The “Perforated City:” Leipzig’s Model of Urban Shrinkage Management
Daniel Florentin

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Keywords: Leipzig, shrinkage, urban regeneration, image management, conflicts

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territorial competition and polarisation. This case study is based on empirical research, including interviews with actors involved in shrinkage management, and an analysis of statistical data. It concludes that Leipzig’s image-based strategy could be, like Maya’s veil, a decoy aimed at hiding lack of influence and financial power to achieve the aim of managed shrinkage.

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The “Perforated City:” Leipzig’s Model of Urban Shrinkage Management

By Daniel Florentin

Abstract

Leipzig, Germany has been continuously shrinking since 1966, a phenomenon accelerated and transformed by the post-socialist transition since 1989. The term “perforated city” was created to describe a new era of cities characterized by simultaneous demographic decline and urban sprawl. Unlike other East German city authorities, such as Dresden’s, Leipzig’s decided to adapt to shrinkage and perforation at an early stage in an attempt to manage the shrinkage process and take advantage of change. City planners aimed to build the image of a dynamic, sustainable city serving as a model of urban shrinkage management. Three main axes can be identified in their planning strategy: preserving the architectural heritage, considered a trademark of the city, creating green spaces and open spaces to replace dilapidated housing estates, and supporting the creation of a micro-scale hierarchy of centres. In practice, these strategies were largely limited to a marketing campaign based on the traditional rhetoric of urban regeneration, as planners lacked the financial and legal tools to fully implement them. Some interventions lead to conflicts with land owners about land use and might further intensify social and spatial differentiations in a context of territorial competition and polarisation. This case study is based on empirical research, including interviews with actors involved in shrinkage management, and an analysis of statistical data. It concludes that Leipzig’s image-based strategy could be, like Maya’s veil, a decoy aimed at hiding lack of influence and financial power to achieve the aim of managed shrinkage.

Keywords: Leipzig; shrinkage, urban regeneration, image management; conflicts

Introduction: Leipzig’s Double Exception

The city that Goethe once envisaged as the new Paris to be is today no longer the glorious centre that the German writer imagined. But it is still an exceptional city, or rather, a city of exceptions. In this paper I shall describe Leipzig as a city characterized by two-fold exceptions, both temporal and political.
Like most East German cities, Leipzig did not start to shrink with the end of the socialist regime. In fact, urban shrinkage is an old situation in Leipzig rather than a new crisis, though it has taken on critical dimensions since 1989 and the “shock therapy” (Bontje 2004) that followed the end of the socialist regime in the former German Democratic Republic (GDR). In almost all East German cities, the transformations generated by the post-socialist transition accelerated both economic and demographic declines that were already underway (Kommission Lehmann-Grube, 2000; ACT Consultants; Bauhaus Universität Weimar 2007; Lötscher 2005). Employment scarcity provoked major outmigrations, as well as social and spatial restructuring. Approximately 1.7 million inhabitants left the former GDR between 1991 and 1999 (Glock & Häussermann 2004).

This process affected the city of Leipzig to a rather critical extent. The population has been constantly declining since 1966 (Nuissl & Rink 2004), making Leipzig an exception to other shrinking German cities, where the phenomenon is more recent. This fairly old demographic decline could account for the second exception that characterizes the city. While in other East German cities, such as Dresden, the authorities have long ignored and denied decline (Wiechmann, 2007), Leipzig’s officials decided to deal with urban shrinkage at an early stage, to accept it as a fact and convert it into a chance and an opportunity, rather than to bemoan it as a disaster. Leipzig’s originality was that it embraced its future as a shrinking city, and adopted strategies in order to make the most of it (Bontje 2004). This should have led to what is commonly called a “paradigm shift”, from an ideal of growth to the recognition of actual shrinkage (Leibniz Gemeinschaft 2007). As one member of the city planning department had it, a planned shrinkage should not be viewed as a horror scenario but as the promise of a fulfilling and attractive future, (Lütke Daldrup 2000).

Slogans such as “Neue Gründerzeit” or “Mehr Grün, weniger Dichte” were the motto and the motor of this policy of managed shrinkage, which consisted of turning shrinkage processes into opportunity and promoting Leipzig as a dynamic, sustainable city. A marketing strategy was implemented which aimed at revitalising the image of a city that had lost its centrality during the socialist period and the post-socialist transition. This work on image is no new method, but one may question whether it is suited to become the mainstay of urban shrinkage management.

