are focused exclusively on spatial issues. For example, in Leipzig Ost, a meeting was organized in response to complaints about a group of Roma residents who were congregating in front of a church. This led to a significant number of residents, particularly students, appearing in support of the Roma. (Elsässer, R., Personal Communcation: 6 July, 2011). The local

NM can now work to include the Roma population and students in neighbourhood action and community building.

In Grünau, the NM works with residents to include them in decision making, to mediate conflict and achieve consensus, and to facilitate an exchange of information about future urban planning decisions between the city planners and the residents (Kowski, A., Personal Communcation: 6 July, 2011). Inadequate funding requires NM's in Grünau and Leipzig Ost to seek out external sponsorship for community projects and as a consequence the programs are under-resourced (Elsässer, R., Personal Communcation: 6 July, 2011). The projects are often piecemeal and not integrated, which further stigmatizes the communities as a drain on state resources (Haase, 2011). The larger social and systemic issues are not being adequately addressed through social welfare programs in Leipzig and though the NM program makes the necessary links between social welfare, community organizing and urban planning, its funding is being significantly reduced and the overall program is in jeopardy (Hoffmann, E., Personal Communication: 29 June, 2011).

4. Combating Stigmatization

The preceding sections have laid out the urban form that exists in present-day Leipzig, and the institutional and economic forces that have helped to produce it. The remainder of the report now turns to the specific redevelopment and renewal strategies that have been adopted to deal with the results of urban restructuring and shrinkage, which include not just vacant buildings and industrial and residential brownfields, but also the stigmatization or marginalization of people and communities.

As in many cities around the world, some neighbourhoods in Leipzig are perceived to be 'bad' places to live. For example, the Grünau housing estate and the inner-city neighbourhood of Leipzig Ost both have negative images that stem from the high concentration of poverty and the perception that the housing in these areas is undesirable. These negative perceptions have been used to justify the policy of urban renewal through demolition that was used in Leipzig and other East German cities, which in turn can lead to a further marginalization of the residents who remain behind in 'perforated' neighbourhoods with reduced amenities. Reducing the stigmatization of particular neighbourhoods and communities is an important aspect of social planning, and it can also be understood as a key component of urban renewal.

Stigmatization of particular neighbourhoods often relies on perceptions of place that are informed by word of mouth and

Photo: Dan Godin

stereotyping, rather than personal experience, and may be incongruent with residents' own perceptions of their communities. For example, a longitudinal survey of Grünau residents conducted between 1979 and the present suggests that outsiders' perceptions of the district differ greatly from those of the residents. Immediately after reunification, satisfaction with living conditions in Grünau decreased dramatically, but since then has been consistently rising, so that in 2009, nearly three-quarters residents surveyed felt good about Grünau (Grossman, 2011). This has been elaborated by Kabisch (2007), who states that residents cite "the progress in renovation activities leading to a high level of satisfaction with the apartment, improved and enlarged green as well as recreational spaces, shopping options and good connections to the city centre" (p.6) as reasons for their satisfaction with the neighbourhood. Strikingly, Kabisch (2007) notes that nearly two-thirds of surveyed residents agreed that "Grünau is a better place for living than Leipzig's historic quarters" – a somewhat startling result, given that Grünau experienced a large proportion of the demolitions that occurred under *Stadtumbau Ost* while Leipzig's central city was redeveloped. This research highlights the necessity of resident participation in evaluating the quality of life and functionality of stigmatized places in order to determine their needs.

Throughout the process of urban restructuring in Leipzig, there has been a

Photo: Josh Neubauer

consistent denigration of the areas that have been targeted for demolition by the municipal government; some argue that this amounts to manufactured stigmatization (Puckelwaldt, B., Personal Communication: 7 July, 2011). A well-maintained apartment in a pre-fabricated building is not necessarily undesirable; an apartment in a building slated to be demolished, or in a neighbourhood with scaled-back services, obviously is. At the same time, however, there are many programs and policies that aim to revitalize the areas within the city that have been 'blighted' by shrinkage and deindustrialization. Some are led by state actors or the private sector, while others are initiated by citizens in a 'bottom-up' fashion; they can occur on a small scale, and on a very large scale.

Two broad responses to shrinkage are explored here; both can be observed in Leipzig. The first response draws on the notion of the 'creative city' and represents a strategy of growth-promotion in specific economic sectors and sites within the city. The second response, in contrast, is a strategy of adaptation and adjustment to shrinkage and the reality of an urban landscape perforated by brownfields and demolition sites.

