Urban Shrinkage in Liepāja

Awareness of population decline in the planning process

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**Abstract**

The aim of the study is to investigate the current state of awareness of urban shrinkage in Liepāja by the key actors involved in the planning process. Last couple of hundred years have brought many transformations in urbanity that was always accompanied by the growth of the population and expansion of the city. However, the new patterns of urban development emerged in the last decades all over the globe, causing cities to lose the inhabitants resulting in urban shrinkage. Liepāja, the third largest city in Latvia, has lost a quarter of its population in last two decades and the trend continues. The long-term municipal planning document is being presented during this research in a light of which the research question is asked: “What is the current state of awareness of urban shrinkage in Liepāja by the key actors?” Utilising Flyvbjerg’s phronetic form of inquiry in combination with case study and repeated semi-structured interviews, the dominant planning views related to urban shrinkage are sought and analysed. The research identifies three underlying causalities that shape the decisions in planning and leave formidable consequences for the future of the city. The causalities identified and discussed in this paper are (1) the planning legacy; (2) the misconception; and (3) the political sensitivity of the urban shrinkage.

**Keywords:** Urban shrinkage, shrinking cities, planning, policy, Liepāja, growth paradigm, Liepāja territory plan 2011-2023
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Introduction

Since industrialisation two hundred years ago, the idea of steadily growing urban areas was for the most part never questioned. However, demographical changes, suburbanisation, deindustrialisation, the post-industrial shift from manufacturing to service industries, and post-socialist transition in recent decades shed a new light on urban development patterns. The phenomenon of population decline and the consequent urban shrinkage has now been experienced in all developed countries, but most intensely, it manifests in most Eastern Europe countries and Eastern Germany (Oswalt & Rieniets, 2006). Resulting in a dramatic decline in economic and social bases, urban shrinkage is a multidimensional process; it comprises cities, parts of cities or entire metropolitan areas.

As planning instruments have been developed within the light of apparently never-ending economic growth, they are only in a limited extent applicable to answer the challenges of shrinkage. Planning tools, however, may only change when planners and politicians accept and face the demographical and societal changes. International scientific debate since the latter half of last decade has addressed the terminology, processes, causes, and consequences of urban shrinkage (among others Grossmann et al., 2008; Hollander, 2009; Laursen, 2009; Oswalt, 2005, 2008; Rieniets, 2006, 2009). The goal is to search for creative and innovative ways for cities to successfully accommodate shrinking processes (Swope 2006, as in Hollander et al., 2009). However, urban shrinkage is a challenge on a broad scale that requires policymakers and planners to redefine traditional paths of urban and regional governance. Shrinkage is often still perceived as a scenario to be avoided by all means available. It is therefore essential to look at used strategies and approaches – taking Liepāja, Latvia as case study in this research.

Governed by the aftermath of post-Soviet re-composition (Rieniets, 2009) urban shrinkage is an on-going demographic process in Latvia that is intensified by the urbanisation and gravitation effect of the capital, Riga – the economic and political centre of the country. Overall economic downturn increases the importance of this phenomenon as many people are seeking jobs in larger economic centres or other European countries. Meanwhile there has not been significant debate in neither the academic world nor the political stage in Latvia that deals with urban shrinkage despite the fact that population decrease is taking place. This vacuum of discussion on the subject of demographic decline and the urban shrinkage serves as a background for this study, which therefore seeks to discover and describe the current state of awareness of urban shrinkage in the third largest city of Latvia. The study focuses on the planning and policy experts as well as the main stakeholders directly affected or who hold an interest in the matter of urban shrinkage and the effects of processes at hand. At the time of the study a two year project investigating the first modern long-term city spatial planning strategy draws to a conclusion. The project produced the Liepāja territory plan 2011-2023 that is now entering the stage of public hearing, discussion and approval. This is a fitting time to reflect on four phronetic research inquiries that will serve as a guiding background for this study (Flyvbjerg, 2004). The on-going wide scale public discussions on the upcoming Liepāja territory plan is the main reason why Liepāja is chosen as a case study for this thesis. With a strong downwards-oriented demographic trend during last two decades - the city has lost a quarter of its population - Liepāja presents a relevant case of urban shrinkage.

The aim of the study is to investigate the current state of awareness of urban shrinkage in Liepāja among parties directly or indirectly involved in the planning process. My contribution to the field as an urban planner is to enrich the on-going debate on the Liepāja planning
strategies by introducing the prism of urban shrinkage, which seems to be undeservedly ignored. As no planning literature exists concerning this issue, the thesis first strives to establish the presence of urban shrinkage in Liepāja. The following hypotheses are put forward for this purpose: (1) Urban shrinkage is not recognised as a factor in planning; and (2) Urban shrinkage is not discussed. However, I had to investigate further to seek the answer to the research question “What is the current state of awareness of urban shrinkage in Liepāja by the key actors?” The embedded circularity of Flyvbjerg’s (2004) phronetic research was employed to translate knowledge derived from academic literature (Chapter 1) into the local context with the help of local planning experts. The most identifiable strands of underlying causalities that form views on urban shrinkage and planning were selected for Liepāja case study. These causalities are (3a) the planning legacy; (3b) the misconception; and (3c) the political sensitivity of the subject. These assumptions are investigated and proved by means of thirteen in depth interviews with respondents involved in the public discussion of the future of Liepāja (Chapter 4).

The scope of the study is to investigate and explain the current state of awareness of urban shrinkage in Liepāja and in some cases to outline possible consequences of it. However, no in depth solution or strategy is offered within the limits of this research. The study concludes with sketches of potential further research that could offer possible solutions how to deal with the urban shrinkage in Liepāja.

Located in the far southwest corner of Latvia, with a population of 84.000, Liepāja is the third largest city of Latvia (2,23 million inhabitants). Featuring an ice-free port the city has always attracted interest of every governing regime. After being awarded with city rights in 1625 the city’s fortunes have oscillated, both prospering from its trade port but also suffering from wars and plagues. The heights of city’s prosperity were reached in early 20th century when most of its parks, Art Nouveau buildings, and the naval port were constructed. However, the latter proved to be a cause for the military presence and consequential civil isolation of the city during the Soviet rule. Now, under the sovereign Republic of Latvia, the Liepāja territory plan 2011-2023 is in its last phase: a public discussion. This process, in combination with the persistent population decline observed in last two decades, makes Liepāja an interesting case study, and the aspect of urban shrinkage becomes increasingly relevant to contemporary urban planning.
Chapter 1  Theory

The phenomenon of urban shrinkage is a complex one and therefore it must be analysed from different perspectives. This chapter is designed to give a clear overview of the phenomenon of urban shrinkage by analysing relevant scientific literature. First, the causes and effects are portrayed in historical context (section 1.2). Secondly, the causes and effects are categorised according to their similarities (section 1.3). Thirdly, the definition of the urban shrinkage is discussed and the hegemony of growth paradigm over the planning is introduced (section 1.1).

1.1 Term, definition and the international debate

The agreement on terminology is a decisive prerequisite for qualitative and informative discussion on any subject; however, defining urban shrinkage is particularly important as there is no universal definition of the phenomenon. Thus, the following section will address the question of origins and the context of the term in Europe. The section will also touch upon the most prominent research projects relevant to the defining the phenomenon and problematisation of the field. This will result in a discussion on the variety of terms used in the field in order to clarify the stance of this study in the matter of multiplicity of definitions and concepts they encompass.

The majority of the research projects on urban shrinkage originate from Germany as large territories of the country had to face the significant population decline due to a quite unique set of reasons discussed in next chapters (section 1.2 & 1.3). In this context, it is possible to distinguish a Germanic discourse built around the term ‘shrinking cities’, coming from the German term ‘Schrumpfende Städte’. This discourse covers the linguistic evolution of the term along with an inclusion of different sorts of urban decline under one phenomenon with a distinctive focus on German history. The term shrinking cities refers to decline of urban population and subsequent economic deterioration due to a variety of causes. It leads to the surplus of physical and service infrastructure in urban environment fragmenting and further deteriorating the city.

Large portions of terminology and theoretical concepts in urban research are based on Anglo-American discussions and experience. However, the emergence of many of the concepts related to the urban shrinkage originates from German experience and academic discussion. Laursen (2009:62-70) and Grossman et al. (2008) introduce the early development of the German discourse through the writings of Göbb in late seventies, followed by Hartmut Haugermann and Walter Siebel in the late eighties. They were among the first to discuss how structural changes of de-industrialisation were imposed and related to growth, stagnancy, and shrinkage of the German cities. While shrinking cities will not immediately present detectable differences with other cities, a certain economic, social and cultural profile will be developed.

Haugermann and Siebel employ two main causes for urban shrinkage: suburbanisation and deindustrialisation. These twin forces, discussed in next chapters, highlight the polarization of the development of the urban environment (Haugermann& Siebel, 1988: 79-83 as in Laursen, 2009:62-70). Nevertheless, the housing vacancies accelerated during the nineties subsequently causing a drop in housing prices. This trend threatened to collapse the real estate and housing market thus attracting the attention of policy makers. Initially, the phenomenon was judged to be specific to the German case. The flame of public discourse was reignited by the housing report of the State Commission in 2000 which led to the public-sponsored housing demolition initiative to stabilise the market. In a decade before 2000 the
housing vacancy in Eastern Germany had more than doubled climaxing at one million vacant houses by 2000 (Pfeiffer et al., 2000: 10;17). A remarkable and important shift in the political and planning thought takes place at the turn of the century when faced with the enormous and obvious consequences of urban shrinkage including demographic decline, reduction of municipal budgets and multiple forms of underused infrastructure such as apartment vacancy, oversized and underused public sewerage, transport, education, and health care systems. A unique and crucial spark of doubt was ignited in the public policy discourse which led to a reconsideration of the appropriateness of planning tools and associated guiding paradigms. In this context, the contemporary planning strategy and available tools were no longer ‘fit for purpose’ to guide urban growth by limiting and organising both public and private investment. For the first time such tools as permanent demolition and controlled urban contraction were devised and applied as opposed to classical methods of rebuilding, refurbishing, and further development (Weidner 2005; Grossmann et al., 2008).

The much needed shift in planning paradigm was picked up and raised up to the global academic arena by the international Shrinking Cities Project (Oswalt, 2005; Oswalt & Rieniets, 2006) and the subsequent arousal of scientific inquiry in the following years (among others Grossmann et al., 2008; Hollander, 2009; Oswalt, 2005, 2008; Rieniets, 2006). The metamorphosis of the German term ‘urban shrinkage’ was coined and introduced to the international debate trough early projects stemming from German practice.