Upon closer examination of the discourse underlying the marketing campaign, the traditional rhetoric of urban regeneration is found. Similarly, the strategies that aim to make Leipzig a dynamic and

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1. Especially those situated in the southern part of the former GDR (Dufaux, 1996)
2. “New Foundation Era” and also referred to the architectural era at the turn of the 19th to the 20th century
3. “Greener and less dense”
sustainable city require closer examination, especially as the word “sustainable” has frequently been misused in public discourse over the last few years. My purpose is to understand how this rhetoric has influenced the evolution of the city, especially in terms of social and spatial polarisations. My thesis is that this image-based strategy serves as a “veil of Maya,” hiding the financial powerlessness and inefficiency of the planning system in Leipzig.

To draw a balanced picture of the city’s development and assess the validity of my thesis, I combined three different kinds of analyses: a review of the academic and grey literature on the topic, analysis of statistical data, and interviews with actors directly involved in the shrinkage management process, such as members of the city planning staff, academics and researchers, politicians, housing firms representatives, and association chair persons and inhabitants.

I. Leipzig, A Perforated City: The Urban History of a Long-term Decline

Leipzig and Shrinkage: A Long Urban History

To present Leipzig as a shrinking city is to deal with an old phenomenon, which has only recently become a popular topic: as a matter of fact, Leipzig’s population has been slightly decreasing since 1933. At that time, it was over 700,000 inhabitants, whereas it hardly exceeded the symbolic barrier of 500,000 inhabitants in the 2000s. After the demographic decline of the 1960s and 1970s, yet another population decline set in when the GDR regime collapsed. Yet it was not related to the same causes. Indeed, two main phases are to be distinguished within Leipzig’s continuous decline. The first one, under the socialist regime, was of lesser magnitude and resulted mostly from three phenomena: migration to the attractive region of Berlin, low fertility rates\(^5\) and GDR planning policies that deliberately restricted Leipzig’s growth. The planning measures aimed to equally develop the national territory by curbing growth in the populated, industrial South and supporting it in some of the more sparsely populated Northern regions. This redistributive growth policy was instrumental in creating a “belt of demographic weakness” in which Leipzig was located (Dufaux 1996).

4. In Hinduism, Maya is known as the goddess creating illusion. The German philosopher Schopenhauer revisited the theme of the veil of Maya, which is to be understood as a veil of illusion hiding some elements of the reality (see The World as Will and Representation).
5. like in all GDR main cities
From Shrinkage to Perforation

But the phenomenon took on a completely new dimension after 1989. During a tremendous wave of depopulation linked to a huge economic crisis, the city population dropped by 12% within a mere 10 years. Rather than a difference in degree, this was a real change in nature.

Yet this urban evolution cannot be separated from a broader context of urban shrinkage which affected a large number of German cities (Herfert 2002; Hannemann 2003; Kil, 2003; BBR 2007). Leipzig, though deeply touched by this phenomenon, was not a solely shrinking city in a growing environment (Kunze 2002; Kunze and Lenk, 2007). Häussermann and Siebel were among the first, in the late 1980s, to point out shrinkage processes in some Western German cities of the deindustrialising Ruhr-region (Häussermann and Siebel, 1988).

But the main phenomenon occurred with a tremendous wave of urban decline in the Eastern part of Germany following the fall of the Berlin Wall and the complex post-socialist transition processes. This was largely and long denied by both authorities and academics6, as if this should only be a transitional state which was to be overcome in a few years (interviews with R. Löhner, director of the main housing cooperative in Leipzig, and S. Gabi, city of Leipzig staff). Only a dramatic crisis of housing estate companies elicited a public debate and transformed the perception of urban shrinkage at a national scale: with a million vacant houses (Kommission Lehmann-Grube 2000; Glock & Häussermann 2004), the Eastern part of Germany experienced a new and long-lasting urban trend, combining a threefold demographic, economic and urban transformation.

In this general context of deindustrialisation, which is to be understood both as a tertiarisation of production and as a destruction of the traditional means of production that were never replaced by modern services (Hannemann 2003), Leipzig thus lost about 100 000 inhabitants between 1989 and 1999. Within less than four years, between 1989 and 1993, the number of industrial jobs in the city plummeted by 90%, as about 90 000 out of 100 000 merely disappeared. These huge employment and population losses created a new spatial organization and new social landscapes.