Photo: Josh Neubauer

PART III:
Urban Planning, Investment and Competition

This section discusses how urban planning and policy shape growth in an overall context of shrinkage through an examination of real estate investment in the housing market, economic development and the competitive city discourse, and place promotion strategies. First, the relationship between particular policies and real estate investment in the supply side of the housing market is explored, demonstrating that this relationship is a significant variable in explaining the spatial unevenness of growth and contraction. Second, it is demonstrated that not only is growth unevenly distributed spatially, but this spatial distribution is also marked by sectoral differentiation, with particular areas of Leipzig experiencing growth in particular economic sectors – yet all are linked through a competitive city discourse. Third, the role of place promotion in relation to economic development is discussed and found to privilege certain areas over others, and target specific population segments over others. Thus it can be argued that the policies concerning real estate investment, economic development and place promotion all produce an uneven spatial distribution of growth.

Place Promotion and Regional Competition: Examples of 'Creative City' Strategies in Leipzig

Photo: Camilia Changizi

Leipzig is a city of contrasts. There are two extremes; an vibrant town centre with the 'right' mix of old and new, and sometimes desolate spaces on the edges. Leipzig's urban decline has generated a process of place promotion to re-image the city, which in turn has created particular pockets of development and urban form.

Retail and commercial structures in Leipzig have evolved and transformed over the past two decades. Although the population has been shrinking for a number of years, a significant amount of retail and commercial/industrial development continues to occur in both the inner city and periphery. In general, large-scale commercial/industrial activities have increasingly located on the periphery, while large retail development occurs in the inner city. These disparate forms and locations of development are bound together by the notion of the "Competitive City". While it is clear that the City of Leipzig competes with other municipalities in attracting the investment of large scale commercial/industrial firms, large-scale retail is also now frequently described in terms of its value for urban renewal, and in turn, increasing the regional competitiveness of Leipzig's historic centre.

An Emerging Creative Industry, Place Promotion and City Marketing

Governments increasingly use 'entrepreneurial' modes of economic development and governance in reaction to deindustrialization (Harvey, 1989). This approach involves the promotion of 'creative' industries, 'boosterist' city marketing, the development of expensive housing in city centres, acquisition of internationally significant sporting events and 'themed' neighbourhood redevelopment (Smyth, 1994; Hall & Hubbard, 1998; Barber & Hall, 2008). These place promotion strategies are used in an attempt to stimulate the local economy and promote vibrancy in neighbourhoods, and are often branded as a form 'of urban renaissance' (Bernt, 2009; Barber & Hall, 2008).

Most creative city strategies focus on particular areas of the city, including downtown neighbourhoods and specific 'artsy' neighbourhoods/districts. This creates a style of development that is focused on the aesthetic production of places (Lewis & Donald, 2009). In turn, this devalues areas that do not have the same cachet of 'coolness' attributed to them, ultimately creating an uneven development of interest, investment and consumption. Many smaller cities are

Photo: Andria Oliveira

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drawn to "creativity makeovers" and welcome "historization strategies", often involving the re-imaging of cities in a 'do it or else' sort of way (Peck, 2007; Peck, 2005; Sands & Reese, 2008). This development creates trendy spaces and 'cool' spaces that are often exclusionary (Lewis & Donald, 2009). These strategies for place promotion and the selling of cities (Smyth, 1994) emphasize entertainment and cultural venues, making cities open to business and cultural development (Lewis & Donald, 2009). At its core, place promotion is the "desire to produce an alluring identity to which targeted groups such as tourists and investors respond" (Young & Lever, 1997 in Coles 2003; p. 193).

There are efforts by the municipal government to attract creative industry firms to the inner city. These are economic areas that have the potential to increase employment numbers, and potentially lead to a virtuous cycle that attracts more people and investment into the city. One such example of this effort is the SEKO Integrated Urban Development Concept which includes a focus on attracting media and research companies to the inner city (Heinig, S., Personal Communication: 6 July, 2011; Schlegel, S., Personal Communication: 6 July, 2011). In particular, this plan seeks to promote the nascent media cluster in the inner city and develop a research institute on the old site of the trade fair (Schlegel, S., Personal Communication: 6 July, 2011). According to the *Leipzig Means Business 2010* report,

these attempts to attract creative industries have been partially successful; there has been an increase in jobs in the creative industries in Leipzig (Albrecht, 2010).

Leipzig has also initiated several place promotion campaigns to recreate and reposition the city's identity. Directly after reunification, in 1990, the city was branded as 'Medienstadt Leipzig" which meant 'media town'. This brand attempted to refer to Leipzig's publishing history and further promote the city as a media centre in order to acquire media investors and advance the development of the Grafisches Viertel or 'Graphical Quarter' in the city centre (Coles, 2003). Later in 1991, the label 'Messestadt' was reintroduced meaning 'congress town'. The intention was to promote the building of new trade and commerce spaces and in particular a new trade fair ground on the urban fringe. In 1993, the slogan changed to "Leipzig Kommt", meaning 'Leipzig is coming", with the goal of marketing "new spaces of freedom" in Leipzig and encourage young people to flock to them (Rink, D., Personal Communication: 7 July, 2011). This influenced the development of Leipzig Plagwitz, a relatively successful district for creative industries.