The Shrinking Cities Project1 carried out from 2003-2005 was curated by Philip Oswalt with help from the German Federal Cultural Foundation, the Leipzig Gallery of Contemporary Art, the Bauhaus Dessau Foundation, and the Archplus magazine. The project grew from four case studies each presenting a unique case of urban shrinkage namely suburbanisation caused shrinkage in Detroit, deindustrialisation induced urban decline in Manchester/Liverpool, post-socialism related shrinkage in Ivanovo, and a combination of multiple causes present in Halle/Leipzig. The project aimed to highlight the global scope of urban shrinkage and the need to understand, embrace, and plan with this strand of development in mind. Although financed from a cultural budget, and thus shaped to suite the wearer, the Shrinking Cities Project played a vital role in kick-starting the development of urban shrinkage research. A combination of scholars from variety of fields wrote papers on urban shrinkage and the factors closely related to the phenomenon thus creating some of the most prominent and often quoted writings in the field. The international scope of the project translated the German term ‘Schrumpfende Städte’ to English escalating the Germanic discourse to international arena (Laursen, 2009:62-70). In addition, the project generated much cross-disciplinary cooperation linking planning, architecture, modern arts, entrepreneurship, and many other urban disciplines. For example, innovative cross-disciplinary approaches that generate novel and often temporary uses of abandoned traditional structures has become an industry standard incorporated in most of urban shrinkage projects. Numerous other projects have risen after the German Shrinking City Project both continuing its work and deepening the academic discussion.

The extensive study at the University of Glasgow focussed on the long-term population development of post-socialism European cities larger than 200,000 inhabitants. It concluded that almost three-quarters of studied cities are shrinking demographically. The study shows that more than half of all cities in post-socialism countries follow the ‘medium-term decline’ trajectory including most of cities in the Czech Republic, Estonia, Latvia, Lithuania, Moldova,

1More detailed information on the Shrinking Cities Project can be obtained from their website - http://www.shrinkingcities.com/ or the publications that resulted from this initiative. See Oswalt, 2005a, 2006a; Oswalt & Rieniets, 2006.
Slovakia, and Slovenia; more than a half of Romanian and Ukrainian cities, and half of all Polish and Russian cities (Turok & Mykhnenko, 2007:326).

Figure 2: Typology of population development in Europe from 2001 – 2005
(Source: ESPON 2008 Euro Geographic Association for administrative boundaries).

The study contributed greatly to the actualisation of the phenomenon showing the extent and the intensity of urban population decline. According to the world population growth projections the worldwide population will drop around the year 2070 (Lutz et al., 2008), while in Europe this process has already started in numerous regions (UN, 2008) as presented in Error! Reference source not found. that shows the typology of population development in Europe from 2001 – 2005. The trend of urban shrinkage is unmistakeable in most of the Eastern European countries as well as in peripheral areas in Northern Europe. Many cities in old industrial Europe, such as Germany, Italy, or even Russia are facing severe population decline. According to yet another research, around 370 cities with populations exceeding 100,000 habitants have temporally or irreversibly faced a population loss of more than ten per cent during last fifty years (Banzaf et al., 2006).
The Shrinking Cities Institute\(^2\), an initiative by Kent State University’s Cleveland Urban Design Collaborative, has sprouted from a variety of shrinking city related projects working in the volatile urban situation of Cleveland since 2004. Their contribution to the discussion is similar to the Shrinking Cities Project; although, it maintains the focus on Cleveland by applying international knowledge. It perpetuates the cross-disciplinary, often temporary, and experimental spirit typical of urban art projects (Schwarz & Rugare, 2009).

Cities Regrowing Smaller (CIRES)\(^3\) is yet another research initiative funded by European Cooperation in Science and Technology (COST), which is among oldest European intergovernmental network for coordination of nationally funded research activities. Initiated in 2008, the CIRES aim to propose a conceptual framework to describe and analyse issues of shrinking cities and the regeneration strategies that are used across Europe. Along with hosting a research base, the project aims to provide “on-site advice to end-users, [...] and] offer third parties (scholars and practitioners) best practice and advanced information on regeneration strategies” (COST, 2008:8). Parts of this thesis are inspired by discussions and seminars during CIRES international conference “Shrinkage in Europe; causes, effects and policy strategies” held in Amsterdam, The Netherlands in February 2011.

The Shrinking Cities International Research Network\(^4\) (SCiRN) founded in 2004, based in the Institute of Urban and Regional Development at the University of California, Berkeley, joined together scholars and experts from various institutions pursuing research on shrinking cities in a global context. Their aim is to collect the case based research on causes, effects, location based differentiation, and the variety and degree of success of policies and planning interventions to counter urban shrinkage (Hollander et al., 2009). At the zenith of SCiRN activity they facilitated bi-weekly online discussions among involved parties to catalyse the knowledge exchange. According to Wiechmann (2007), the first international attempt to define the phenomenon of urban shrinkage was made by the SCiRN research consortium. The definition introduces the lower limit of the urban area; however, the early works do not venture in defining the extent or form of population decline. Discussion is rather focused on the scale of the urban area. Wiechmann (2007) applies the number of 10,000 inhabitants to define an urban area, whereas Haartsen & Venhorst (2010) sets a margin at 1000 postal addresses per squared kilometre. Nevertheless, I chose not to make a stance in this argument, as it does not play a significant role in achieving the aim of the study. Furthermore, to avoid any confusion, I feel obligated to explain that the terms urban shrinkage, urban decline, shrinking city, or shrinkage of cities vary from source to source, but they hold the same meaning in this paper.

Therefore, this paper will use the rephrased definition of the most prominent and widely referred work the Atlas of Shrinking Cities by Oswalt & Rieniets (2006), which defines shrinking cities as “cities that have temporarily or permanently lost a significant number of their inhabitants. Population losses are considered to be significant if they amount to a total of at least 10% or more than 1% annually” (Oswalt & Rieniets, 2006: 156). As explained in previous paragraphs the variety of terms used to describe the urban shrinkage are treated as synonyms for this thesis thus, this paper defines the urban shrinkage as permanent loss of urban

\(^2\) More information on the Shrinking Cities Institute can be found on their website (http://www.cudc.kent.edu/shrink) or publications that resulted from the project e.g. Schwarz & Rugare, 2009; or two follow up volumes Pop-Up City and Water|Craft.

\(^3\)Cities Regrowing Smaller - http://www.shrinkingcities.eu/

\(^4\) More detailed information on the Shrinking Cities International Research Network (SCiRN) can be obtained in their website - http://www.shrinkingcities.org/.
population that amounts to ten per cent or exceeds one per cent annually. As every case is unique, the definition deliberately leaves out any reference to case specific causes and effects of urban shrinkage. This study will ally with Oswalt & Rieniets (2006: 156) and take a well defined yet still judgementally neutral position with regards to the phenomenon. The study maintains the view that urban shrinkage per se does not imply the decline of quality of urban life. While it recognises the potentiality of such negative outcomes the discussion is deliberately more open sighted and thus less judgemental.

The research projects mentioned above each in its own way contribute to the coining of the term and to the development of the international debate on the matter. They also clearly reveal that shrinkage has become an ordinary strand of urban development in Europe, despite the reluctance by planners and policy makers to acknowledge it. Being highly aware of potential unintended connotations implied by the utilisation of certain words to articulate the phenomenon, Grossmann et al. (2008) argue that more appropriate term for the discussion is ‘urban shrinkage’ as it is less tainted by negativity of such phrases as decay or decline commonly used by the Anglo-American research community. The latter two terms relate rather to deterioration of living quality or economic environment with their social and spatial consequences. Such attention to phraseology also reflects the strong preconceived negative judgement of the shrinkage as well as it implies an aspiration to reverse the decline by turning it back to growth. Promoting one such outcome above other causes of action not only limits your choices, but also is often unachievable and sometimes even not necessary. In contrast, the East German experiences shows that the use of the term urban shrinkage addresses the process in a more adequate and positive way thereby relieving it from the negative and emotional impact of former terms. Furthermore, it points out that demographic influences on urban development can lead to “proactive approaches in both research and planning” (ib., 79).

In this paper, the term urban shrinkage is used as a synonym for the expression shrinking cities.

Paradigm of Growth

The term “shrinkage” refers to an essential change in spatial development: the epoch of growth has come to an end. Since industrialisation began around two hundred years ago, we could witness a steady growth in population, prosperity, economy, and the long term growth of the cities of industrial countries. The process of growth has become an inseparable part of the modern understanding of a healthy state of affairs. Every concept, law, theory, and practice of modernity, particularly in the field of planning, is characterised by the paradigm of comprehensive and even perpetual growth (Oswalt, 2005). City planning of the last two centuries has almost exclusively and unquestioningly adapted the growth paradigm, both quantitatively and later qualitatively as the sustainability discourse became increasingly popular (Beetz et al., 2008:297). Planning tools seek to improve, up-scale, rebuild, and construct anew. Refurbishment and improvement are generally expected to be financed by future uses of the urban structure. However, this epoch is now approaching its end. Grossmann et al. (2008), among others, distinguish substantial differences between the Anglo-American debate, which is deeply rooted in growth paradigm, and Germanic debate, which developed within the Eastern German context of unavoidable shrinkage. The report on housing vacancies in Germany of the year 2000 indicates a shift in perspective towards a policy and planning paradigm that admit and face urban shrinkage, explains Hollander (2009). While it is characteristic of the Anglo-American debate to evade the accommodation of shrinkage in planning, as shrinkage is considered as a negative and undesirable outcome, Germanic debate, on the other hand, tends to address it in a more open-minded fashion and to shake off the pre-assumed unpleasantness associated with shrinkage. Martinez-Fernandez and Wu (2007)
challenge the growth paradigm in contemporary planning asking if urban shrinkage is to be addressed as a problem or perceived as an opportunity not to be missed. Therefore, as Glock explains (2005, as referred in Hollander, 2009) the main focus of Germanic debate is to develop realistic visions for urban shrinkage as oppose to avoiding the subject. Among the first cities to start the troublesome transition were Leipzig and Dresden.

Hollander (2009) points to some of the emerging research questions associated with accepting the Germanic approach by admitting urban shrinkage as an unavoidable planning attribute. These questions concern urban density, right-sizing infrastructure and services, social equity, environmental mitigation and ecological restoration, and land use.

