

Excerpt from: Co-producing the Cities of Tomorrow: Fostering collaborative action to tackle decline in Europe's shrinking cities (Schlappa, H. 2017)

Co-Producing the Cities of Tomorrow: The case of Altena

Introduction

The importance of local collaboration in European policy has been growing continually since the 1980s when partnerships between public, private and third sector organisations were first promoted through LEADER to tackle complex rural development problems (Soto et al., 2012). The URBAN programmes then successfully applied the partnership principle in urban regeneration contexts during the 1990s and into the new millennium (European Commission, 2000, European Commission, 2002, European Commission, 2007). Such 'top-down' initiatives which promoted integrated and sustainable urban development at supra-national and national levels were completed by local 'bottom-up' initiatives such as the Acquis Urban, the Leipzig Charter and more recently the Toledo Declaration, thus embedding concepts of 'partnership' and the 'integrated approach' firmly in local, national and European urban policy. The Cities of Tomorrow report (European Commission, 2011a) builds on these developments to make a coherent case for investing in growing as well as declining urban areas over the coming programming period, reflecting the principles of the CLLD policy which encourage bottom-up strategy development and the utilisation of local resources, skills and assets (European Commission, 2014a). When taken together with the proposal to set aside a minimum of 5% for sustainable urban development from the €325 billion structural funds budget (European Parliament, 2013) urban policy is likely to attract substantial resources during the 2014-2020 programming period.

While the resources that will be flowing into cities over the coming years provide a good opportunity to advance bottom-up, integrated and sustainable urban development initiatives, slow economic recovery and ongoing fiscal austerity across Europe raise questions about which cities can realistically be expected to generate growth on a scale that would make a significant contribution towards achieving the Europe 2020 Strategy goals. Established policy rationales for smart, sustainable and inclusive growth (European Commission, 2014b, European Commission, 2010) do not seem to take account of cities which can offer only very limited scope for growth as a cursory review of objectives of the structural funds suggests. For example, we find no explicit reference in the regulations to cities affected by demographic change and population decline although it is now recognised that the long term

development trajectory of Europe's shrinking cities is primarily determined by declining birth rates and population loss (Tosics et al., 2011, Reckien and Martinez-Fernandez, 2011). With the current policy discourse so resolutely focused on 'growth' many cities with poor growth potential are in danger of losing out in the competition for resources from the structural funds and will fall further behind. Apart from the direct socio-economic consequences a lack of investment in declining cities would have for a large proportion of the European population, we should be weary of weakening the capacity of shrinking cities to create integrated and collaborative initiatives which has been built up incrementally over the past 30 years. As the experience from LEADER, URBAN and other urban renewal initiatives shows, having the capability to work through partnerships and across institutional and societal boundaries is essential to facilitate sustainable change in contexts that are characterised by social, economic and environmental decline. This capability therefore should be nurtured if we are to assist Europe's shrinking towns and cities in tackling the ongoing socio-economic decline they encounter.

Drawing on the concept of co-production and a case study from a recent knowledge exchange project supported by URBACT (Schlappa and Neill, 2013) this paper shows how public agencies and citizens can create tangible service improvements within the context of continuous shrinkage and severe resource constraint. Following a discussion of the advantages associated with the application of co-production principles to tackle urban decline, the paper then advances the argument that practical support for shrinking cities can be provided through existing funding and knowledge exchange programmes. and concludes with an agenda for policy and research to promote and explore the processes associated with co-production in the context of urban decline.

Key challenges for shrinking cities

Increasing numbers of cities in Europe and elsewhere are losing out in the fight for investment and growth, finding themselves on the sidelines of global shifts in production and consumption. This is the central argument of the recently published OECD report on demographic change and shrinking cities which is based on a wide range of case studies from across the globe (Martinez-Fernandez et al., 2012b). The picture that emerges from this and earlier global studies (UN-HABITAT, 2008) is that large cities will continue to attract financial and social capital which will facilitate their continued growth, while many small and medium sized cities will begin or continue to decline (Pallgast et al., 2013, Martinez-Fernandez et al., 2012a). Latest research suggests that shrinkage tends to be driven by a combination of demographic change, economic transformation, sub-urbanisation, political

upheaval and environmental pollution, but the dynamics and impacts resulting from these drivers vary widely and are poorly understood (Wiechmann and Wolff, 2013).