The City of Leipzig also has a tourist and marketing service called Leipzig Tourismus and Marketing GmbH which provides tourist information, travel packages for in and around Leipzig and promotional material highlighting cultural events that occur in the city. One of the

many pieces of promotional material contains a heading entitled "Leipzig-Creative City". Here, Leipzig is marketed as the "City of Literature, Publishing and Media", featuring Leipzig as a centre for modern architecture, design, music and food (Leipzig Tourismus and Marketing GmbH, 2011).

In relation to place promotion and tourism, there have been a number of flagship developments used to strategically position Leipzig. For example, the new Congress Centre and Museum of Fine Arts were built to reinvent Leipzig as a "boomtown" (Coles, 2003). Also, the building of new fair grounds on the periphery and bids for the 2012 Olympic Games and 2006 FIFA World Cup are all examples of large-scale projects aimed at redefining Leipzig and drawing new visitors (Haase, 2011).

Competition for Commercial/ Industrial Investment

Even within the context of shrinkage – and perhaps perceived as increasingly necessary because of it – municipal governments continue to promote growth and investment within their jurisdictions. In Leipzig and the

Photo: Camilia Changizi

surrounding region, there has been a significant push to promote growth by attracting retail and commercial development. Several large-scale firms have recently located within Leipzig and its periphery and these large-scale firms provide a prominent example of attempts to increase the regional and national orientation of the local and regional economy, as well they demonstrate a shift of commercial/industrial activity from the inner city to the outskirts.

In order to attract these large-scale firms, the municipal government engaged in several specific economic development strategies. These strategies include facilitating both hard and soft services that are

directly beneficial to these new firms. The PUUL (a German acronym that roughly translates to human resource support for companies in Leipzig) was created by the City of Leipzig in 2001 with the initial goal of attracting BMW to Leipzig and offers incentives to large-scale firms to locate in the city, such as workforce pre-selection and relocation services for top managers. While this agency does provide a social benefit through its requirement that one-third of the new workforce is drawn from those on unemployment lists, perhaps most significant is that these new jobs are predominantly located in the periphery of Leipzig, rather than within the inner city (Ploger, 2007).

Leipzig as the new "Mall City"

Dieter Rink, a professor at Helmholtz Research Institute (UFZ), uses the notion of the "Mall City" to characterize the increasing prevalence of the westernized shopping mall as a form of retail development in European cities. In Leipzig,, these shopping centres can be found in both the inner city and in the periphery. The peripheral development of such shopping centres occurred almost immediately following reunification – they were amongst the first suburban investments in the newly open land market (Nuissl & Rink, 2005). The most significant retail development in the inner city did not occur until 1997 with the opening of the "Promenaden". Located within a still functioning central train station and containing approximately 30,000 square metres of retail space over 3 floors, the Promenaden holds a unique place in Leipzig's retail structure due to its direct integration into a regionally significant transportation network. The developer of the Promenaden seems to recognize the potential to draw consumers from across the region into the centre of Leipzig as its development philosophy recognizes "the concept of vibrant marketplaces" as a significant form of stimulating inner cities (ECE, 2011).

The regional retail significance of Leipzig's historic centre has the potential to be further increased through the development of another mall – currently under construction and to be completed in 2012 – within sight of the Promenaden. While some argue that there may be an oversupply of retail space within the historic centre (Rink, D., Personal Communication: July 3, 2011), others claim that this new expansion will serve as a catalyst, attracting people from across the region into the inner city (Röhl, D., Personal Communication: July 7, 2011). Ultimately, while it is still open to debate as to whether these retail developments will indeed increase the regional significance of Leipzig's historic centre, that retail expansion itself is branded as an exercise in regional competition. It is significant, particularly given the traditional association between creative industries and the competitive city.

Conclusion

The City of Leipzig has actively engaged in a strategy to attract commercial/ industrial investment to its periphery in an effort to increase its regional competitiveness. While the City might not have played quite as active a role in attracting retail development to the inner city, nevertheless, this development is discussed in terms of its significance for Leipzig's regional competitiveness. What is interesting about this competitive branding of retail development is that while both commercial/ industrial developments and retail developments can be regionally significant in their own right, the former is so as a site of production while the latter as a site of consumption. While retail development may indeed be significant, the regional standing of Leipzig's inner city should perhaps focus more on stimulating the creative industries in order to increase regionally significant productive capacities, and in turn job opportunities, within the inner city.