In Hypotheses on Urban Shrinking in the 21st Century, Philipp Oswalt (2008) identifies six hypotheses on the phenomenon of shrinking cities. First, the historically unique epoch of growth following industrialisation two centuries ago will come to an end in the 21st century. It will be followed by equilibrium of urban shrinking and growth as it was before the industrial epoch. Second, the concept of growth has clearly dominated thinking in modern societies. Shrinkage has been perceived as exceptional, accidental and undesirable. In the future, however, shrinkage will lose its stigma and will be considered as normal process of development as growth was before. This has both its advantages as well as disadvantages. Third, in the 20th century most constructions affected by abandonment and vacancy were industrial buildings and mid- and high-density housing. The trend of de-urbanisation for the 21st century will increasingly affect suburbs and office districts. Forth, Climate change, with its diverse effects, will decisively influence global settlement development in the 21st century. Fifth, shrinking processes lead to dual societies: urban development, economic development, lifestyles, and other aspects vary fundamentally between the regions of growth and of shrinking. This process of spatial and social polarisation increasingly divides society. Sixth, urban planning and architecture are facing new tasks. Whereas until now construction has been seen as the goal of architectural and urban planning action, in shrinking areas it is the starting point. The modern age concept of ‘colonisation’ – expanding construction in unused urban space – has lost its legitimacy (Oswalt, 2008).

Urban shrinkage is most eminently manifesting itself in vacant buildings or, if a city does actively invest in the removal of such structures, then unused land. While the former results in decreasing levels of security, even the latter leaves the impression that the area is uncarred for. They both leave a negative effect on the land value in such areas. Hollander (2009) brings an example of extensive research on the economic effect produced by a municipal greening programme on the market value of nearby real-estate in New Kensington, Pennsylvania. The study of Wachter (2005, as referred in Hollander, 2009) shows that municipal programmes can increase the market value of real-estate by as much as 30%. This is just one of several examples purporting to show that acceptance of urban shrinkage can lead to real and measurable upgrades in urban quality. The “Shrinking Cities” project explores even more temporary uses for vacant property indicating opportunities for increased tourism, economic development, and growth of urban quality. Hollander (2009) stresses that a municipality’s responsibility is not only to invest in such activities, but it is also important to reduce administrative barriers for creative temporary land use. Often temporary and unconventional land uses are devised and carried out in order to take advantage of otherwise unused places and structures.

Another mind dazzling challenge that stems from urban shrinking is the right-sizing of a city’s infrastructure and services. “The nuts and bolts of running a city often include” (Koziol, 2006) maintaining roads, providing sewage and waste management as well as ensuring public
education, health services etc. Upon extensive change in the number of users for urban services or infrastructure, a city must think of optimisation or right-sizing in both cases of growth and shrinkage. The acceptance of urban shrinkage as not necessarily bad process is a required first step towards new flexible approaches toward city services. While it is common practice in business management to adapt and optimise labour to better match floating demand, only recently the analogical process in the city planning has been recognised as the prospect of right-sizing city’s hard and soft infrastructure gains the popularity (Blanco et al., 2009:230). This raises the question: can we develop adaptable infrastructure that could adjust as the urban population changes. Böhm (2006) illustrates how the Australian Royal Flying Doctor Service, which ensures healthcare in remote populations, is a fitting example for service flexibility and mobility that is needed in case of urban shrinkage. Nevertheless, the right-sizing of any service is often ill conceived in public opinion, making this topic politically sensitive and often a taboo. As a result, the Anglo-American debate inspires a blind struggle to keep producing plans for growth even while a city is shrinking. Hunter Morrison of Youngstown State University points out that many believe that “it’s un-American to not be growing as a city, which can make planning for shrinkage a tough sell” (Aeppel, 2007 as in Shetty, 2009:12). While politicians, planners, and the public struggle to embrace urban shrinkage as an opportunity and not necessarily as a problem, there are still many questions yet to be answered both in theory and practice. Hollander (2009) asks only some of the questions that must be addressed when facing urban shrinkage. Hollander remarks that most of those questions are neither seriously asked, nor properly answered. Therefore, he raises a call for a more open and shared approach to seek answers to these questions as initiated by such projects as “Shrinking Cities” or the “Shared Spaces Institute”.

The challenges of shrinking cities mentioned above obviously indicate only the beginning of a prolonged and comprehensive process within which urban planning has to question its methods, approaches and values. The international scientific community calls for a shift in the focus of planning (Blanco et al., 2009:199; Böttger et al., 2004; Grossmann et al., 2008; Haartsen & Venhorst, 2010; Hollander et al., 2009; Oswalt, 2008 among others). “Planning strategies need to shift from steering or limiting growth, to the management of shrinkage” (Grossmann et al., 2008: 95).

1.2 Causes and effects of urban shrinkage in a historical context

The concept of urban shrinkage as discussed in the previous chapter is generally associated with the decline of the urban population that is caused by or results in the economic and functional downturn. However, a closer look unveils various processes, causes, and effects that are hidden at the first inspection. Urban shrinkage most commonly is a result of post-Fordism transformations that reorient cities from the age of industrial production towards service industries, associated with increasing unemployment and outwards migration. Suburbanisation draws people and the traditional city functions to the peripheral areas while such demographic changes as population aging and decreases in fertility contribute their share to the phenomenon of urban shrinkage. Other contributing factors are the fall of the socialist system (former Soviet Union), as well as war and natural or human-induced disasters (Hollander, 2009; Oswalt & Rieniets, 2006). Urban shrinkage does not follow a homogeneous pattern and includes both qualitative and quantitative transformations. The loss of population, often preceded by diminishing economic prosperity or political significance, is an example of quantitative change. However, qualitative alterations include changing social and economic patterns, cultural values, and impacts to the daily lifestyles of citizens (Rieniets, 2006). Shrinking cities often see emergence of inner city peripheries – the underused areas relatively
close to the city centre that endure lack of investment and impaired function. Underused social and technical infrastructure manifest’s in brown-fields, decaying neighbourhoods and spreading housing vacancy (Grossmann et al., 2008).

Academics come to the consensus that urban shrinkage is not a new phenomenon (COST, 2008; Robson, 2011; Oswalt & Rieniets, 2006 among others). Some authors go as far as to suggest similarities between these urban life cycles and economic cycle theory devised by the Russian economist Kondratieff in 1984 (COST, 2008:5). According to the "cyclic" interpretation, cities go through the periodical stages of urban growth and shrinkage that are closely connected to the wider economic market.

Cities have risen and fallen for variety of reasons. History holds many testimonies of flourishing cities as well as examples of population decline to the extreme of complete extinction. The Atlas of Shrinking Cities effectively illustrates how five dominant reasons are responsible for the sorrow of many well-known pre-industrial cities (Oswalt & Rieniets, 2006:26). These causes are wars, city fires, natural disasters, epidemics, and loss of significance.

War as intentional armed conflict between two or more parties involves inflicting maximum damage to both men and their property. As such, warfare has always been the most acutethreat to cities and their population. For example the city of Carthage was burned to the ground in the Third Punic War and the citizens enslaved by Ancient Romans in 149 BC (Shaw, 2006). In another example, the city Angkor was abandoned by all of its one million inhabitants due to neglected maintenance of the city’s irrigation system caused by continuous military campaigns in late 1400s (Herresthal, 2006a). A similar contemporary threat is international global terrorism, which is not spatially confined and can strike any metropolis at any given moment (Rieniets, 2009).

Cities have always been focal points of power – would it be secular, religious or economic power. However, the importance of cities often fluctuates due to different reasons. The Atlas of Shrinking Cities list numerous cities that lost their influence due to a shifting political or economic situation, Alexandria, Damascus, Knossos, Rome, and Venice being only a few of the most well know examples (Oswalt & Rieniets, 2006:26).

Great fires of Rome, London, and Chicago are well known in history destroying valuable buildings, cultural values, and political centres. The great devastation and lengthy revitalisation after extensive fires led to radical changes in urban structure and fire safety precautions in city planning, the infamous great fire of London of 1666 being just one example of such process (Alagna, 2004; Schott, 2006).

Natural disasters were as big of a threat to ancient human settlements as they are to modern cities today. Both historic record and contemporary news headlines inform us of destruction caused by floods, droughts, volcanic eruptions, earthquakes, and tsunami waves. Historic texts hold references to many destructive cataclysms that often are translated as a wrath of the gods - examples include annihilation of Pompeii or the Genesis great flood. Schott (2006:54) points out that too little attention is devoted to mass safety precautions. He remarks, that earth quakes in Japan claim a lower death toll than equivalent catastrophes elsewhere due to the adjustments the society has implemented since the devastating 1923 Tokyo earthquake. He presses further by insisting that social considerations rather than an emphasis on purely technological and economic factors is crucial as hurricane Katrina has demonstrated in New Orleans in 2005. The example of Katrina “revealed how the most technologically and economically advanced country in the world nevertheless proved incapable of reacting
appropriately to the disaster, thus abandoning the socially disadvantaged section of the population, consisting of predominantly African Americans, to its fate” Schott (2006:54).

The outbreak of an epidemic is a high risk factor to cities based on a high concentration of inhabitants, wavering sanitary, and hygienic norms, where pathogens do not have to traverse great distances. The age of “black death” as in eighteen-century Riga (Herresthal, 2006b) is far behind us and no demographically significant epidemics have been registered in decades (Krüger, 2006:58). However, people remain easily frightened by this threat as proved by the worldwide avian influenza outbreak in 2005.

The above listed reasons that caused pre-industrial cities to lose their population are mainly destructive and brutal. Wars, natural disasters, plagues, and fires sometimes literally reduced cities to ashes. Due to a variety of reasons, cities either managed or failed to deal with the aftermath of often-enormous devastation. However, the advent of industrial revolution brought milder, but still effective forces that threaten the urban population.

**Industrial revolution**

As discussed in previous sections, the phases of growth and shrinkage in urban cycle are periodically interchangeable with each other for variety of reasons. However, the industrial revolution extended and intensified the growth phase of urban production centres. The pace and persistence of urbanisation created an illusion of never-ending urban growth (Eisinger, 2006) also referred to as a growth paradigm in some literature (Blanco et al., 2009; Grossmann et al., 2008; Haartsen & Venhorst, 2010; Hollander et al., 2009; Oswalt, 2008). However, recalling the lessons of many centuries accounted for in previous sections the time of expansion does not last indefinitely. Thus, the intensive growth initiated by industrialisation could not last forever; the next wave of shrinkage is imminent. Industrialisation emerged around the cotton industry in Lancashire in the latter half of the eighteenth century. The introduction of the steam engine greatly increased the scale of production, opening the door for the ability to mass produce goods and greatly expanded markets. The rapid growth of production led to significant migration of a job seeking populous causing urban centres to grow rapidly. It started an immense urbanisation wave that spread to other production centres in Great Britain and overseas (Scott, 1998: 121 - 136). Newly created jobs attracted labour from other traditional spheres making countryside life less viable. Thus, a new migration pattern was created drawing large numbers of country dwellers towards villages, towns and cities gradually increasing urban density. The rapid population growth resulted in packed and often unhygienic living conditions, while draining workforce from agriculture oriented rural areas (Hall, 1998: 310 - 347). Although the rural population drain is not the subject of this study, it is an important part of urban development and, as such, cannot be overlooked in this context. To a certain degree, growth at the cost of rural areas is still present and accounts for a significant part of contemporary migration patterns. I will return to the subject later in the paper when discussing population migration patterns in Liepāja as the urban centre for the greater administrative area.