While the debates on the definition of shrinking, declining or stagnating cities are ongoing (Pallgast, 2010, Pallgast et al., 2013, Großmann et al., 2012) there is some consensus that in Europe the proportion of small and medium sized cities caught up in spiral of socio-economic decline has been on the increase for several decades (Haase et al., 2013, Bontje and Musterd, 2012a, Bernt et al., 2012). Using the definition of urban shrinkage developed by the Shrinking Cities International Research Network (SCiRN) and the COST Action Cities Regrowing Smaller (CIRES), Wiechmann and Wolff (2013) show that almost half of Europe's cities, which are home to one third of Europe's population, are shrinking. Their comparative analysis of spatial distributions of growth, stability and decline between 1990 and 2010 comes to the following conclusion: *"This overview of shrinking cities in Europe provided in this paper clearly demonstrates that urban shrinkage is an incontrovertible and increasingly important fact as well as a major challenge for future urban policies and urban research in Europe. ... It proves that shrinking cities can be found in 33 out of 37 countries in Europe and that today a substantial part of cities of all sizes shrink."* (Wiechmann and Wolff, 2013, p. 16)

Many scholars warn that without targeted action the number of urban settlements where local and regional governments are unable to gain control over socio-economic and physical decline will continue to grow, together with the associated effects of unemployment, social polarisation, exclusion and poverty. Academics working on the CIRES project argue that *'in Europe we are dealing with islands of growth in a sea of shrinkage'* (Wiechmann, 2012, p.40), and suggest that decline rather than growth is the most likely 'development' trajectory for many European cities (Bontje and Musterd, 2012b, Bernt et al., 2012, Mykhnenko, 2005). In drawing together contemporary research on shrinking cities Großmann et al. conclude: *"Shrinkage will not disappear from Europe's urban picture; on the contrary, given the global demographic change and the local dynamics of the global economy (and of global crisis effects), it is very likely that urban shrinkage will become an even more widespread phenomenon in the near future."* (Großmann et al., 2013, p.224, parenthesis in original)

Despite a rapidly growing number of studies which show that urban shrinkage is continuous and wide spread in Europe, many policy makers and practitioners still consider urban shrinkage as a localised and temporary problem. In an earlier study Wiechmann shows that the administrative systems and strategies in shrinking cities persist in remaining solely growth oriented with decision makers believing that strengthening economic competitiveness and aiming for demographic growth are the best ways of arresting or reversing the shrinkage

process (Wiechmann, 2003). Many scholars argue that such attitudes need to change because a market led recovery of cities in decline cannot be relied upon. They suggest that EU policy needs to provide an explicit focus on the needs of shrinking cities (Bernt et al., 2012, Wiechmann, 2012) and that public agencies must develop their abilities to engage local stakeholders to collaboratively develop viable forward strategies (Martinez-Fernandez et al., 2012a, Haase and Rink, 2012, Hospers, 2012).

While the effects of shrinkage are similar to those found in neighbourhoods which are typically the target of urban regeneration interventions concerned with poverty, inequality and segregation, the causes and dynamics of urban shrinkage raise questions over the effectiveness established approaches to regeneration might have in the context of long term decline. This is because historically regeneration initiatives are based on assumptions that 'growth' can return in some way and this does not reflect the reality of long-term decline shrinking cities encounter. Is it realistic, for example, to expect actors in shrinking cities to share their diminishing resources in collaborative ventures if the most likely trajectory is a continuation of declining revenues and a further reduction of strategic choices that are available to them? Large scale public programmes for declining urban areas, such as the Stadtumbau policies within the framework of the Soziale Stadt (BMUB, 2014), provided investment which maintained or enhanced local capacity for cross-cutting and collaborative approaches, but most cities in Europe are unlikely to be able to draw on such governmental initiatives in the foreseeable future and would benefit from more immediate, if less substantial, assistance to manage their shrinkage process.