Three more or less successive processes might account for this decrease in population (interview with M. Bernt, researcher). Indeed, the second phase of shrinking originated from an important wave of migration to

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6. For a comprehensive review of literature on urban shrinkage and debates on shrinking cities in Germany, see Brandstetter, Lang, & Pfeifer, 2005 and Florentin, Fol, & Roth, 2009
the Western part of Germany just after the Reunification (about 25,000 people by 1992), from massive suburbanisation (50,000 people, mostly between 1993 and 1998), and from a decline in the birth-rate combined with a fairly high death-rate (~2500 people per year, so 25,000 within that decade) (Lütke Daldrup, 2000, Nuissl & Rink, 2004).

In the 1990s and the early 2000s, the two-fold out-migration of people and of industries from Leipzig due to de-industrialization and suburbanization was not compensated for by any substantial in-migration, so that it triggered spatial consequences and created a kind of “perforation” (Nuissl & Rink, 2004). The urban landscape thus became “perforated” by physical “holes” and patches of waste land. Rather than a normal consequence of urban sprawl, this was a new kind of urban development which has emerged in contrast to the traditional ideal of compact European cities, even though the latter is still presented as an objective in all Leipzig official publications. Local discourses all promote the ideal of Leipzig as a traditional European compact city even though it does not exist anymore, or, more precisely, it is belied by the current evolution.

**Perforation as a Fact: How to Deal with Shrinkage**

The processes of shrinkage briefly presented above are neither unknown to, nor denied by the local authorities. In 2000, when the whole debate on shrinking cities (*schrumpfende Städte*) really started, especially thanks to the report of the commission on structural changes in the housing markets of the new *Länder* (Kommission Lehmann-Grube, 2000), Leipzig’s authorities had already decided to cope with the problem and therefore, to integrate it into their planning system and policy. The head manager of the planning staff, Engelbert Lütke Daldrup, even coined the phrase “perforated city” to describe nothing but a fact, the reality of perforation, a new urban pattern which was then spreading out to the Eastern part of the city (Lütke Daldrup, 2003). In the face of the planner’s nightmare that a perforated city then spelt, Leipzig’s planners responded by seeking new strategies and alternative ways to deal with it, taking up the challenge of urban shrinkage to make the city a model of shrinkage management

This does not altogether mean that the “growth obsession” evoked by Bontje (2004) disappeared from the planning system. The persistence of growth-oriented planning can be seen in the following two cases. First, in 1999, around ten suburban cities were incorporated into Leipzig, a decision that was made on the state level (land), but completely accepted by the city authorities. The annexation (*Eingemeindung*) was also used as a statistical subterfuge to artificially gain 50,000 inhabitants. In just one operation, the cities of Leipzig, Dresden and, on a smaller scale,
Chemnitz, which had been experiencing a severe population decline over the previous years (see illustration 1), suddenly gained over 50,000, 25,000 and 10,000 “new” inhabitants, respectively (see illustration 2). This could be seen as a marketing strategy to preserve the image of growth, but it might be also a financial device. Many federal funds are actually allocated to cities according to the size of their population, which makes it crucial for them to pass the 500,000 inhabitants mark (interviews with B. Glock and M. Bernt, 2008; Knabe, 2002). The incorporation was thus a means not only to transform the former suburban areas into urban ones, but also to secure access to these significant federal funds.

The second illustration of a persistent pursuit of urban growth strategies by Leipzig planners is their projection that the city’s population will grow continuously until 2015 or 2020 (Stadtplanungsamt Leipzigs 2006, and interview with K. Pannike, Leipzig’s planner 2008). A number of experts from the state of Saxony and from various academic institutes share neither their optimism nor their determination to reverse the demographic trend.

Nevertheless, Leipzig’s planners tried to promote a rather unique integrative method of shrinkage management with three main goals: preserving the urban quality of the city centre, reducing urban density through the creation of green or free spaces, and improving the
competitiveness of the city and its centres. This strategy for managed shrinkage was summarized from 2000 in Leipzig’s Integrative Urban Concept, the STEP (Stadtentwicklungsplan) or INSEK (integratives Stadtentwicklungskonzept), their main planning document. This integrative planning program did not exist elsewhere in Saxony, and so raised curiosity and interest among city planners in other cities such as Dresden. It expressed a vision of the city’s evolution and a detailed a series of actions to be implemented which took the reality of decline into account.