Continuous urban growth and the accumulation of new job seekers was driven on by a continuous progression of technological innovation and modernisation of mass production. As pointed out by Hall (1998: 310 - 347), innovation has always been the driving force behind global industrial and economic competition. Spill over effects guaranteed that the economic growth of surrounding areas such as Manchester and Liverpool prospered. These cities profited from secondary services providing shipping and trade. The greater area of Lancashire accounted for approximately sixty-five per cent share of world’s cotton market back in 1913.
As mentioned before, the rest of the Europe and soon the whole world joined the industrialisation race, which caused immense economic growth and the strengthening of urbanisation to a previously unseen extent. Barely two per cent of world’s population dwelled in cities at the beginning of nineteenth century (Oswalt & Rieniets, 2006:14). This number grew to nearly thirty per cent in next hundred and fifty years according to the UN’s urbanisation prospects (UN, 2008) and kept on rising to an astonishing fifty per cent in year 2010. The estimates put the world urban population at seventy per cent in next forty years (UN, 2008).

De-industrialisation and new economic paths

In the age of the contemporary global economy, a city is required to continuously reinvent its meaning to maintain its role within larger economic networks. The capacity to generate and transfer innovation to applicable knowledge is a key component for urban and regional economies to keep up with global trends (Hall, 1998: 291 – 309; Simmie et al., 2008; Simmie & Martin, 2008). Decline of traditional industries in the face of more service-oriented economic systems brought tough times to established industries such as mining, textile, steel, or shipyards. Specialised urban centres orientated on a single industry suffered the most disastrous effects. The new global North-to-South transition pattern affected most industries as production was relocated where cheaper labour and more advantageous environment were available. In line with this transition, some industrial urban centres transformed into innovative knowledge based economies. Thus, the new class of global metropolises emerged in the newly formed global network economy (Sassen, 2001: 3 – 84). With increased collaboration, city regions form economically symbiotic networks. New form of intra-regional relations (within the city-region) and inter-regional dependencies (collaboration among the city-regions) formulate new kind of actors. Within this setting, the formerly undisputed position of nation-state increasingly loses its importance for economic development, particularly in periphery regions (Scott, 1998: 137 – 163). Florida et al. (2007) uses unconventional methods such as national GDP rates, population statistics, and areal-photography to formulate his theory of even larger mega-regions that extend across national borders. He identifies forty mega-regions that account for sixty-six per cent of the world’s production, and responsible for nearly eighty- five per cent of global innovation (Florida et al., 2007). In his study he shows that in the modern economy it is increasingly important to analyse urban areas on a wider functional scale in order to uncover some underlying reasons for urban development would it be growth or shrinkage. Nevertheless, this spatial scale, although relevant to urban regions, exceeds the scope of traditional urban planning and thus it cannot be sufficiently addressed in the case study of Liepāja.

Bourdieu (1998) is known for his concern for deep social aspects of the modern urban environment caused by globalisation forces in a neoliberal market economy. Bourdieu argues that globalising competition and a market based economy has caused the economic growth to be applied as the uncontested universal scale to measure the success of any activity relegating many social aspects to the side lines (Bourdieu, 1998: 30 – 31). Meanwhile, the trend towards favouring knowledge-intensive over labour intensive economies initiated by post-industrial transformation rendered many industry related occupations practically unviable. The result of the decline of industry-focused areas was economic stagnation, high rates of unemployment, and associated socio-economic unease (O’Loughlin & Friedrichs, 1996b).

Thus, the post-industrial era revives and redefines loss of relevance as a cause for urban shrinkage as discussed earlier in this chapter. Cities have to discover or create new economic engines to support them as their role as production centre diminishes. Nevertheless, path
dependency and lock-in effects render industrial areas inert to change often failing to adapt to new market conditions. In essence, the lack of meaningful economic diversity in former industrial regions, along with the decline of the importance of the production as the dominant urban function, and the high costs of fixed industrial infrastructure limits the ability to refocus former industrial economies to knowledge-based ones. Thus, many cities in late twentieth century were destined to urban shrinkage doomed by their inability to escape the clutches of their history (Simmie & Martin, 2008). The previous cited examples of Manchester and Liverpool regions illustrates this phenomenon. Formerly flourishing industrial regions of England were struck by the economic downturn of 1930s and lost their economic significance in the new global environment as a result (Beyer, 2005; Grant, 2005; Hall, 1998: 291 – 309; Kidd, 2005; Rieniets, 2009: 245). Their former industrial glory was never recovered and both cities sought new development paths with varying degree of success. The new alleys of development include focus on the service economy, tourism, and cultural values. Despite the effort, the former level of prosperity was not regained (Hall, 1998: 291 – 309; Leary, 2009; Simmie et al., 2008: 10 – 61).

Urban development, both positive and negative, is rooted in deep regional and historical individualities. The causes of urban shrinkage discussed in this chapter can either work individually, or, more often, parallel to each other making each case unique. The individuality of each region differentiates the impact of causes for decline as it varies the degree of effectiveness of a redevelopment path in each case (Simmie & Carpenter, 2008b; Sunley & Martin, 2008).

1.3 Classification of shrinkage

The previous chapter illustrates how urban shrinkage the pre-industrial era was caused mainly by wars, city fires, natural disasters, epidemics, and the loss of significance as suggested by the Atlas of Shrinking Cities (Oswalt & Rieniets, 2006: 26 – 27). However, the advent of global industrialisation and subsequent de-industrialisation introduced novel and previously unencountered aspects of urban development. In order to better address the modern nuances of urban transformations Oswalt & Rieniets (2006: 39-127) abandon the historical perspective in favour of a new causal typology of urban shrinkage, namely: destruction, loss, shifting, and change. This approach better encompassed major transformations in urbanity initiated by the industrial revolution and factors leading up to today. Their typology combines variety of diverging causes and effects of urban shrinkage illustrating how seemingly unrelated aspects may combine and contribute to each other. However, the classification meshes together such aspects as economics, politics, and socio-cultural aspects often distinguished elsewhere in the literature. Oswalt & Rieniets (2006) group together de-industrialisation, aging and political change, or in another case they include loss of employment and depletion of natural resources in the same category. Such typology serves their cause to emphasize the interrelatedness of apparently unrelated aspects; however, it fails to serve the analytical objectives of this study. Therefore, a different classification of causes and factors of urban shrinkage is devised. To better serve the interests of this study the causes of urban shrinkage will be grouped and analysed as follows: (1) economic; (2) demographic; (3) political; and (4) socio-cultural factors. Nevertheless, the parallels with Oswalt & Rieniets (2006) typology will be maintained where relevant.

Economic aspects

De-industrialisation and global economic transformations to the network economy is generally recognised as one of causes of urban shrinkage in twenty-first century. After the grand
accumulation of low-skilled labour in cities during industrialisation era, the gradual decline of
the urban function as a production centre caused cities to reorient themselves towards a
knowledge-based, service economy. The production manufacturing was losing its importance
in the urban setting and cities found themselves struggling to maintain their economic vitality
in global capitalist system (Hall, 1998: 291 – 309; O’Loughlin & Friedrichs, 1996b; Sassen, 2001:
3 – 84). The reorientation of the post-industrial economy increasingly favoured highly
educated labour driving large number of the working class into unemployment, threatening
the viability of urban life and the public image of the city, of which all are crucial to maintain
the urban population. In a highly specialised environment a loss of even one important
employer can cause significant employment mishaps, outward migration, resulting in brain
drain, poverty, polarisation etc. (Oswalt & Rieniets 2006: 65 – 83). However, further
consequences of these aspects lead to polarisation in society and residential segregation.
Differences in urban and economic development, lifestyles, and other aspects vary
dramatically between the regions of growth and of shrinkage. The spatiality of social
polarisation increasingly divides society (Jarvis et al., 2001; O’Loughlin & Friedrichs, 1996a;
1996b; Oswalt, 2008). Many examples of extreme social polarisation exist in old capitalist
countries and literature cautions against such course of development (Musterd & Ostendorf
social aspects and the ‘endless hunt for the holy grail’ – pursuing economic growth in global
competition for economic prosperity causing degradation of social capital. The urban shrinkage
is often accompanied by economic stagnation making the planning for the recovery twice as
difficult. Only a handful of structural reforms succeeded to recover old industrial cities.
Manchester, as mentioned before, had been severely influenced by deindustrialisation and
suburbanisation, is among those few cities that succeeded to institute a successful tertiary
service sector that is able to accommodate new economic and demographic growth (Rieniets,
2009:245). A recent worldwide economic downturn of 2008 introduced yet another shock to
this vulnerable system.

Demographic transition

Urban shrinkage is first and foremost caused and associated with population decline. While
economic trends may play an important and often decisive role leading to decisions that cause
the demographic situation to improve or decline, it is important to analyse the demographics
separately to fully describe the phenomenon of urban shrinkage. Such factors as mortality,
fertility, migration, and age-structure are highly important when considering urban shrinkage.

The demographic situation is determined by changes in birth and death rates, and life
expectancy. Any changes in these variables result in a direct impact on the demographic
composition of society, workload distribution of the economically active part of population etc.
An early example of urban decline directly related to population aging can be found in
Japan (Flüchter, 2005; Fujii, 2005; Traphagan, 2005). However, population aging becomes
increasingly present in most of western industrialised world. The population cohort derived
from the extreme incline in birth rates following World War II, also referred to as the baby
boom, is now reaching their retirement age, causing previously unknown economic strain to
the economics of the retirement sector. Rising costs in health sector, national pension plans,
and an increasing need for more elderly care facilities are among the most prominent
difficulties brought out by this development. Many European countries openly discuss raising
the retirement age to deal with the financial aspects of this so called ‘grey wave’.