Tackling decline by fostering co-production

Finding different ways of providing essential services within a context of constrained resources and limited strategic choice is not just a problem for cities caught up in a process of long term decline. At a time of shrinking budgets and growing social needs many cities in Europe and elsewhere are re-discovering the benefits of working with their citizens to govern, manage and deliver services in their localities (Banks et al., 2013, Macmillan, 2013, Alford and O'Flynn, 2012, Osborne, 2010). With regard to the challenges associated with demographic change and economic decline for example we are witnessing a wide range of pioneering national and local initiatives which foster collaboration between service users, volunteers, public, non-profit and commercial organisations (IBA, 2010, Loeffler et al., 2012, Haase and Rink, 2012, Bovaird and Löffler, 2012). Within EU policy we also observe an emphasis on fostering the contribution of citizens to fight poverty, unemployment and social exclusion through social innovation and social enterprise (BEPA, 2010a, BEPA, 2010b, European Commission, 2011b). However, the recognition that the magnitude and complexity

of socio-economic challenges we face require collaborative responses does not easily translate into the adoption of different practices. The literature on public service management and governance suggests that overcoming resistance to change and adapting structures and process to foster internal and external collaborative practices remain key challenges for leaders of public agencies (Brookes and Grint, 2010, Loeffler et al., 2012, Taylor-Gooby, 2013). Viewing such practices as a process of co-production in which individuals come together to jointly create a service (Pestoff et al., 2012, Farmer et al., 2012, Pestoff, 2009), rather than focusing on policy, structures, procedures and regulations, and why these might hinder the development of new collaborative practices, provides much needed clarity about the outcomes different actors desire to achieve (Pestoff et al., 2008). Co-production puts the emphasis on the practical actions partners take to improve living conditions, not the structures, regulations and policies partners invent to govern practical actions. Because the concept of co-production helps us to see beyond organisational or sectoral boundaries the focus is resolutely practical and concerned with tangible results (Pestoff, 2006). This focus on practice also provides a helpful framework for the comparative exploration of collaborative action in different national and local contexts.

The development of the concept of co-production goes back to the 1970s when Eleanor Ostrom described the collaboration between the police and citizens as a 'co-production of services' (Ostrom, 1975). This led to a range of studies which showed that co-production in health care, policing and education could improve service quality and reduce governmental spending at the same time (Brudney and England, 1983, Parks et al., 1981, Levine, 1984, Levine, 1985). There is now a rapidly growing body of literature which employs the conceptual lens of co-production to explore collaboration between public agencies, citizens and civil society organisations in the provision of welfare and health care services, poverty reduction, crime, housing, education, infrastructure maintenance and more (Verschuere et al., 2012). Central to the theory on co-production is a simple notion, namely that co-production is "*... the mix of activities that both public service agents and citizens contribute to the provision of public services. The former are involved as professionals, or 'regular producers, while 'citizen production' is based on voluntary efforts by individuals and groups to enhance the quality and/or quantity of services they use.*" (Parks et al., 1981, p.1002).

While some practitioners and policy makers appear to use the terms co-production and partnership synonymously (Schlappa and Ramsden, 2011), there is a robust conceptual framework that allows us to apply co-production to different stages and levels of service provision. Pestoff, Brandsen and Verschuere (2012) distinguish between co-production, co-management and co-governance:

- *Co-production* refers to an arrangement where citizens produce, at least in part, the services they use themselves. This can be with or without direct involvement of government officials but must include public resources of some kind.
- *Co-management* refers to a situation where different organisations work alongside each other to manage the delivery a service. For co-management to occur, individual actors use the respective resources they control to directly contribute to the delivery of a service.
- *Co-governance* is about actors from different organisations and sectors coming together to determine policy priorities and to translate these into strategic plans for the provision of public services (Pestoff, 2012, p.18).

The opposite of co-production is 'parallel production' which occurs when services are produced by groups or organisations in ways which do not involve public sector organisations (Pestoff, 2006). Thus co-production conceives the provision of public services as a process which brings citizens as individuals or groups together with public sector organisations to jointly create desired services and service outcomes. To make sure that such acts of co-production then do not remain isolated incidents, citizens need to participate in co-management and co-governance process as well.

The following case study of the small German manufacturing town Altena, located on the edge of the Ruhrgebiet, illustrates how the problems associated with long term urban shrinkage can be tackled by fostering co-production. This case study is based on a recent URBACT project which explored practical responses to urban shrinkage in Europe (Schlappa and Neill, 2013).