However, strategies to attract creative industries may also produce uneven outcomes. Since reunification, Leipzig has deployed a number of marketing slogans and strategies in an attempt to increase private investment, promote growth and encourage consumption in the city by existing inhabitants, new residents and tourists. These slogans and strategies have targeted specific locations within the city for new retail and commercial developments that cater to particular groups of people: private investors, tourists, and creative workers. As a result, while the urban renaissance that such strategies aim to achieve may occur, its benefits are spatially and socially uneven.

PART IV: Landscapes and Open Space in Leipzig

Photo: Josh Neubauer

The processes of urban restructuring and shrinkage in Leipzig have produced an urban landscape punctuated by the open spaces left by demolitions as well as by vacant buildings. These empty spaces occur in both the central city and the periphery, and planners and residents must find new uses for them. In this section, a variety of alternative uses for these newly emptied spaces are explored. These include citizen-led projects to initiate new uses for existing buildings and space as well as larger-scale private sector- and state-driven redevelopment projects that aim to transform industrial and residential brownfields into new sites of economic growth. Shrinking East German cities such as Leipzig have also sought to find new ecological uses for the 'luxury of space' with which they find themselves.

The "Luxury of Space": Shrinkage as an Opportunity
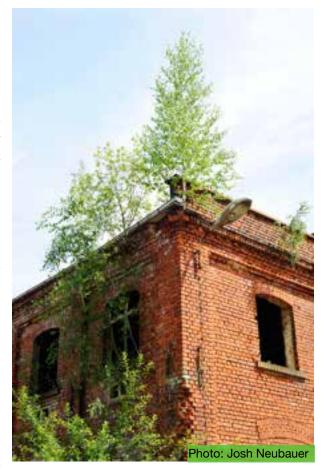
Skate park in Grünau. Photo: Josh Neubauer

The difficulties created for cities by economic and demographic decline are well known: they include declining tax bases, the deterioration of the built environment, and an overburdened, over-sized infrastructure (Bernt, M., Personal Communication: 28 June, 2011). Empty and over-grown lots, blocks of boarded-up buildings, and deserted streets suggest 'urban blight'. However, this abundance of space also creates opportunities for new ways of thinking about community building and planning, as well as new uses for urban space which can enhance quality of life. Shrinkage is a situation to which cities can adapt in positive ways.

While Leipzig has adopted certain policies that encourage economic growth, in the context of shrinkage the city has also acknowledged the need to adapt. The community has opened up room to think somewhat less about how space can be used for economic growth, and somewhat more about how it can be used to make their communities better places to live. In typical planning discourse, an abundance of unused space is often seen as a threat. Empty and abandoned buildings quickly decay and have a negative impact on the community's image, safety, and sense of history. It is assumed that places like Grünau must shrink from the outside inwards, to create a more compact, 'traditional' urban form, and to reduce the neighbourhood's burden on infrastructure. While shrinking inwards is official policy in Leipzig, the demolitions that took

Photo: Josh Neubauer

place under the *Stadtumbau Ost* program have produced a more 'perforated' landscape in which the urban fabric is interspersed with open spaces (Bernt, 2009).

The Opportunity of Space

The creation of new open space in residential districts presents environmental and social challenges. The large-scale demolitions that occurred in Grünau negatively impacted the overall housing environment, including the existing system of open space. They resulted in numerous vacant lots scattered throughout the housing estate, a spatial pattern that has proven to be problematic. The original plan envisioned demolition from the outside in, in order to shrink the total area of the estate, which would prevent the appearance of residential brownfields within the housing environment and reduce the scale of underused infrastructures such as sewage and water pipes (Bernt, 2009). However, the siting of the demolitions was governed more by individual building owner decisions and

interests than by the demolition plan. The post-demolition landscape failed to deliver the cost savings that were expected from a more efficient use of infrastructure and also produced numerous parcels of unclaimed land that became overgrown and unappealing (Rink *et al.*, 2011). There have been several projects that have attempted to reclaim these spaces by proposing alternative uses, often community-based.

For example, visioning post-housing landscapes - a short-term project, part of the Large Housing Area Stabilization Action program (LHASA) - was implemented during the initial stages of demolition with the aim of involving community members in developing a vision for the future of residential brownfields. It began in the spring of 2005 with an international workshop at which visions that highlighted the "green" qualities of the estate were developed. Outdoor art installations and community gardens were amongst the suggested projects. These plans were implemented in the summer, followed by a general evaluation of the results to determine which projects could be extended. Although the residents generally enjoyed the projects, their ongoing involvement was constrained due to time and interest limitations (Doehler-Behzadi & Paul, 2006).