According to classic demographic transition model, the point of departure is both high birth
and death rates resulting in low population growth. Economic and scientific leaps lead to
considerable improvements in the public health sector, sanitation, and overall living standards resulting in a significant drop in death rate eventually followed by decline of birth rates. The asynchronicity of the two trends lead to an early expanding phase in population growth (Haggett, 1975). The following late population expansion phase saw fertility transition - the decline of birth rates due to such factors as urban lifestyle, subsiding infant mortality, introduction of sophisticated contraception techniques, transformation of female socio-cultural role within society, and changing marital patterns (Dubrow & Sanderson, 2000). Demographic markers are highly influenced by morphing urban lifestyles in old industrial nations. The relationships between parents and children change with every generation, the changing living arrangements, rising tendencies of co-habitation, growing marriage and divorce rates, and rising practice of single parenting.

All of these factors have a direct consequence on urban transformations. Dwindling fertility affects directly the number ‘clientele’ and therefore the economic viability of day-care, educational services, and tertiary youth oriented activities. Often legislative regulations define the minimum average number of pupils to maintain the financial support and therefore the academic level of the school, or in some examples, it might threaten the existence of the educational facility as such in the area. The ‘extra curriculum’ sector follows the same pattern being tied to market factors such as clientele or the governmental sublimation which follows the same pattern as primary education system.

Other sectors follow similar development - or rather decline patterns - based on the demographic situation. The health-care sector depends on the patients served, a thriving public sector depends on governmental quotas, and the activity of the private sector is determined by the clientele and financial turnover they can process. Many cities and rural areas are exposed to this transformation and Latvia is no exception. The recent national administrative reform focused on unifying the low-attendance public services and optimising the administrative machinery. Many educational and care services, hospitals, fire departments, police stations and other sensitive amenities were physically removed from declining human settlements. It is a significant challenge for planning to maintain the urban experience in shrinking towns when the offered services are declining or even become unavailable.

Suburbanisation, where affluent middle classes chose to move out to the periphery of the city, expands the city suburbs, which often escape municipal borders of the host city. It results in a loss of the municipal income, which is mostly tied to number of inhabitants rather than actual users of the place. Thus, the shrinking areas have to face a decline in their budgets, making the challenge of maintaining the quality of urban life even more difficult (Kaugurs 15.03.2011). In this setting, the core cities face a decline of population as well as functional and economic stagnation while peripheral settlements are flourishing (Oswalt & Rieniets, 2006: 88 – 89). The capital region of Latvia is an excellent example illustrating this phenomenon. While the population of municipal area of Riga city has declined by sixteen per cent in twenty years since 1990, the same figure has risen for eight per cent for the greater Riga area (CSB, 2011). The statistics indicate the decline of income base for core city while the user base of the city increases without contributing to the municipal budget.

The above described transformations in society might seem an old and long passed development for most of the Europe, however it is a rather recent change for post-Soviet countries like Latvia. The next section will touch upon this aspect more closely.
Political developments

The changes brought about by the de-colonisation, democratisation or in some cases by revolution, coup or other radical swing of political milieu severely affect urban development. One of most famous examples of political influence on urban regime in planning literature is reunification of Eastern and Western Germany in 1989. The industrial Ruhr area in West Germany was one of the regions that were experiencing structural economic problems that rose after industrial boom during World War II and the post-war period subsided. The Ruhr area faced severe reduction of jobs due to multiple closures, modernisation projects, and the relocation of production facilities that reached its climax in the 1970s. The Ruhr area experienced severe signs of urban shrinkage and decline. However, the fall of the Soviet rule and subsequent reunification of previously separated parts of Germany radically changed urban development patterns in both sides. The obvious difference in prosperity drove many inhabitants of Eastern Germany to relocate to more prosperous Western part in a quest for better jobs and living conditions. The newly surfaced migration patterns’ twofold result on urban development: (1) extensive population loss in Eastern Germany lead to severe cases of urban shrinkage in both already declining areas and relatively stable and even developing settlements; (2) the migration influx originating from Eastern Germany reversed the shrinkage in Western Germany. The excess population was unevenly dispersed resulting in accumulation of inflow of migrants mainly in affluent city regions in south of Germany such as Munich or Stuttgart. Nevertheless, formerly declining areas received their share of population increase – enough to minimise or even reverse the urban development trends in places like Essen and Bremerhaven (Kunzmann, 2007). Unfortunately, the labour market was not able to adapt in time to accommodate the influx of both ‘Ossie’ and foreign jobseekers. It resulted in social polarisation in most of receiving cities (Friedrichs, 1996; Kunzmann, 2007).

After the crisis, the western post-industrial world was somewhat subsided in 1990s, the fall of the Soviet Union and the planned socialist economy left large parts of Eastern Europe under veil of uncertainty. The fall of socialist system unleashed demographic and economic change that happened at an unprecedented tempo. The political, economic, and demographic instability drove majority of post-Soviet cities into a rapid population decline. According to statistics presented in the Atlas of Shrinking Cities (Oswalt & Rieniets, 2006) only 27 major cities experienced population decline prior the fall of Soviet rule, whereas 216 large cities faced population loss after the 1990s – that is, every other large city was shrinking. Nearly half of shrinking cities were located in Russia (93 out of 216). All cities of national importance in Latvia have followed the same pattern as demonstrated in Figure 4. The collapse of the political and economic system shocked numerous cities in decline that we continue to experience today. More cities have shrunken than have grown after the Soviet collapse to the extent that overall urban population of Eastern Europe was estimated to be in a state of decline (UN, 2008). Some authors disagree with the commonly spread opinion that Eastern Europe cities were revived after the shock caused by the collapse of Soviet regime. Although the national figures show signs of recovery, the situation in shrinking cities was not that optimistic (Mykhenenko & Turok, 2008).

Industrial regions such as the Donezk Basin in Ukraine or the Kuznetsk Basin of western Siberia were hit the hardest. Where similar regions in the capitalist world like the Ruhr delta (see section above) underwent the post-Fordist transformation at a much slower pace, post-Soviet Europe had to adapt in a flash. Deindustrialisation suddenly struck with the full might, previously being counteracted by the socialist planned economy. The urban populations had to face existential economic struggles and the failure of multiple public services causing large parts of population to flee to countryside. The out-bound migration and de-urbanisation, along
with the drop in birth rates resulted in extreme loss of urban population. The countries on fringes of former Soviet Union, like Latvia, faced a clash of reality against the expectations and living standards in neighbouring capitalist countries causing many to emigrate towards economic safety. The phenomenon was manifested to its full extent in the reunification of Germany where standards of the advanced capitalist welfare state of Western Germany drained the population of the former Eastern Germany (Rieniets, 2009). Eastern Germany has become the focus of the attention with regard to urban shrinkage causing an accumulation of relevant research along with innovative and creative practical responses to the urban shrinkage.

The post-Soviet re-composition is particularly important for Liepāja, the area of the case study, as it was influenced by this phenomenon much more deeply than other regions in Latvia (Chapter 3). The crux of the reorientation from a socialist system towards capitalism involves a crash course of post-Fordist development and market economy reforms compressed in ten to twenty years (Bontje, 2004). The combination and simultaneity of de-industrialisation, suburbanisation, post-Soviet re-composition and demographic factors place the cities of Eastern Europe on a unique path of evolution (Bontje, 2004; Borén & Gentile, 2007; Grossman et al., 2008; Mykhenenko & Turok, 2008; Oswalt & Rieniets, 2006).

**Socio-cultural factors**

Socio-cultural aspects of urban shrinkage refer to the human side of the phenomenon and thus it can be thought of as ‘lived everyday life’ where social, historic, and cultural factors play considerable roles. Thus, we must analyse the influence of morphing social structures to the process of the urban transformation. The composition of population changes due to all the factors discussed in previous sections such as economic, demographic, and political factors. The most direct result of the changed population composition is an altered demand for both private and public services. Factors like individualisation, emancipation, transformation of lifestyles and housing preferences have an important role in urban transformation related to shrinkage. As mentioned earlier, these are recent changes for post-socialistic countries such as Latvia, as they had to take the crash course of adapting capitalistic lifestyles after the fall of the Soviet Union (Bontje, 2004).

The direct causal relationship of changing lifestyles and cultural influence to urban shrinkage may be illusive at first, however, the socio-cultural factors have important role determining demographic and behavioural trends that are notably related to urban shrinkage. A commonly used example outlines how the individualisation and emancipation of women leads to declining birth rates subsequently causing the change in population age structure. The process further influences socio-cultural infrastructure. The loss of client base affects everything from private sector to public services, such as day-care, education, health, public transportation, and utilities infrastructure. Eventually the proportion of maintenance and operation costs exceed the viable income derived from diminishing clientele resulting in climbing service costs and dwindling service quality and diversity until the service is unavoidably ceased. The lowered creative and financial capacity to initiate creative processes leads to corruption of self-esteem and the perceived mental image of the area. Services like education plummet, the schools face difficulties in recruiting and keeping the competitive staff, eventually leading to a deteriorating service, and thus, living conditions for those, remaining in shrinking area. Finally, the community loses the incentive and resources to overcome urban deterioration.

Many socio-cultural aspects are intertwined with demographic trends and thus could be grouped together. Nevertheless, it would overlook other socio-cultural aspects that are
relevant to urban shrinkage in order to understand unique regional differences such as history, religion, language, and culture.
Chapter 2  Research methodology

2.1  Theoretical framework

The research is presented in a tradition of phronetic social science first described in Bent Flyvbjerg’s Making Social Science Matter (2001) and later elaborated for use in the study of urban planning (Flyvbjerg, 2004). Rather than focusing solely on planning theory the phrenetic approach strives for a more contextualised development of the research of planning practices and underlying power relations. Thus, the task of the researcher is to outline how things could be done differently with the full spectrum of possibilities and risks those planners, the subjects of planning, and the planning process itself might face (Flyvbjerg, 2004:302). For lack of a more suitable contemporary term Flyvbjerg borrows the name for his approach from Greek ‘phronesis’, which in Aristotle’s mind was the most important of three intellectual virtues: episteme, techne, and phronesis. Phronesis is the one intellectual merit that is undeservedly forgotten in modern vocabulary and was concerned with values, ethics, context-dependency, and practicality. In Aristotle’s view phronesis has a crucial role in successful social organisation and should hold a governing role over episteme (scientific knowledge) and techne (technical craft). Flyvbjerg insists on the superiority of practical case based knowledge over purely theoretical knowledge indicating that the highest ranking schools in the field of business administration and management, like Harvard Business School, have long recognised this Aristotelian principle. Flyvbjerg calls for similar Aristotelian planning schools as the field of urban planning is dominated by Platonic schools with an overwhelming focus on theory and rules (Flyvbjerg, 2004:288).