The Case of Altena

Altena's history as a mining and manufacturing town stretches back over several centuries. The town's prosperity peaked during the 19th and early 20th century but from the 1970s onwards Altena started to lose large parts of its industries. Between 1974 and 2012 the number of jobs had declined by almost 50% and the population shrank from 32,000 to 18,000. The municipality expects to continue to shrink by 1.5% - 3% each year over the next 20 years, reaching an 'equilibrium' at around 12,000 residents in 2030. The ongoing loss of economically active residents and jobs has resulted in rapidly falling property values, reduced municipal revenues, deteriorating services and physical infrastructures.

Facing up to denial

Since the 1960s Altena was run by administrations which pursued policies based on the assumption that shrinkage process will be reversed at some point in the future. Infrastructure and services therefore needed to be maintained as best as possible until growth returned. When at the end of the 1990s a new administration came into office achieving growth was no longer a credible strategic objective, instead the reduction of services and infrastructures became the immediate strategic priority. Despite clear evidence and rational arguments for the downsizing of services and infrastructure, the new mayor struggled to 'open the eyes' of citizens to the reality and persistence of shrinkage. Any reduction of service levels and in particular the closure of facilities such as the swimming pool, schools, libraries and nurseries were met with fierce protest from residents.

For the regional government Altena was a low priority and scarce national and European investments were channelled into the larger cities within the region which had better growth potential or higher concentrations of need, or both. A communications strategy aimed at raising Altena's profile as a city in need of support and which emphasised that Altena was the city with the highest degree of population loss in Germany did not unlock additional resources, neither did it change the attitudes of local citizens. When the mayor used a prime-time television broadcast to describe Altena as a city with no hope of ever regaining its former economic prosperity the citizens of Altena were outraged. They felt betrayed - their leader had 'accepted defeat'.

The municipality continued with acrimonious closures of local facilities while the mayor continued to tackle deep rooted denial about the reality of shrinkage among local politicians, officials and citizens. Reducing the size of the municipality to the legally required minimum of staff and taking symbolic actions such as replacing the mayoral Mercedes with a VW Polo did demonstrate that public agencies and officials were not insulated from the consequences of responding to shrinkage and decline. However, the measures taken did little to halt the shrinkage process: economically active families left the city if they could, retailers closed their shops and more homes stood empty.

Co-producing strategy

This period, marked by lack of dialogue about possible alternatives between citizens and municipality, came to an end when in 2005 the Bertelsmann Foundation sponsored a research project designed to explore how small cities could address the challenges associated with an ageing population. Between 2006 and 2008 a wide range of analytical and envisioning workshops were held to explore active ageing in Altena. This project

generated a wide ranging public debate which, once started, went far beyond its original purpose and began to explore what the people of Altena could do themselves to improve their situation. Officials, politicians and citizens used this project to create a platform for strategic planning and to re-envision the future of Altena where the quality of life would improve through measures that directly responded to shrinkage but which were different from those tried in the past. This require a change in the mindset of local actors, away from ideas about strengthening economic competitiveness and reversing population loss and towards finding ways of controlling and if possible benefitting from the shrinkage process. For example, older people remained at the centre of this strategy, but rather than being seen as a problem and burden on the public purse, older people were now perceived as having a key role in reversing the fortunes of Altena through the skills and resources they had control over.

After two years of deliberation, debate the city put forward an integrated development concept with almost 300 actions which were focused on managing shrinkage and creating new choices. The principle underpinning this strategy was that citizens had to contribute in some way to the services and improvements they wanted to see. The extent of collaborative action in strategic planning and implementation was unprecedented and ongoing. In 2011 Altena was awarded the highly coveted Martin Leicht Preis for Urban and Regional Development (Stadt Altena, 2011) for their collaborative and cross-cutting strategy. This provided confirmation for municipality and citizens that they were on the right track to develop actions that could deal with the spiral of decline Altena found itself in.