II. Programs and Visions: Three Examples of Image Policy in Leipzig

Leipzig’s plan for managing shrinkage in a perforated city was composed of three main axes or objectives: the preservation of the architectural heritage, the extension of green and open spaces, and the creation of a hierarchy of centres. All three axes of the STEP plan should be considered crucial to achieve a sustainable and dynamic city development pattern. However, there were unmistakable signs

Illustration 2: the effects of incorporation (1998-1999)
Source: Daniel Florentin with data of the Land of Saxony
of the city authorities’ image-based strategy, which covers a discourse pervaded by the typical rhetoric of urban regeneration.

**Preservation of Architectural Heritage**

One of the pillars of the planning projects consists or consisted in renovating and rehabilitating the main part of the old city centre. The architectural patrimony of the so-called “Gründerzeit” (Foundation Era) was supposed to be the image of the town, the city’s “trademark” (Lütke Daldrup, 2000). This patrimony, which the socialist regime used to despise, was in need of a huge rehabilitation plan. It is now praised by planners as a way to improve the quality of the whole city. This new orientation was given through a program whose motto called for a “Neue Gründerzeit”, an ambivalent name that is pregnant with meaning. It refers to a specific period in the history of German architecture (1870-1918) and symbolically calls for a New Foundation Era. Thus Leipzig’s modernity is to be found in its glorious past, in its refurbished older neighbourhoods. Large and prestigious projects such as the expensive rehabilitation of the main railway station or the construction of a new fair 7 (Kunze, 2002) were to be the emblems of the new era.

These prestige projects were accompanied by a large-scale marketing campaign endorsing Leipzig as a “Messenmetropole”, (Fair Metropolis). All over the city, elements of street furniture echo this slogan (see illustration 3). The local authorities were thus trying to use the traditional rhetoric of city rebirth and regeneration that had been experimented on other European cities, such as London (Colomb, 2006). By contrast, the other main architectural heritage, that of the GDR is not laid aside, but often politically discussed in terms of areas to be demolished, as in the Grünau neighbourhood, for instance. A two-fold contrasted image of Leipzig thus emerged, with a famous touristic city centre on the one hand and home to vast, devaluated housing estates (Plattenbauten) on the other. Although they used to epitomize modern comfort at the time of their construction, these dense socialist housing complexes are now regarded almost as a plague one has to get rid of. By contrast, the historical city centre represents a vision of Germany’s traditional past, which is considered more deserving of preservation.

However, whatever the stated goals, this patrimonial policy of selective historic preservation was mainly implemented via marketing tools. This preservation strategy clearly relies on advertising, with an emphasis on creating striking images achieved with little financial means. Leipzig is described and promoted as Bach’s and Mendelssohn’s city and some

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7. Die neue Messe, which is still unprofitable
“cultural itineraries” through the historical centre foreground the tourist-friendly aspects of an otherwise active city. Secondly, the strategy is mostly oriented toward structures and might lack a social element. Symptomatically, regarding the city centre renovation project, the first public duty or objective evoked in the planning documents is the necessity to develop consulting on the local housing market and local marketing (Stadt Leipzig - Dezernat Planung und Bau, 2000). Given the scope of the renovation program8 and the small financial means of the city, the historic preservation strategy must be envisaged as an incentive program rather than a public works agenda. As a marketing strategy it also highlights one of the fundamental transformations of Leipzig, from a central industrial city into a tertiary one, mostly oriented towards services, especially tourism.

“Mehr Grün, Weniger Dichte” (More Green Spaces, Less Density)

The second main axis of Leipzig’s program for urban shrinkage management is the logical consequence of the perforation diagnosis: in the holes generated by the perforation process, green and open areas should be created in order to improve the quality of life in affected districts or

8. 2,500 housing estates of the “Gründerzeit”-era are still to be rehabilitated in the city centre
neighbourhoods. However, under the federal program financing urban redevelopment, Stadtumbau Ost (Urban Restructuring in East Germany), new constructions on demolished sites are generally disallowed for the following ten years, so that a “natural” land use is about the only solution left for landowners (Rößler 2006). It could thus become the catalyst for a wider public parks and open spaces policy. But, as the areas whose change is hoped for and encouraged are not public spaces, the city’s adopted motto of “greener through fewer houses” is really dependent on the good will of private house-owners. A realistic, “green” urban planning policy cannot be envisaged without their commitment. This is problematic because landowners in demolished areas are looking for opportunities to construct new, valuable buildings later on when conditions change, and they often consider a “green” use to be transitory. Even the artistic projects created thanks to E.U. funds of Urban II (see illustration 4) are thought of as temporary, although they are supposed to reinforce the attractiveness of disadvantaged areas such as Lindenau.

