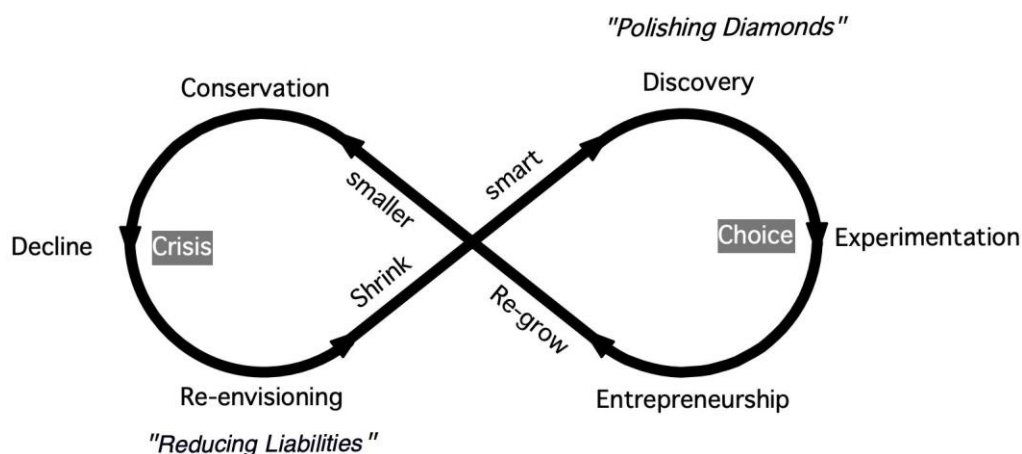


## From crisis to choice

Excerpt from: Schlappa & Nishino (2021) Addressing urban shrinkage in small and medium sized towns: Shrink smart and re-grow smaller, Emerald

Urban development can be understood as a cyclical process, with periods of growth and decline that reflect local, regional, national and global developments. But urban strategy and government policy more generally promote the notion of continued growth as the foundation of prosperity. Hence even where urban development is seen as cyclical, rather than linear as is the case in many global cities, each phase of decline must be followed by a phase of re-growth. This is not a realistic perspective for a significant proportion of urban settlements around the globe that are not growing, have not grown for long periods and are shrinking. We have also argued that decline can be ongoing if it is not abated by strategies that aim to shrink smart, reducing financial liabilities and risk. New initiatives maybe 'grown' but are unlikely to lead to a return to previous levels of population or prosperity, hence the town is likely to re-grow smaller.

The model below builds on ideas from (Hurst, 1995) and (Mintzberg, Ahlstrand, & Lampel, 2009, p.340 ff) who argued that for any institution to survive its strategic outlook must embrace decline and loss as much as development and innovation. The idea that our social world is in an ongoing cycle between crisis and renewal reflects arguments of 'creative destruction' (Schumpeter, 1934) which stress the need for accepting that strategic capabilities which generated prosperity in the past must at some point be replaced with new ones. Building on these arguments we have developed a model that encourages us to think about the growth and decline of towns as a cyclical, dynamic process.



Cycle of decline and development

Shrinking towns and cities find themselves on the left of the cycle. New investments seem to preserve strategic capabilities rather than create new ones. Decline proceeds as strategic choices for improvements are diminishing in a context of ever increasing resource constraint. Local leaders and citizens struggle to make sense of the failure of their attempts to improve the current situation but lack the vision of what a more prosperous future might look like. SMTs which find themselves at this point in the cycle need to try and find ways to shrink smart, reducing their liabilities for oversized services, surplus infrastructures, buildings and land, while at the same time setting in motion a process of re-envisioning a future that makes a realistic promise of what a better future might look like. While shrinking smart is about difficult choices and tough management decisions, re-envisioning is best characterised as collective learning that draws heavily on the contribution of inhabitants and local businesses. There are a number of techniques available to undertake such explorations, for example community scenario planning (Pallagst et al., 2009; Waddell, Boming, North, Becke, & Ulfarson, 2003) or planning for real and Charrette workshops as methods which engender public participation (Anderson, Fiebe, Johnson, & Sabia, 2010; Parham, 2011) and the planning profession is adapt at using participatory techniques to develop strategic approaches to complex spatial, social and economic issues (Bishop, 2015; Laws & Forester, 2015).

Discovering unpolished diamonds opens up new strategic choices which can be exploited by local entrepreneurs to support the town re-grow smaller. Social innovation (Mulgan, 2007, 2010) and social enterprise (Defourny & Nyssens, 2008) are among the core ideas associated with contributing to the 'public good' which have capacity to alter established structures and create new collaborative alliances (Radnor, Noke, & Johnston, 2013). Over time competition and availability of resources will lead to a selection of locally appropriate facilities, services and the organisational or governance processes most suitable for them. These processes are essentially 'growth' but not in the commonly understood meaning of the town getting bigger or more prosperous. Hence, we are using the term 're-grow smaller' to emphasise that re-growing is aimed at improving the quality of life which may lead to, but is not primarily about an economic improvement of the status quo.

The challenges associated with the development of innovative, locally appropriate strategic responses to shrinkage should not be underestimated, in part because individuals who lead local institutions have most likely not received much training to define outcomes, time frames, resources and targets for interventions that are not aimed at economic growth. Given the limited resources available to SMTs, mobilising public, civic and business leaders to re-envision their local future is crucial for generating new choices that can be explored and exploited as the town renews itself. Learning how to shrink smart and 'polish diamonds' is part and parcel of re-growing in new ways, most likely smaller.