Co-producing services and physical improvements

The vision of Altena's future shifted away from ideas that could re-create the kind of economic growth that had brought jobs and prosperity in the past and focused on changes that could be achieved with the resources local agencies and citizens had control over. One of the top priorities in this new vision was to encourage volunteering and to revive the local voluntary sector networks which had been starved of resources for years. The local volunteer exchange bureau was given office space and modest resources to connect volunteers with people in need of support, such as shopping, transport or home maintenance. Combining funding for small projects with access to municipal buildings enabled citizens to provide arts and fitness classes, healthy living and falls prevention workshops, after-school clubs, youth and sport clubs and more. Decisions on what do, where and how were taken collectively between public agencies and residents. Although not free from tensions and conflicting ideas, citizens and officials joined their resources and expertise to co-manage and co-produce service outcomes both parties desired.

A pivotal project which consolidated collaborative relationships between municipality and citizens was the pedestrianisation of a central area of the town. Improvements to roads along the river had been in the planning stages for many years, but the lack of funding meant that project proposals were rolled forward periodically. In the newly found spirit of collaborative action the municipality purchased the building materials, arranged for road closures at weekends and called on the people of Altena to 'get their hands dirty'. Staff of the municipality, including the mayor, worked alongside traders and residents over several months to create a new pedestrian area in the town centre. Where in the past it seemed impossible to achieve improvements through established contracting and funding procedures, this project demonstrated successfully that budgetary as well as regulatory frameworks could be 'stretched' to accommodate new ways of working which generate tangible improvements.

Co-producing economic development

Collaborations with residents also extend into economic development initiatives. This included the establishment of a mini supermarket in a neighbourhood where the last retailer closed in the 1990s. The supermarket is owned by residents of the neighbourhood which it serves who are the share holders. The municipality acts as a guarantor to manage commercial risk in the early stages of the enterprise.

Utilising existing natural and cultural resources formed another part of the economic development strategy. Altena has a range of locational assets for which an earlier URBACT project, that explored urban shrinkage and demographic change, coined the term 'unpolished diamonds' (OP-ACT, 2012, Schwedler, 2012). One of these assets is the river Lenne which was obscured by structures designed to control seasonal flood waters. Using resources destined for the maintenance of flood defences a number of low cost projects were implemented which opened up new vistas and provided pedestrian access to the shore line. This in turn encouraged local entrepreneurs to set up two new cafe's along the river front.

The second 'unpolished diamond' was the medieval Altena castle, located on cliffs above the town. Each year the castle receives approximately 100,000 visitors, but only about 5,000 of them find their way into the town centre because the roads that serve the castle bypass Altena. The strategy process that had started with a focus on older people resulted in a complete re-think of how the castle could be used to generate benefits for Altena. Instead of creating a 'rival' attraction in Altena, which required heavy investments in infrastructure that

could only be realised with governmental support, the idea of building an elevator into the cliff face emerged. In collaboration with a private investor and local residents the municipality was able to create this facility at no financial cost to itself. The elevator opened in spring 2014 and now takes visitors from the castle directly into the town centre. This project is now spawning other developments, such as plans for an 'arts village' based on the pop-up-shop concept. Here local groups, charities, artisans and producers would utilise empty shops and other premises which the municipality makes available to them at no or very low rents.

These and other initiatives which cannot be explored here are showing the first signs of having a wider impact on Altena. The domestic property market is pointing to a growth in sales for the first time in decades, and in 2013 the city recorded the first increase in the number of young adults in thirty years: there were an additional five people between 25 – 30 years of age in Altena, a small increase but above the national average for cities in Germany. Citizens also seem to agree with the strategic approach taken to address Altena's decline; they re-elected their mayor for a fourth time in May 2014.

Discussion

The case of Altena is characteristic for shrinking cities across Europe and elsewhere in that industrial re-structuring eroded the economic basis to such an extent that after a relatively brief period of decline the city is left struggling to establish a new rationale for continued existence in its current form. Altena also reflects other research findings which show that administrations remain resolutely focused on growth in the face of ongoing decline and that the development of alternative models or strategic perspective on how shrinkage can be tackled requires a 'paradigm shift' among decision makers and local stakeholders (Pallagst et al., 2009, Pallagst and Wiechman, 2005). What makes Altena an interesting case is that the collaboration between public, private and civil society actors unlocked strategic choices which were based on the capabilities and resources local actors can draw on. The ways in which services were produced, managed and planned also reflects the principles of co-production, co-management and co-governance which provide clear categories for the application of co-production theory to practical processes. Furthermore, our case illustrates how the constraints of continued shrinkage can become a lever to overcome deep rooted barriers to change and the development of innovative and inclusive strategies for improvements (Osborne, 2000, Alcock, 2004, Gazley and Brudney, 2007). Hence shrinking cities provide a context in which collaborative strategy, management and service provision can and should be fostered to tackle long-term decline.