A comprehensive “greenification” strategy for Leipzig might quickly become a myth, or at least, remain a difficult horizon to reach. The official aim is to make the city more environment-friendly and to create a green network (Kunz 2007), but an integrated “green” urban vision seems to be lacking, especially in places where much land still remains to be allocated to some use, such as Grünau (Rößler 2006). The explanation for this is simple: the land owners’ logic is not and could not be the same as that of city planners, for economic criteria will remain a priority to housing firms.

Furthermore, the maintenance of open spaces is sometimes a burden that landowners cannot or do not want to afford. They might not then maintain these “green” spaces, all the more likely as large housing estate companies are often in a very critical financial situation. Instead of a garden with fruit-trees or leisure-oriented activities, landowners, be they firms or private individuals, will often opt for the construction of low-maintenance parking areas, even if this does not contribute to “greenifying” the district (Bernt, Rößler, & Kabisch 2005). Landowners may consider the creation of parking areas as an upgrade. For instance, parking areas have been spreading around one of Leipzig’s main streets, Strasse des 18. Oktober, on properties owned by the public housing firm Leipziger Wohnungs- und Baugesellschaft (LWB), in spite of real opportunity to build a large park or other infrastructures. “Upgrading open spaces implies either to make green spaces or to build parking areas. We usually build parking areas” (interview with LWB staff, 2008).

Under these conditions, the city’s “green” policy is more of an inciting image policy than an effective ecological strategy. This fact can hardly be
93

The “Perforated City”

concealed by merely using rhetoric and metaphors: speaking of ‘plasma’ and ‘core’ instead of city centre, as Leipzig’s planners do (Kunz, 2007), is bound to remain useless in this respect.

**Prioritizing Centres**

The last axis we want to examine is the policy of prioritizing a hierarchy of centres, which Leipzig’s city planners have been implementing on a micro-scale. The reality of perforation requires a complete redefinition of the system of centrality (Stadt Leipzig - Dezernat Planung und Bau, 2000). Not only was the concept of a city centre to be “shaken”, but the project of managed shrinkage also implied creating the image of a dynamic city. Faced with economic and population decline, Leipzig’s authorities chose to concentrate activities, especially retail trade, in some selected ‘centres’. The 2000 STEP created a new network of local centres, ranked A, B or C, according to their importance. The general idea was to focus services to create mini-hubs, or at least mini centres of activity, such as Paunsdorf Center (ranked B) in the Eastern part of the city, or Mockau Center (ranked C) in the North-East.

However, this project of re-prioritizing centres to create mini-hubs is based on one determining factor, competitiveness. The more competitive the centre, the bigger it becomes. In a context of urban decline, this could only magnify the polarisation process that was already at work. The

*Illustration 4: Stattpark, an art project sponsored by Urban II. Source: Daniel Florentin*
competition between territories, even on such a micro-scale, could lead to an aggravation of social and spatial differentiations, and go so far as to create “declining” and “reviving” zones. City planners tend to adapt to economic change rather than to re-orient it; one tends to reinforce what is already strong and to leave aside the weak parts the city cannot afford anymore. In Leipzig planners openly acknowledged that city officials must make some choices, and stop investing in hopeless (aussichtslos) districts so as to adapt to the changing economic situation (Lütke Daldrup 2000). The choice is openly acknowledged: one tends to reinforce what is already strong and to leave aside the weak parts the city cannot afford anymore. The strategy relies upon some obvious economic logic, but it could also potentially create the conditions for social disaster, or at least for sharper social and spatial discrepancies or inequities.