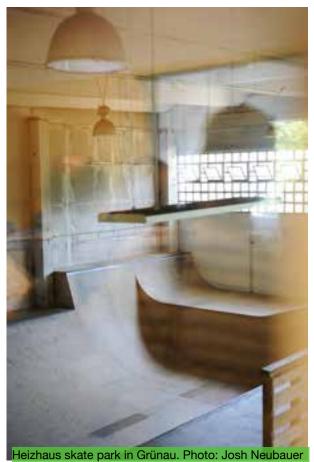Residential brownfield in Grünau. Photo: Gwen Potter

Discussions with residents and community activists in Grünau demonstrate that the excess space produced by shrinkage is often seen as an asset. In Grünau, one of the points of pride among community members is the abundance of green space. Working with the neighbourhood manager, community members have created a strategy for green spaces in which demolition sites are turned into minimally managed green areas. A similar arrangement creates more publicly accessible space. 'Interim uses' are a contract between the city and the owner of a property where demolition has occurred, under which private owners allow their vacant properties to be used as public space (Elsässer, R., Personal Communication: 6 July, 2011). Owners are required to clear the site and in some cases to provide minimum maintenance, and in return, are freed from property taxes during the duration of the lease. At first, in order to attract more landowners the city offered short-term leases of only 3 years. However, the terms were increased to 10 years. This program was very successful in attracting property owners and the program became saturated. Between 1990 and 2005, 106 contracts were issued with a total cost of 3 million euros (Haase & Rall, 2011). While these spaces are typically only used by residents, most want the area to be a place that people come to visit (Elsässer, R., Personal Communication: 6 July, 2011). These spaces provide an opportunity for residents to make the neighbourhood more livable and reduce the negative stigma of the area. The benefit of this project allowed privately held vacant land to be legally available for a variety of public uses, including uses as pedestrian pathways. The shortcoming is that there are low levels of investment and maintenance going into these spaces because the land is only available for a limited amount of time and landowners still retain development rights on the land. Most cases lack amenities such as lighting or benches. Moreover, the program itself is very costly and the municipality is unable to fund all the landowners who wish to participate (Rink, 2011).

Urban reforestation is a third example of new uses for open space being explored in Leipzig, and represents an opportunity to increase the ecological benefits of residential brownfields. It requires the planting of trees on brownfield sites and fencing them off to allow for the trees to grow. In addition to their ecological benefits, urban forests are also one of the most cost-effective solutions to the residential brownfield issue. Although this alternative has not been fully implemented yet, feasibility studies point out that a lack of public acceptance is one of the main obstacles for its fulfillment (Rink, 2011). In interim use situations where the land is still in private hands, urban reforestation is not seen as a worthwhile expenditure due to the potential for redevelopment when the lease expires. However, there are several potential benefits of urban forests, include improving the ecological qualities and biodiversity of urban areas through habitat creation and a low-cost solution for the problem of abandoned lots.

Another project, in Dessau, which was a part of the 2010 IBA in Saxony-Anhalt, demonstrated the potential for creative and participatory new interpretations of the space opened up by shrinkage (more information is available at http://www.iba-stadtumbau.de/). A landscape strip in Dessau offered citizens 400 square metre 'claims' to anyone who wanted to take responsibility for the land. The open call for sponsors/tenants of these plots resulted in a wide variety of submissions, including a medicinal herb garden, beekeeping, an intercultural garden and a BMX course. Projects like these help to engage the community, generate new ideas about what a city can do with open space, and create connections between community members.

Photo: Josh Neubauer

Opportunities for the Built Form

A shrinking city and the abundance of space that comes with that shrinkage also create opportunities for new uses of built form. Two projects in Grünau demonstrate the opportunities for community engagement created by an 'excess' of space. Erik Hofmann coordinates Theatrium, a unique organization in Leipzig where programming is entirely run by youth participants. The project was started in the mid-1990's as a way to help the neighbourhood, with the hope of reducing some of the negative stereotypes surrounding Grünau. According to Hofmann, 60% of the participants come from outside of Grünau. The project is an asset to both Grünau and the city as a whole and is creating connections between Grünau and other areas. The fact that there was more space available, and less demand for retail in Grünau was an advantage for the project (Hofmann, E., Personal Communication: 7 July, 2011). With a reduced overall focus on economic growth, this organization was able to make Grünau a more livable area. A similar project, Heizhaus, is a skate park also located in Grünau. Heizhaus is operated through a combination of state funding and sponsorships. Multiple locations were surveyed, but an unused water heating plant in Grünau was chosen (more information is available at http://heizhaus-leipzig.de/). The luxury of space, in both of these cases, was an enabling factor for citizen-based, not-for-profit uses which focus on enhancing quality of life for residents. In addition, these projects, which draw many non-residents into Grünau, play an important role in reducing the stigmatization of the neighbourhood.