However, the literature on regeneration practice, which spans nearly forty years, shows that cities tend to use time limited funding to experiment with new approaches to job creation, transport, housing, education, social inclusion and so forth by 'bolting them on' to existing structures and processes. One of the consequences is that strategy, governance and service delivery continuing much as before once time limited funding runs out but many municipalities end up with additional projects that draw on already limited resources (Wilks-Hegg, 2000, Syrett and North, 2008, Taylor et al., 2007). This is not an option for shrinking cities. Rather than investing in new initiatives and maintaining institutional capacity to do different things, shrinking cities need to shed commitments and utilise their diminishing resources to do things differently. Overcoming denial of shrinkage, both among local as well as regional or national stakeholders, would seem to be the first step in clearing the way for new thinking and practice. However, making citizens and policy makers face up to the reality of shrinkage can be very difficult, as the case of Altena illustrates. In part because the instinctive reaction that 'healthy cities always grow and only unhealthy cities shrink' (Hollander et al., 2009) creates a stigma which carries mainly negative connotations. Hence it is easier to create initiatives designed to engender development and promise prosperity at some point in the future than to propose reduction, limitation and constraint. Investing in the development of successful role models of managing shrinkage should therefore be a priority for national and European policy makers. In particular policy instruments subject to CLLD principles should be used to assist in the development of alternative perspectives on urban 'development' and support shrinking cities in the fight for resources they need to develop and sustain their capacity to tackle long-term decline.

A cursory review of current structural policy suggests that shrinking cities face formidable barriers in relation to national and European policy frameworks because the resolute focus on growth does not encourage shrinking cities to address denial and face the reality of long-term decline. Instead we can expect that cities will endeavour to maintain an appearance of having potential for 'growth' to enhance their chances of securing some of the resources available through the Europe 2020 strategy. Thus we might see proposals for new transport links or industrial parks which are unlikely to reverse decline or, in the worst cases, new resources might be used to maintain existing institutions, infrastructures and services instead of adjusting them to a declining population and economy. While the Europe 2020 strategy is unlikely to prioritise investment in shrinking cities, it does offer scope to engage them in projects where the focus of investment is on '*doing things differently*' rather than '*doing different things*'. As previous strategies of dealing with decline have not worked, new ways of managing and 'developing' a shrinking city must be found. Co-production provides a useful conceptual framework to determine whether and to what extent municipalities are

facing up to the challenge of reforming their administrative, governance and strategy processes in ways which address problems in collaboration with citizens and other local stakeholders. The case of Altena suggests that such reforms do not require significant external investments, but the drawn-out and painful learning process illustrated here can perhaps be shortened somewhat by targeted capacity building and investments to assist a city in finding ways to 'shrink smart' (Bernt et al., 2012).

It is of course not realistic to expect that municipalities and citizens will simply transform existing processes into a co-productive system of governance, management and service delivery because they accept the reality of decline. Citizens require support to move from the articulation of individual or collective needs towards effectively contributing to strategy and the delivery of tangible services (Crosby and Bryson, 2005, Crosby et al., 2010, von Hippel, 2005). Service professionals and politicians, on the other hand, need to develop their capabilities to engage in co-productive relationships (Huxham and Vangen, 2005, Brookes and Grint, 2010, Bovaird and Löffler, 2012, Loeffler et al., 2008, Loeffler et al., 2012). Alford (2012) identifies a range of attributes public officials would need to have in order to provide services in a collaborative way:

"Thus (public sector) representatives need to be skilled negotiators who can manage and resolve conflict; who can exercise influence without formal power; who can understand relationships and can manage these effectively through the development of shared goals, trust and empathy; who have the savvy to navigate environments with dispersed power configurations; and who work across cultures – a demanding list indeed." (Alford and Flynn, 2012, p.241)