The phronetic approach in planning deals with deliberation, judgement, power-relations, and praxis and seeks to answer four specific value-rational questions. Phrenetic method is highly aware of question of perspective and subjectivity realising that there is no neutral ground and that a ‘zero-sum game’ often is the governing rule in reality.

The phronetic approach recognises that one person holds neither the practical wisdom nor the knowledge to answer all the questions to any problem situation, whoever the person would be. Thus, the method acknowledges subjectivity of all actors, including the researcher himself, and views their partial answers as differential input to the on-going dialogue of planning.

Thus, the phronetic approach suggests several methodological guidelines that fall in line with this study. The method aims to advance the reach beyond agency and structure, while keeping the focus on values and retaining power-relations at the core. Consequently, identifying different actors and stakeholders allows for a detailed and polyphonic narrative as an integral part of phronetic planning research. Simultaneously, the phronetic, approach repeatedly suggests the use of the case study by encouraging emphasis on detail, the importance of context, and significance of every day practices.

This thesis is presented as both empirical and theoretical research, however it draws on the power of a good example and of polyphonic narrative utilising the case study as a research method. Bent Flyvbjerg, in his book Making Social Science Matter (2001), elaborates on the importance of case studies in social sciences. According to him, the strength of social sciences

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5 Questions of phronetic planning research are: (1) Where are we going? (2) Who gains and who loses, and by which mechanisms of power? (3) Is this development desirable? (4) What, if anything, should we do about it? (Flyvbjerg, 2004:290).
lies in their rich, reflexive analysis of values and power. He implies that rather than emulating the approach of natural sciences, the social science should locate and defend its own methods. According to Flyvbjerg (2006a) there are five misunderstandings about the nature of the case study as a research method which cast doubt on its theory, reliability and validity. Flyvbjerg counters each of these accusations one by one highlighting the importance of context-dependent knowledge and experience that is at the heart of every expert. Flyvbjerg points out that real-world situations and case based knowledge is crucial in excelling and moving up Dreyfus’ five-step learning model (Flyvbjerg, 2001). Flyvbjerg is quick to point out that one of best known historical scientific experiments in natural sciences performed by Galileo was a single case study that allowed him to prove Aristotle’s theory of gravity false. Thus, Flyvbjerg concludes that "One can often generalize on the basis of a single case, and the case study may be central to scientific development via generalization as supplement or alternative to other methods. But formal generalization is overvalued as a source of scientific development, whereas ‘the force of example’ is underestimated" (Flyvbjerg, 2006a:228). Therefore, it is important to select a case carefully.

A RANDOM SELECTION allows to avoid systematic biases in the sample. The sample's size is decisive for generalization.

1. Random sample - can be used to achieve a representative sample that allows for generalization for the entire population.
2. Stratified sample - to generalize for specially selected subgroups within the population.

INFORMATION ORIENTED SELECTION maximizes the utility of information from small samples and single cases. Cases are selected on the basis of expectations about their information content.

3. Extreme/deviant cases - to obtain information on unusual cases, which can be especially problematic or especially good in a more closely defined sense.
4. Maximum variation cases - to obtain information about the significance of various circumstances for case process and outcome (e.g. three to four cases that are very different on one dimension: size, form of organization, location, budget)
5. Critical cases - to achieve information that permits logical deductions of the type, "If this is (not) valid for this case, then it applies to all (no) cases."
6. Paradigmatic cases - to develop a metaphor or establish a school for the domain that the cases concerns.

Flyvbjerg (2006a:230) puts forward six categories of case studies (Figure 2) explaining that a case study can fit in more than one category which are not mutually exclusive with each other. He accents three of these categories, namely the critical case, the extreme case, and the paradigmatic case.

(1) General, theoretical (context-independent) knowledge is more valuable than concrete, practical (context-dependent) knowledge; (2) One cannot generalize on the basis of an individual case; therefore, the case study cannot contribute to scientific development; (3) The case study is most useful for generating hypotheses; that is, in the first stage of a total research process, while other methods are more suitable for hypotheses testing and theory building; (4) The case study contains a bias toward verification that is, a tendency to confirm the researcher’s preconceived notions; (5) It is often difficult to develop general propositions and theories on the basis of specific case studies (Flyvbjerg, 2001, 66f).

Dreyfus model of skill acquisition with rephrased names by Flyvbjerg in brackets: (1) Novice; (2) Competence (advanced beginners); (3) Proficiency (competent performer); (4) Expertise (proficient performer); (5) Mastery (expert) (Dreyfus & Dreyfus, 1980:7-14).
The case study of Liepāja for this study is chosen based on information-orientated selection as it best utilises data from small samples, or, as in this case, a single case. According to Flyvbjerg’s (2006a:230) classification discussed previously, Liepāja is the critical case since I try to discover underlying processes that could be generalised to national context.

The main part of research relies on qualitative research methods “which explore the feelings, understandings and knowledge of others through interviews, discussions or participant observation. [They] are increasingly used by geographers to explore some of the complexities of everyday life in order to gain a deeper insight into the processes shaping out social worlds” (Dwyer & Limb 2001, 1). An important characteristic of qualitative method – the circularity of the research process is embedded in this research forming two interview cycles and improving on itself each time the cycle is ended. Laursen (2009), by drawing on the views of Pahuus (2004) and Andersen (1994), talks about a never ending hermeneutic spiral where the researcher starts his journey with preconceived views of the research problem and expected findings. The expectations and the subject of investigation are then engaged in a dialogue which allows the results to be interpreted and alterations be made based on the assumptions thus creating a new frame of understanding. Thereby the circularity and the method of interpretation make for a useful tool in the working process. In this view, data collection, analysis, and theory are in the state of continuous interplay. The qualitative approach strives for complexity and condensation, not for reduction and generalisation (Flick, 2005).

2.2 Research Question

The overall objective of the research is to illustrate and analyse the level of awareness of the urban shrinkage at the city decision-makers level and to explain the reasons behind such an opinion. Therefore, at the dawn of the procedure of public hearing, discussion, and approval of the main strategic planning document for the next twelve years of the city of Liepāja it is crucial to raise the discussion on four phronetic research inquiries, namely: (1) Where are we going? (2) Who gains and who loses, and by which mechanisms of power? (3) Is this development desirable? (4) What, if anything, should we do about it? (Flyvbjerg, 2004:290). With the ever-present context of the urban shrinkage at Liepāja, the study seeks to answer the following research question:

What is the current state of awareness of urban shrinkage in Liepāja by the key actors?

2.3 Hypothesis

In this research, it is studied whether the findings in case study Liepāja fit within the conceptual model (see 0) by testing following hypotheses that were developed on the basis of the findings in the theoretical framework:

1. Urban shrinkage is not recognised as a factor in planning;
2. Urban shrinkage is not discussed;
3. The [REASON] is causing the [STAKEHOLDER] to uphold the [VIEW] (and causes the [ACTION]).

As described previously, the study is building on the embedded circularity of the phronetic method forming two interview cycles and improving on itself each time the cycle is ended (Laursen, 2009). Thus after the first cycle of interviews with key planning experts in Liepāja another set of hypothesis is specified based on the hypothesis No. 3. These hypotheses focus on explaining the reasons behind the current state of awareness of urban shrinkage in Liepāja by key stakeholders and testing the main reasons collected in the first set of interviews.
The sub-hypothesis further deepen the phronetic research interest by uncovering the most identifiable strands of underlying causalities that form views on urban shrinkage and planning for Liepāja case study. The above mentioned causalities are (1) the planning legacy; (2) the misconception; and (3) the political sensitivity of the subject. The three assumptions are then constructed in accordance to the formula of hypothesis No. 3 forming the following sub-hypothesis:

3a. The [legacy of planning practice] causes [the planners] to uphold the [growth paradigm] and causes [the unreachable objectives of eternal growth to be set].

3b. The [misconception of urban shrinkage] is causing [the politicians and planners] to [divert the attention from urban shrinkage to other tasks].

3c. The [political sensitivity of the subject of urban shrinkage] is causing [the politicians and planners] to [ignore and evade the fact of urban shrinkage and therefore limits their ability to devise realistic plans and alternative solutions].

2.4 Research methods

The aim of the study is to investigate the current state of awareness of urban shrinkage in Liepāja, third largest city in Latvia. The research process is divided in three stages: (1) Literature and secondary data analysis; (2) Content analysis of relevant policy documents; (3) Semi-structured expert interviews of the main actors and stakeholders. The three stages of the research process are illustrated in the conceptual model vertically dividing the schematic in respective sections (see 0).

Literature and secondary data analysis

Literature and secondary data analysis is devoted to outlining international academic debate on the subject. The main aim of this part, besides giving fair illustration of urban shrinkage and related planning challenges, is to answer the following two questions: what causes the urban shrinkage and what are the effects of it. As said before, urban shrinkage is a relatively recent topic in the scope urban planning and other fields, however fairly documented and to some extent researched examples in Europe should offer significant experience that could be applied to Latvian context. These examples include but are not limited to Germany (Oswalt, 2005, 2008; Rieniets, 2006, 2009; Wolf, 2010), Slovakia (Bleha & Buček, 2010), etc.

The aim of the secondary data analysis is to illustrate the extent of urban shrinkage within Europe and to draw parallels with the context of Latvia and the case study area. This part of the research seeks the answer to the question if urban shrinkage is present in Latvian context and Liepāja. Given the limitations of research and the extent of the resources needed to acquire such data it has been chosen to use secondary data such as EUROSTAT, the Central Statistical Bureau of Latvia, the Latvian Geospatial Information Agency and other published data sources. Due to historical inconsistency of statistical data collection caused by post-Soviet re-composition and recent regional reform in Latvia, gaps in the data array exist.

Analysis of policy documents

The second part of the study is focused on content analysis of relevant policy documents. The main emphasis is devoted to analyse the master strategy document of Liepāja released to the
procedure public discussion and approval on mid-March 2011. Being the main city planning document for the next twelve years the first edition of ‘Liepāja territory plan 2011 – 2023’ is being presented for the first round of public discussion at the time of writing this paper. Thus this research concentrates on a vital part of city planning strategy at the crucial moment when this strategic document is being first presented to the public. The context analysis is questioning if urban shrinkage is recognised by this document and if it deals with the effects of urban shrinkage outlined by literature analysis, thus investigating the level of awareness of this phenomenon in policy documents. Based on policy analysis I will seek to find if some practices and advices presented by academic literature can be applied to Latvian context and the research area - the city of Liepāja.