Heizhaus skate park in Grünau. Photo: Josh Neubauer

Part of the process of shrinking inward is improving the perceived quality of the inner-city neighbourhoods which have experienced high levels of vacancy. Vacant buildings may be perceived as problematic, but they are also an important opportunity and asset for the community. One community response to an abundance of vacant buildings is the *Haushalten* program. *Haushalten*, is a non-profit organization that partners owners of unused properties with tenants. The tenants enter into a contract with the owners, maintaining and renovating the building in exchange for rent-free use of the space. The *Haushalten* program helps to preserve historic buildings, maintain the structural integrity of a block, and support non-commercial users such as artists who are in need of inexpensive space to live and work. While arts-based urban renewal programs are often transient and, in and of themselves, insufficient to solve the problems associated with high vacancy levels (Bernt, M., Personal Communication: 30 June, 2011), the *Haushalten* program nonetheless improves the quality of life in Leipzig's shrinking neighborhoods by providing space for non-commercial community uses that might otherwise locate elsewhere.

Haushalten "Guardian House". Photo: Dan Godin

Photo: Christine Furtado

Within the Plagwitz neighbourhood, one can find larger-scale examples of adaptive re-use of built form. Much of its urban character, with cafes, separated bike paths and widened streets, is built on a pre-existing industrial infrastructure. The 10 hectare "Leipziger Baumwoll-Spinnerei" (Spinnerei), for example, was the site of a cotton mill; its redevelopment was pioneered in 1992 by local artists (Spinnerei, 2011). Today, the Spinnerei contains 100 studios and 14 galleries that function as spaces for dance, art, music, architecture, trade, print and design (Spinnerei, 2011). In addition, the neighbourhood now incorporates a railway yard transformed into an urban park, the cultivation of honey in a nearby residential green space and buildings offering career services. An education centre called "Garage" and a Business and Innovation Centre (BIC, 2011 & Garage, 2011) are located across from abandoned and dilapidated brownfields. "Garage" is a non-profit organization that offers an open concept-learning environment for children and young adults interested in technology and economics (Garage, 2011). In contrast to the non-profit and community-focused uses of built form found in Grünau, Plagwitz features a mixture of community arts and profit-oriented uses.

Public park with beehives.
Photo: Christine Furtado

Conclusion

Individually, projects like Dessau's land sponsorship program, Leipzig's Haushalten, and Grünau's Theatrium and Heizhaus could be seen as 'token' participation, as they do not create a larger, formalized participatory role for citizens in the planning system. Such projects could be seen only as a means to present citizens with the opportunity to decide where "some park benches" will go, while they have little influence on whether their home will be demolished (Puckelwaldt, B., Personal Communication: 7 July, 2011). Still, each of these projects present small, innovative examples of participatory, 'ground-up' community planning. None of the projects described here are particularly large or dramatic; none attempt to achieve vast changes to the urban fabric. Instead, they focus on the small-scale, participatory engagement of the community, with a focus on improving the quality of community life beyond economic development strategies.

Projects such as the Spinnerei in Plagwitz do seek a broader urban renaissance through new uses of the existing built environment, but although they have roots in community-based redevelopment, the range of actors and activities has broadened in scope. On the one hand, this may mean a greater capacity to improve the quality of life in the neighbourhood and in the city, but on the other, like 'creative city' strategies, this type of redevelopment may produce socially exclusive neighbourhoods.
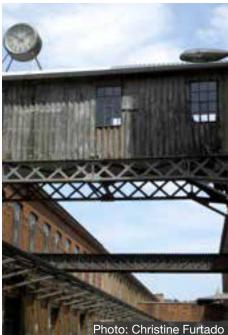
PART V:
Lessons from Leipzig: Do growing cities have something to learn?

Photo: Sara MacDonald

Photo: Josh Neubauer

Photo: Gwen Potter   Photo: Christine Furtado

The primary goal of travelling to Leipzig to observe the results of its urban restructuring and to study the political and economic processes that have produced its current urban form was to understand how Canadian cities and regions can adapt to change. The questions addressed in this project include the distinctive urban forms produced by economic restructuring and shrinkage; the strategies used by planners and policy-makers to guide redevelopment, both in the central city and on the periphery in response to these new conditions and forms; and the ways that residents have responded to and been affected by shrinkage. Although Toronto is experiencing an overall period of growth, while Leipzig has been shrinking and is likely to shrink again in the future, both cities are faced with the need to redevelop housing and revitalize neighbourhoods on the periphery, and both are seeking intensification in the core, within a context of increasing privatization and neoliberalization.