Although cities in decline may have very limited resources to experiment with the development of new ways of managing services and resources, the pressures that have built up through the shrinkage process might be a lever to overcome institutional barriers to collaboration with local communities and across different societal sectors and organisations. Encouraging the leaders of shrinking cities to adopt a co-production perspective is unlikely to be sufficient however, they need practical support. At these times of continued and severe budgetary austerity it seems important to work on the development of tools which facilitate the creation of initiatives that are based on the existing capabilities and resources local actors have access to and can control. While this does not remove the need for the development of policy that specifically deals with urban shrinkage at national and European levels, the suggestions put forward here would provide some immediate support for the many European cities caught up in an ongoing spiral of decline.

Implications for research, policy and practice

There can be little doubt that shrinking cities need help to tackle the problems they face, the question is how can they be supported to 'shrink smart'? Some assistance is available through existing models and tools which were developed over the past 40 years. Hence investments through the structural instruments should be used to enhance and consolidate the capacity of shrinking cities to apply principles of integrated and sustainable regeneration. However, adapting effective integrated regeneration interventions is the key challenge here because the assumptions underpinning much of what we know to be effective interventions are based on the notion that economic competitiveness needs to be enhanced. Not only must policy makers at all levels be alert to ensure that shrinking cities are not left further behind when difficult decisions are made on where to prioritise investment. They must also be wary of proposals which add to, rather than reduce, the commitments municipalities have. Finding ways of shrinking smart requires innovation and for a city in decline the most important resource are its citizens, its professionals and entrepreneurs. Municipalities cannot build the cities of tomorrow on their own, and if the market cannot be relied upon to address the causes and consequences of urban decline then developing the capacity of public officials and citizens to engage in co-productive actions should be an immediate priority for national as well as European urban policy.

There is also a need to develop case studies and role models which demonstrate how shrinkage and decline can be tackled effectively. The wealth of case studies, practical tools and guidance on collaborative regeneration practice which resides within networks such as URBACT (www.urbact.eu) , Eurocities (www.eurocities.eu) or the European Urban Knowledge Network (www.eukn.org) could be used immediately to provide assistance for shrinking cities. What is lacking at present is a systematic review of the existing evidence base and a classification of good practices which show how cities can tackle shrinkage. Smaller cities, which make up the majority of urban settlements in Europe and which also seem to be suffering in large numbers from urban shrinkage, should be a priority in the development of case studies through which effective practice is illustrated.

Another priority for European policy at this time of unprecedented budgetary austerity should be the transfer of effective practice concerned with the involvement of citizens in the provision of publicly funded services. As the conceptual lens of co-production focuses our analytical gaze on the actors who co-produce we can detach ourselves from a discourse about institutional differences, so often the excuse for not pursuing a transfer of effective practices between countries or even within the same nation state. By focussing on the

practice of co-production we are led towards a discourse on competencies, capabilities and behaviours – all of which are imminently more transferable than suggestions for organisational, regulatory or policy change. More work on the exploration of good practice transfer is required, particularly in relation to smaller cities affected by decline and shrinkage. Not only because they tend to lack resources to engage knowledge exchange networks but also because they do not seem to attract the attention of researchers or funders that larger cities do.

The pressure to renew and innovate local governance and service provision shrinking cities encounter makes them promising locations to advance our understanding of the co-production process. Taking in account that current gaps in knowledge are primarily concerned with the motivations and the process of co-production (Verschuere et al., 2012), a research agenda which would assist in up-scaling collaborative practice as a response to the challenges shrinking cities encounter should include:

- Refining the concept of co-production in relation to urban strategy development and implementation;
- Exploring the competencies and motivations which underpin co-production involving policy makers, service professionals and citizens; and
- Assessing mechanisms with the potential to develop organisational capabilities which facilitate co-production.

A final point to be made is that consideration should be given to formative evaluations of CLLD policy implementation in the coming programming period to explore the type, scale and depth of collaborative actions that result from EU investment as projects unfold. The dissemination of such emerging findings from CLLD supported initiatives, together with enhanced capacity development initiatives such as the proposed URBACT III, would be a significant step towards supporting European cities which have to focus on managing decline rather than growth.

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