**Interviews**

Finally, the last part of research concentrates on researching the level of awareness of urban shrinkage among main actors and stakeholders related to the subject. The research utilises semi-structured interviews with previously chosen planning experts, members of academia, parties with political and/or economical influence in the matter, and other interest groups. The interviews are set in two rounds. The first round uses extended semi-structured interviews with three experts concentrating on stage setting and opinion forming. The aim of this part is threefold. First, I am interested in testing the main premises of research as well as to seek answers to research questions. Secondly, this round seeks to analyse and update the network of key actors related to urban shrinkage, but overlooked by previous analysis, in order to gain an all-inclusive scope of actors involved. Finally, the first round of interviews is used to form tighter structure for second round interviews by adding the points of interest missed in earlier considerations. The second round is intended to acquire comprehensive view on the level of awareness of the urban shrinkage among key actors. These interviews are intended to be more structured including greater scope of questions mainly devised in round one. Along with yielding answers to main research questions the expert interviews seek and attempt to explain the reasons which influence the awareness, discussion and resulting action or lack thereof among politicians or planning official, academia, and other involved actors as illustrated in conceptual model (see 0).

The aim of this study is to investigate the current state of awareness of urban shrinkage among key planning related actors in Liepāja, as was discussed previously. Thus the mentioned two rounds of interviews employ the embedded circularity of Flyvbjerg’s (2004) phronetic research method in order to better answer the research question “What is the current state of awareness of urban shrinkage in Liepāja by key stakeholders?” and the postulated hypothesis (consult section 2.3). Thus, the four phronetic research questions were addressed in two interview rounds that incarnate both the circularity and recursivity of Flyvbjerg’s method (Flyvbjerg, 2004:290).

The first round of interviews was held in week 11, 2011. Three experts were selected on the grounds of their close involvement with the project “Liepāja territory plan 2011-2023” which is expected to result in an approved long-term municipal planning document with the same title. The participants were invited to open the conversation with a limited structure that frames the discussion within the limits of Liepāja city, urban shrinkage, and the planning process that concludes in the twelve-year strategic planning document “Liepāja territory plan 2011-2023”. The chosen experts are (1) Ms Iveta Ansone; (2) Mr Neils Balgalis; (3) Mr Uģis Kaugurs (consult Appendix 2 ).
Ms Iveta Ansone is the chief architect of Liepāja with the Building board of Liepāja city council. Within her professional capacity falls the definition and formulation of the assignment to initiate the project “Liepāja territory plan 2011-2023”. She is also the team leader of the project assigned by the Building board of Liepāja city council.

Mr Neils Balgalis holds an M.Sc degree in geography and environmental sciences, he is a private consultant in planning, and holds the position of the managing director of the planning consultancy Grupa 93. Grupa 93 is a private consultancy charged with the task to create the long-term municipal planning document “Liepāja territory plan 2011-2023”.

Mr Uģis Kaugurs is a private planning consultant contracted by Grupa 93 to consult the creation of the “Liepāja territory plan 2011-2023”. In past he has held the post of the chief architect of Liepāja, the post of chief city-planner, and the head of the Building board of Liepāja city council for the period of 1997-2006.

Unexpectedly, the chosen experts demonstrated great initiative in discussing the subject from perspective of urban shrinkage which resulted in several recursive discussions often on their private time at weekends. I am sincerely grateful for their contribution to the narrative and their valuable input in explaining the behind the scenes working. As Flyvbjerg argues, rationality is always context bound and often is shaped by those in power (Flyvbjerg, 2004). Thus, this volunteered information played a crucial role in understanding and explaining the views and positions held by key actors involved in the planning process in Liepāja. It also proved to be of immense help when political positions and decisions appeared to contradict the rational of planning practitioners. Here Flyvbjerg’s distinction between rationality and rationalisation helped significantly as “in reality […] power often ignores or designs knowledge at its convenience” (ibid. 2001; 143).

The numerous discussions and semi-structured interviews with the above mentioned experts were used to establish the validity of the first two hypotheses and to engage in the in-depth discussion of urban shrinkage and its effect on the future of the city of Liepāja. The discussions were structured around the four research questions of the phronetic method, specifically (1) Where are we going? (2) Who gains and who loses, and by which mechanisms of power? (3) Is this development desirable? (4) What, if anything, should we do about it? (Flyvbjerg, 2004:290). The structure of the phronetic method offers an adequate platform to identify the main planning developments and the underlying ideas and opinions of the main involved actors and stakeholders, as well as the power relations that bind them. Within these discussions, the dominant planning ideas relevant to the aim of the research were identified and the list of second round of interviews was devised (see the Appendix 2). Here, once again, I must express my gratitude for the assistance of initial three experts listed above, who employed their social network and intimate knowledge of the situation to suggest and enable access to the further interviewees. The discussions with the initial expert group also served as a filtration system to analyse and localise the problematisation and concepts presented in academic literature concerning the subject of urban shrinkage. Thus, the most identifiable strands of underlying causalities that form views on urban shrinkage and planning were selected for Liepāja case study. These causalities are (1) the planning legacy; (2) the misconception; and (3) the political sensitivity of the subject. The three assumptions were
constructed in accordance to the formula of hypothesis No. 3 forming three sub-hypothesis stated in previous sections.

The second round of interviews was held in an extended period from week 15-20. The second round of interviews featured 10 persons from different fields with varying degree of involvement in the public discussion on the forthcoming twelve year city planning document. The interviews were structured around previously localised and case specific examples suggested by initial experts group. However the conversation often drifted in interviewees respective field unveiling new and previously overlooked perspectives. The interviews were hour-long conversations, often conducted in informal settings. Some aspects of discussion were followed up by further electronic communication clearing-up the matter or specifying the information discussed. All persons agreed for their full name and office title to be used within this thesis, however some opinions were asked not to be associated with an individual person. It has to be remarked, that attaching the name and position to the interview must bare the consequences of the story being told. Thus, the information is likely to be edited and parts of the opinions left out. Some interviews were used more extensively than others due to their compatibility with the general discourse. Although the four interviews are not cited directly they still contribute greatly to the understanding of the complete picture and minute aspects surrounding the researched subject. The cartographic material created by planning consultancy “Grupa 93” is used in this paper with a kind permission of the owners.

**Reflection about the researcher’s position**

It is of a great importance in any research, but even more so in the case of the qualitative research methods to consider the position of the researcher in the field of study (Flyvbjerg, 2004; Dwyer & Limb, 2009). Therefore, my own relation to the chosen case study must be noted, as it is essential part of the phronetic approach. The researcher is an integral part of the study as he collects the information and analyses it. The resulting story then has to be narrated. This means that the phronetic researcher must interpret and order the narrative deciding where the story starts, what does it say, and when should it end. The choices should be guided by the four value-rational questions and their contribution to the narrative (Flyvbjerg, 2004). Thus, it is of essence to state my personal ties with the city of the case study as it influences my perception and judgement. The study is conducted in my mother tongue, within my own country. I have intimate ties with Liepāja, as I spent some of my childhood and my teenage years playing on its streets, exploring its back-alleys, and curiously discovering the secrets that city holds. I also have to note that in many cases my personal social network encompasses architects, planners, and politicians that are put under the looking glass in this research.

All of these aspects brought together, influence and shape my opinion and understanding of the case study. I do have some previous knowledge of the inner workings of the planning system in Liepāja. It is also important to note that my personal acquaintance with many interviewees and experts in the field grant me an access to information that would not be

9 Hypothesis No. 4 is The [REASON] is causing the [STAKEHOLDER] to uphold the [VIEW] (and causes [THE ACTION]).

10 The sub-hypothesis are as follow (3a) The [legacy of planning practice] causes [the planners] to uphold the [growth paradigm] and causes [the unreachable objectives of eternal growth to be set]; (3b) The [misconception of urban shrinkage] is causing [the politicians and planners] to [divert the attention from urban shrinkage to other tasks]; (3c) The [political sensitivity of the subject of urban shrinkage] is causing [the politicians and planners] to [ignore and evade the fact of urban shrinkage and therefore limits their ability to devise realistic plans and alternative solutions].
otherwise available. The interviews are thus conducted in setting that is more informal and the stories are shared more openly. However, it also implies an ethical dilemma when contradicting views or sensitive information is concerned.

Altogether it is difficult to determine the extent of the influence these factors leave to my research, but it cannot be denied that these aspects have to reflected upon during the research.
Chapter 3  Urban shrinkage and planning in Liepāja

3.1 The national planning context and the urban shrinkage

Latvia is one of three Baltic States situated in the Northwest of Eastern Europe with a total population of approximately 2.23 million inhabitants. The demographic development in the last two decades is characterised by a steady population decline of nearly sixteen per cent due to a multitude of reasons (CSB, 2011). The restoration of national independence from Soviet rule caused a significant exodus of population with strong Slavic ties at the beginning of the twentieth century. The recall of permanently stationed Soviet military troops along with supporting personnel and families caused a substantial drop of urban population in many regions with significant previous military presence, with the chosen case study area being among them. Although, it must be noted that the exact number of permanently stationed Soviet military personnel in either Latvia or any particular city was classified and unavailable, therefore it is left out of the statistics. The post-Soviet re-composition (Wolf, 2010) introduced several new trends in the demographic portrait of the country.

The transition from the planned socialistic economic model to a capitalistic market economy raised the significance of attaining a career, which caused a change in the dominant lifestyles and a subsequent drop in birth rates. The introduction of free labour mobility within the European Union (EU) caused a significant population drain from many regions already experiencing economic and demographic deprivation.

In essence, the same restructuration processes that the Western capitalistic world experienced in the twentieth century were introduced to post Soviet Europe as shock therapy for change to be adapted in just a decade (Bontje, 2004; Borén & Gentile, 2007; Grossman et al., 2008; Mykhenenko & Turok, 2008; Oswalt & Rieniets, 2006).

Latvia has a strong mono-centric population structure with an average urbanisation rate of sixty-eight per cent. More than a half of the population (~1.1 million people) is concentrated in the functional region of Riga forming a dominant metropolitan centre around the capital. Riga is by far the largest city in the country with 0.7 million inhabitants followed by Daugavpils and Liepāja – approximately 104,000 and 84,000 inhabitants respectively. Apart from nine cities of national significance the other 77 towns house a population of less than 10,000 inhabitants (CSB, 2011). As mentioned before the population of Latvia has declined by close to sixteen per cent in the last two decades ranging from a drop of twenty-six per cent in Liepāja to the shrinkage of eight per cent in Valmiera (see Figure 4). The urban population statistics indicate that almost every city and town faced a declining population in the last two decades and this
trend persists today. The only region resisting the overwhelming trend of population decline is the greater urban area of Riga with an exclusion of the capital itself. The manifestation of de-urbanisation and an extensive construction boom in peripheral regions about a decade ago caused a reversal of the population decline trend. The region has recovered the initial number of the population and has kept growing steadily at the expense of the capital itself and the rest of the country. The cities Jurmala and Jelgava, located within the greater urban area of Riga have managed to keep their populations steady largely due to the same phenomenon discussed above (Kūle, 2007).