There is thus a great deal that a city like Toronto, with a growing population and a real need to improve its housing stock – particularly its affordable rental housing, much of which is concentrated in peripheral areas – can learn from a city like Leipzig. Toronto shares with Leipzig the perception that its peripheral tower neighbourhoods are a problem; a perceived need to redevelop its urban fabric in order to improve quality of life; and fiscal and political constraints that channel those redevelopment efforts in particular directions that may run counter to the goal of making the city more livable for all its residents. Planners and policy-

makers in Toronto and the GTA can learn from the challenges that Leipzig has had to face in revitalizing both its inner and outlying neighbourhoods, as well as some of the successful actions that have been taken in Leipzig to renew the urban environment even in the absence of economic growth.

One of the most important lessons, however, may be the fact that redeveloping and revitalizing the built environment is not sufficient to achieve social goals such as equity. Leipzig and other East German cities have pursued redevelopment in the form of demolition targeted at specific districts and specific housing types, typically on the urban periphery, as a solution to the social and economic problems that result from a shrinking population. In Leipzig, a majority of the plans for redevelopment and the available funding have been aimed at reducing the over-supply of the housing stock, and many of the influential private sector actors, including banks, property owners, and investors, have been motivated to support these plans because they stand to benefit financially. As a result, there has been a significant transformation in the city's built environment, but these have not resulted in better socio-economic circumstances for all residents.

In Leipzig, as in Toronto, redevelopment strategies often emphasize private sector involvement in various ways. Research into housing policy in Leipzig, for example, demonstrates that although a high percentage of the city's housing stock is rental, redevelopment policies in targeted areas have emphasized conversion to owner-occupied

Photo: Gwen Potter

Photos: Josh Neubauer

housing or the construction of new private homes. Leipzig, like Toronto, has also engaged in 'growth promotion' strategies to make it more 'competitive' relative to the surrounding urban region; these strategies are typically aimed at attracting 'creative' industries to the city both directly, by investing in the necessary infrastructure and services, and indirectly, through redevelopment to make the urban environment more pleasant for workers in those industries. The difficulty with these strategies is that they give preference to the interests of people and businesses who do not live in the city, rather than the interests of its residents.

Grünau's modification of these newly created open spaces displays their ability to think of creative and cost effective solutions to urban problems through a transformation of such negative phenomena as shrinkage and loss of density. This process transforms landscapes of demolition into opportunities to improve both quality of life and environmental quality. The green spaces in Grünau are very different from Toronto's tower neighbourhoods, both in their current condition and in the challenges that they face. Grünau lacks the development pressures present in Toronto and has been able to maintain high standards for its green spaces. Despite the differences, Toronto should learn from Grünau, where availability of open space is seen as an asset. That perspective, and the strategies for open space improvements that have been explored in Leipzig and Grunau should be applied in areas of Toronto where post-war apartment neighbourhoods are not subject to growth pressures.

The emergence of Flexspace in Leipzig indicates that peripheral urban form and economic structures are changing in cities of both growth and decline. The desire to attract large corporations as places of employment in small and medium sized cities is evident in both European and North American examples. This change to the economic structure of cities differs from traditional economic structures which were characterized by the location of industrial and corporate employment in city centres. The similarities present between Leipzig and the Greater Toronto Area indicate that peripheral, highway adjacent, dispersed employment relocation is not a place specific change to the urban structure but is a broader trend that punctuates the changes to the fundamental urban fabric, one that can no longer be characterized only as urban and suburban.

It must be kept in mind that growth and shrinkage occur simultaneously. Although Leipzig has, overall, experienced a shrinking trend in both its population and its economy, this shrinkage has been unevenly distributed through space, with growth in some neighbourhoods and shrinkage in others. Toronto is a growing city, but like Leipzig, its growth has been uneven. A key finding is that many of the strategies employed by Leipzig to cope with shrinkage are similar to those employed by growing cities like Toronto.

Photo: Nishanthan Balasubramaniam

RECCOMMENDATIONS

1.

Open space should be seen as an asset in and of itself, rather than as a drawback or as a development opportunity. Strategies to improve open space through community management, interim public use, and re-naturalization where appropriate can transform over-grown and under-used green spaces into social and ecological assets for neighbourhoods. These possibilities are particularly salient for Toronto's tower neighbourhoods, where discussions around open space centre on the notion of 'highest and best use'.

Photos (Left to Right): Christine Furtado, Josh Neubauer, Christine Furtado, Christine Furtado

FOR DEVELOPING CITIES

2.