III. Problems and Inefficiencies: Leipzig’s Strategies Behind the Veil of Maya

The study of these three axes shows how important an image-based strategy is to remain for Leipzig, but this must be understood within a context of actual inefficiencies. The crude reality is that Leipzig’s strategies for embracing and managing urban decline are partly aimed to conceal the inability of city planners to implement them. Compared to cities of a similar size9, Leipzig’s model experiences many frailties. “Leipzig’s reputation is better than Chemnitz one, which traditionally received bad press, though economic and social indicators even show that Chemnitz has a better situation than Leipzig” (interview with S. Weidner, researcher, 2008).

Bare Financial Facts: An Overwhelming Debt

Like almost all East German cities, Leipzig is deeply in debt and has to cope with a very serious financial crisis—such problems are even worse in Leipzig than they tend to be in most other German cities (see table 1). The city’s indebtedness, which had been around €75 million in 1992, increased up to €860 million by 2000, and the situation was so serious that regional authorities were forced to create a special system in order to stop generating new debts. To deal with the problem, they implemented the “Haushaltssicherungskonzept” (Budget Security Plan), according to which public finances should return to an affordable debt-rate within the next five or six years.

This has direct repercussions on investments in urban planning projects, all the more so as the city is highly dependent on federal or regional

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The “Perforated City”

subsidies. Many programs like “Stadtumbau Ost” (Urban Restructuring East) or “Soziale Stadt” (Social City) are thus based on a co-financing system: each partner (federal, state, city) is required to give a third\(^{10}\) of the needed funds. If the city cannot fulfill its financial obligations, the whole subvention disappears. Every Euro from the city should then generate two more Euros in public grants; but the federal contribution to Leipzig decreased from €148.4 million in 2002 to only €64.9 million in 2005, mainly due to co-financing impossibilities (ACT Consultants; Bauhaus Universität Weimar 2007).

This financial crisis drastically diminished the range of available urban strategies, and could reveal Leipzig’s massive image campaign rather as an ersatz-strategy chosen for want of financial power. Revitalization strategies implemented by the city could sometimes be extremely creative, such as the “Wächterhäuser” (House with Guardians) program, in which cultural associations can “use” a deteriorated house without paying any rent provided they contribute to its rehabilitation. Many such creative projects\(^{11}\) have earned Leipzig a reputation as a model of urban shrinkage management, yet most of these projects somehow reflect a serious lack of financial resources. City authorities are confined to offering some associative frame for their projects, since they are unable to provide substantial financial help and must actually cut public expenses. Such housing projects are promoted as ways to lower vacancy rates and regenerate disadvantaged areas, however, to date there are only thirteen Wächterhäuser among 45,000 vacant houses. They sometimes seem nothing but little drops against the background of a tremendous wave.

\(^{10}\) In the Stadtumbau Ost program, this only applies to upgrade measures within maintained neighbourhoods, not to demolition measures, which are equally funded by the federal government and the state, but not by the city.

\(^{11}\) Not only Wächterhäuser are being implemented, but also “Selbstnutzer” (owner-occupier program), or “Freiräume für Bügerträume” (Open Areas for Inhabitants’ Dreams), and many other experimental though micro-orientated projects.

<table>
<thead>
<tr>
<th>Year</th>
<th>Leipzig</th>
<th>Former West Germany</th>
<th>Former East Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>150</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1995</td>
<td>957</td>
<td>833</td>
<td>744</td>
</tr>
<tr>
<td>2000</td>
<td>1,754</td>
<td>1,226</td>
<td>1,017</td>
</tr>
<tr>
<td>2003</td>
<td>1,837</td>
<td>1,207</td>
<td>1,077</td>
</tr>
</tbody>
</table>

Table 1: Indebtedness per inhabitant in constant Euros.

Source: ACT Consultants data
Planners Lack Implementation Tools?

In such conditions of financial hardship, urban planning suffers from a lack of influence, and it can hardly measure up to the population’s expectations, especially concerning the upgrading of green or open spaces, in part because planners lack the tools to control and implement plans. For instance, studies of the Grünau neighbourhood in Leipzig show that building demolitions are often carried out without regard for any district-wide and comprehensive strategies, for they are the result of individual decisions rather than city plans, (Rößler 2006). The procedure for building destruction that was created by the national program Stadtumbau Ost\(^1\) has forced landowners to face what is often referred to as the typical prisoner’s dilemma, and they have consequently developed various responses. All homeowners could potentially benefit from the removal or destruction of a surplus house in a neighbourhood, for it would enhance the market for the rest of the houses. But no one wants to be the first to demolish, especially when one cannot afford to rebuild anything on the vacated area, as detailed in the program Stadtumbau Ost (Bernt 2005).