    Planners must be cautious in supporting the attraction of 'creative' industries and workers as a means of revitalization. Even in a city like Leipzig, where there is an ample supply of affordable housing despite consolidation under Stadtumbau Ost, the risk that this type of revitalization will lead to gentrification and displacement is low, but it can increase social polarization in the city. In a city like Toronto, an emphasis on the promotion of these industries as a mechanism for urban renewal is likely to produce a more exclusive, less equitable city.

RECOMMENDATIONS

1.

Universal notions amongst both policy makers and the public that growth contributes to successful and healthy communities fails to consider the social and spatial implications of perpetual growth. The creation of sprawling urban form and infrastructure does not contribute to the creation of socially, economically, or environmentally sustainable communities.

Photos (Left to Right): Gwen Potter, Dan Godin, Josh Neubauer, Josh Neubauer

FOR POLICY MAKERS

2.

Those sections of plans that seek to guide growth (or shrinkage) are often implemented through investment decisions undertaken by the private sector. In formulating policy and considering the implementation of plans, governments should take into account factors that influence the spatial distribution of these investments. The purpose of gaining such knowledge is two-fold. On the one hand, it more closely aligns policies that seek to guide private investment with the actual potential for its realization. On the other, and perhaps more importantly, an understanding of why private investment does not occur in certain areas, despite being planned for, may necessitate a reappraisal of the notion that private investment is wholly a substitute for public investment.

RECOMMENDATIONS

3.

The existence of a duality between home ownership and rental sector in housing policy is present in both Leipzig and Toronto. More policy direction is needed to counter the biases toward owners and owner-occupied housing in order to give renters equitable access to quality housing. In Grünau, as in Toronto, 'prioritized', and 'stigmatized' communities with some of the city's most affordable housing stock have been demolished and residents have been displaced with minimal public assistance or guidance. More concentrated attention, through programs and policies should be given to these residents, including those most vulnerable (such as seniors, new immigrants, etc.) to find adequate alternative housing options.

Photos (Left to Right): Josh Neubauer, Dan Godin, Gwen Potter

4.

Ample amounts of funding capital through joint efforts, but mainly through federally assisted programs went into repairing and renovating the existing physical infrastructure of the existing housing stock which was seen to be in poor living conditions in Leipzig. Toronto would greatly benefit from similar funds allocated to its rental stock.

RECOMMENDATIONS

1.

While restructuring may occur in different spatial patterns, planning for change (or stability) is necessary in order to prevent potential economic and demographic shock. Strategies to counteract suburbanization have led to inward growth in Leipzig. The promotion of cost effective housing options and government intervention can create spatial and demographic change in target neighbourhoods.

2.

Strategies of economic growth and consolidation or intensification of the built environment are not in themselves sufficient to improve resident quality of life in the absence of adequate social infrastructure. Social planning must be an integral part of the redevelopment process, particularly in neighbourhoods where significant segments of the population have been marginalized and stigmatized.

Photos (Left to Right): Gwen Potter, Josh Neubauer, Josh Neubauer, Sara MacDonald

FOR PLANNERS

3.

The introduction of new actors at multiple levels can bring forward new perspectives as well as new funding opportunities to the planning process, but can also introduce conflicting goals and override local needs. The "hodgepodge" of urban renewal in Leipzig demonstrates the importance the planner can play as an advocate for policy that meets the immediate needs of communities. The Neighbourhood Manager program offers an alternative mechanism, through which local needs can be identified and communicated, provided it receives adequate resources and attention.

4.

Planners can and should proactively seek out input from developers, businesses, and landowners as well as community organizations and individual residents, but cannot privilege the needs of one group over another. In a governance context with multiple actors, however, some of whom have greater political or economic influence, they may be forced to do so. Broad community participation can offset this, but only to the extent that municipal decision-makers heed it.

RECOMMENDATIONS

5.

Participatory urban planning can be creative and collaborative instead of oppositional and conflictual, as is illustrated by the Heizhaus and Haushalten in Leipzig. In Toronto this has been done inconsistently and informally in some cases, such as Dufferin Grove Park; the city should encourage similar bottom-up community initiatives in a consistent and empowering manner.

6.

Not only is economic development spatially uneven, this uneveness is often differentiated by economic sector. The promotion of economic development through a discourse of regional competition should therefore refrain from conflating sites of consumption with sites of production. To not do so runs the risk of publicly masking the particular qualities of uneveness and its attendant effects.

Photos (Left to Right): Nishanthan Balasubramaniam, Gwen Potter, Josh Neubauer

7.

Place promotion inherently involves the privileging of distinct areas of a city or region over others. Furthermore, place promotion is almost solely focused on bringing investment/consumption to these particular areas. Therefore, it should not be mistaken as a city- or region-wide panacea. However, stigmatization and marginalization can be overcome through resident involvement in place-promotion strategies aimed at inhabitants, rather than outside capital interests or tourists.

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