That goes so far as to build up the image of a planning system “perforating” itself. In this interpretation, planning only focuses on projects that are bound to succeed or have a low level of conflict potential (Bernt 2006). We are entering a phase that could be described as the era of the “myth of planning” (Bernt 2005) or of “random planning” (Doehler 2003), which is a contradiction in terms. Under such circumstances, Leipzig’s image strategy may be understood as subterfuge that hides the real powerlessness and lack of influence of city planners.

An Aggravation of Socio-Spatial Problems?

As a consequence, and in the context of spatial and social polarization, one may wonder whether a policy of creating mini-centres that relies on competition and competitiveness could lead to further intensification of the social and spatial discrepancies within the city. Because of its lack of financial means, and perhaps reinforced by the kind of policy it chose, Leipzig may have to cope with new, or at least greater social and spatial inequities. There is some evidence of this, such as a rising vacancy rate in the areas located between its various mini-centres which could lead to their cumulative downgrading, which only middle-income households could overcome (Glock & Häussermann 2004).

Lötscher (2005) has already noted that not only inter-city, but also intra-city disparities have been increasing in East Germany. In the long run,

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12. This program was supposed to regulate the huge vacancy rate in East German Cities through massive destructions and, ideally, through upgrading measures.
this could create ghetto-like areas, or at least destitute districts. One could thus wonder whether the preconditions for this process can all be found in Leipzig and, therefore, whether they herald a time of greater inequity. So far, one can already observe an aggravation in these socio-economic and socio-spatial differences. The number of people on welfare has been constantly increasing over the last few years, and the situation of the poorest areas of the city has gone from bad to worse, (Schmidt, Wiessner, & Arnold 2002; Wiessner 2007). Consequently, the city may be facing a new social crisis, characterized by stronger socio-spatial disparities. As Löltscher described the process on a regional scale, further comparisons and research projects could evaluate whether and how deep these rising disparities also apply to other Eastern German cities such as Dresden or Chemnitz.

Conclusions

Leipzig’s authorities seem to have taken a realistic approach to urban shrinkage, and to have developed plans which take it into account. It appears they are embracing creative ways to deal with this new type of urban crisis and treating it as an opportunity. The sheer variety of projects and programs they are trying to launch reflects a strong desire to change old practices and implement new strategies based on managed growth rather than inadequate, obsessive growth policies. Successful implementation could lead them to take yet another step, allowing for a paradigm shift in city planning and management.

However, because city planners and officials lack financial power and planning influence, their approach is often confined to image-based strategies, which cannot significantly slow down the progression of social inequalities on a micro-scale. Leipzig used to be a spatially “neutral” city: where one lived was not an indicator of any social category, (interview with S. Schlegel and G. Hoffmann 2008). The situation has profoundly changed since the end of the GDR regime as perforations and new socio-spatial divides have appeared.

At the national level, twenty years after the fall of the Berlin Wall, no balance has been found between Eastern and Western Germany: crisis has endured in the Eastern part of Germany, (Bafoil 2006). This has lead to new social and spatial disparities both on national and local scale. Bridging such gaps requires measures that a solely image-based strategy may not entirely provide. Leipzig’s model turned consequently into a twofold one: very innovative and attractive on the one hand, but also fragile and easily influenced by contextual changes on the other. Leipzig’s strategy of urban shrinkage management mainly relies on public initiative, as opposed to other cities such as Dresden, which opted
for a private-based strategy by selling the communal housing estates firm to a private American firm, the Fortress Investment Group. On a long-term view, Leipzig’s strategy could be advantageous both to citizens and to comprehensive political orientations to handle shrinkage issues. Yet, Leipzig’s unstable local finances will remain the main frailty to solve to make a comprehensive and efficient shrinkage management policy possible.

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**Interviews**

Matthias Bernt, researcher at the Helmholtz-Zentrum, Leipzig.

Stefan Gabi, City of Leipzig.

Birgit Glock, researcher at the Humboldt Universität, Berlin.

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Siegfried Schlegel, project manager in the cooperative housing company Kontakt, Leipzig.

Silke Weidner, researcher at the University of Leipzig.

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