The average domestic unit in Latvia consists of 2.57 persons; however, single and two person households are dominant. Along with the high urbanisation rate, seventy per cent of the households live in multi-apartment housing and only twenty-eight per cent of the population dwell in single family houses mostly located in rural areas. According to the State Housing Agency, most households live in two-room apartments and the average living space per person amounts to 24.6 square meters. Due to an extensive privatisation scheme, eighty-five per cent of dwellings are privately owned. Low quality is the major issue of housing stock as next to quarter of it was constructed before 1945 and sixty per cent of the housing stock consists of post-war large-scale housing projects. The post-war construction rush produced a large number of standardised layout buildings with insufficient thermo isolation and inadequate heat consumption.

Planning system in historical perspective

The planning system in Latvia sprouted from early city building regulations adapted by local governors in order to insure fire safety, military security, sanitation, and regularity of the street grid. Latvian spatial planning has largely developed by events and development in Riga gradually spreading to the rest of the territories. The earliest building code was adapted right after devastating city fires in Riga in 1293. The early plan laid out a street grid introducing the brick and gable buildings in the perimeter construction pattern. Extensive city plans were introduced in the seventeenth century by Swedish and Russian war engineers laying down a regular street pattern for the city within the defensive walls and bastions, and regulated the typology of the construction of the city’s suburbs. However, the suburbs were burnt down as a precaution against advancing Napoleon’s forces towards the city. Following major reconstructions and the demolition of city walls and bastions determined further urban development in the nineteenth century. The plans envisaged construction of many public buildings, further suburban development, and extensive urban greening projects. This development served as the beginning of planning tradition that were cherished and spread to other Latvian cities the importance of public parks, urban gardens, and forestry.

Riga grew rapidly and its population almost doubled during the first two decades of the twentieth century as the city was the third most influential industrial centre of the Russian Empire. To manage the swift urban growth new and modern city building regulations were devised at 1904. According to Krastiņš et al. (1988:83) only St. Petersburg had similar although much softer city planning regulations in the whole Russian Empire of the twentieth century. The document served as a model for the similar regulations in other Latvian towns and cities. Similar planning documents were created for Jelgava, Liepāja, and Ventspils etc. Liepāja, among other Latvian cities of the late nineteenth century, was experiencing rapid growth due to industrial development, which created the necessity for a large number of affordable housing for the working class. Extensive districts of typical three story wooden apartment buildings were erected featuring a single-room apartment layout with a communicating kitchen and the bathroom and toilet in the common area. It is estimated that in Liepāja alone
around hundred thousand people dwelled in this type of apartments at the turn of the twentieth century (Kaugurs 15.03.2011).

Riga and later Liepāja were among the first cities in the Russian Empire to implement the principles of the garden-city. Riga received a private villa neighbourhood in the pine forest park on the banks of Lake Kisezers and similar villa type neighbourhoods were later constructed in Liepāja beach pine park (Kūle, 2007:53).

The local planning system was localised and largely in the hands of each city council and it did not change with the proclamation of the sovereign republic of Latvia in 1918. However, a decade later the supervision of city planning was centralised under a dedicated town building bureau under the Ministry of Agriculture. The institution updated or created from scratch the building regulations for all Latvian towns and cities. The regulations featured unified national policy goals for spatial planning devised by the Ministry of Interior. The goals featured expectations of rapid development and subsequent growth of cities. The planning documents were expected to focus on: 1) upgrading or replacing old buildings thus raising the cost-efficiency of the building stock; 2) improvement of sanitary conditions; 3) upgrading and extension of street and road network; and 4) construction of wide markets with easy access to public infrastructure, utilities, and shelters (IM, 1938: 19-20).

The Soviet occupation of 1940 introduced extreme socialist reforms such as a planned economy, nationalisation of private property and real estate, and seizure of any form of private entrepreneurship. In this context, the planning function was moved from city councils to the centralised Soviet state planning institutes. The planning process had to implement the Soviet principles of fostering and strengthening the uniformity of society, deconstruct the different social classes and national differences, and minimising differences between urban and rural life. Adaptation of modernist Le Corbusier planning ideas and centralised uniformity of the 1960s gave way to the industrial housing construction using reinforced concrete building blocks. Large-scale high-rise multi-apartment building schemes were initiated both in cities and to somewhat lesser scale in rural areas to pursue the goal of eradication of urban and rural differences. Riga received seven new complexly planned high-rise multi-apartment residential suburbs of immense scale – a hundred thousand or more inhabitants per district. Similar schemes of a grand scale appeared in almost every city and to lesser extent in rural areas especially when located in the proximity of extraction points for minerals or sights of military significance (Kūle, 2007:59).

Extensive industrialisation schemes supplemented both urban and rural housing projects. Schemes for industrial clusters were devised in many cities aiding rapid urban population growth. In order to further minimise national differences the labour force was often relocated from other Soviet states. Similar projects were introduced in rural areas creating large-scale agrarian industrial complexes in order to concentrate the rural population from scattered single-family houses to villages (Kūle, 2007:61).

One can say that Soviet cities were artificially boosted fostering industrial development and population growth where it could not develop under open market economic conditions (Kaugurs, 15.03.2011.). Thus, continuous urban growth under the veil of a Soviet planned economy is a part of historical heritage of the development of the Latvian planning tradition. The growth paradigm is deeply embedded in the planning practice due to its exposure to a unique and closed system of the planned Soviet economy that evaporated with the fall of Soviet Union and the restoration of sovereign Republic of Latvia in 1991. Sudden exposure to the capitalist system and market economy started a unique string of post-Soviet
transformations (Bontje, 2004; Borén & Gentile, 2007; Grossman et al., 2008; Mykhenenko & Turok, 2008; Oswalt & Rieniets, 2006).

Seen from today’s perspective the Soviet period development plans and proposals have to be reconsidered and put to the public discussion. The Soviet documents do not address real-estate ownership structure, nor do they take the public opinion into consideration. Not to mention that the plans of such high level of detail did not meet the required precision of implementation as the content of the documents was classified on a strictly selective need-to-know basis. The current planning policy was fundamentally reformed after restoration of sovereign Latvia. Although the current planning system was formed with the best international practice from mainly Danish consultancies and concordance with national constitution in mind, it is still retains elements of the Soviet planning legacy. (Kūle, 2007:63). As discussed above, the planning system under both the capitalistic market economy and the Soviet centrally planned economy have strong roots in the constant growth paradigm, although for different reasons. Thus, we touch upon hypothesis No.1 by tracing the inherited disposition towards ignorance of urban shrinkage as a factor in planning, since neither world was too keen to face population decline. The absence of recognition for urban shrinkage as a factor in the planning (hypothesis No. 1) and the lack of related discussion (hypothesis No. 2) will be further discussed in following sections.

3.2 Liepāja in the current planning system of Latvia

The current spatial planning system in Latvia features three strategic planning tiers. The national tier is defined and shaped by the national development programme Latvia 2030 - the Sustainable Development Strategy of Latvia until 2030.

On the national scale, Liepāja is being valued for its geographic location; presence of objects of national importance like the port, road system and historical city centre; nature preservation areas etc. (LV2030, 2010). The strategy’s “Spatial Development Perspective” envisions Liepāja as a crucial development centre for international cooperation and underlines the city’s importance as hub for air, road, sea, and rail traffic. The document presents the city as traditionally orientated towards industry and logistics and expects it to “profile [itself] as the centre of economic growth and knowledge creation. [...] Upon [the city’s] co-operation and interaction with the nearest cities and rural territories, the critical mass necessary for the growth will be created, as well as the outskirts effect of certain territories will be reduced” (LV2030, 2010:74). Moreover, the document also recognises the transformation of the population - the decline in numbers, an aging population, and the dominance of single parent divorced households etc. It suggests stimulus for economic development, a high quality education that fosters creativity and is capable to transfer the knowledge to business as a solution (LV2030, 2010:11). Thus, the conclusion is that the general trend of urban population decline and other transformation processes are recognised on the national tier of strategic planning documents. Although abstract and superficial the underlying process of urban shrinkage is recognised and discussed on the national tier of planning policy (hypothesis No. 1 & No. 2).

The regional tier operates on five planning regions – the capital city Riga and four historical regions, namely Kurzeme, Zemgale, Vidzeme, and Latgale. Liepāja falls into the Kurzeme planning region. According to the planning region’s territory plan guidelines, Liepāja is largest city in region and as such serves as administrative centre and development node. The document postulates in greater detail the development outlined by the national planning tier (Marksa et al., 2007). However, it has lost any concern about the demographic situation
and the population decline trend. Thus, the hypotheses No. 1 & No. 2 are confirmed on the regional tier as no recognition is devoted to demographic trends and its consequences on the urban population.

The local tier remains highly fragmented and in theory, it should consist of municipal development strategy on the long-term strategic planning level followed by long term municipal territory plan which is then put into the practice by subsequent short term planning documents that pursue the goals set by its parent document (Grupa 93, 2008; 2011a).

Case study Liepāja

Besides the strong downwards-oriented demographic trend during last two decades, where the city has lost a quarter of its population, there is another factor that make Liepāja a critical case in Flyvbjerg’s (2006a:230) classification. At the time of the research the city of Liepāja is still working on its long term municipal territory plan – Liepāja territory plan 2011-2023 (Grupa 93, 2011a; LBV, 2009). This is one of the main reasons behind choosing Liepāja as a critical case study (Flyvbjerg, 2006a:230) for this thesis as it is possible to witness and participate in public debate of this planning document. It is also a vital moment when the main opinions are voiced, discussed and if successful worked into the Liepāja territory plan 2011-2023. During this period, the discussions can be identified more easily and the main actors involved can be accessed with less effort.

The planning document governing the current long-term development of Liepāja city is based on the comprehensive plan of Liepāja that dates back to 1988 – the time before the dissolution of the Soviet Union. The out-dated document was re-evaluated on 1996 and a revamped and updated version of generally the same document was passed as the new “Liepāja development plan” in the same year. Nevertheless, it has to be noted that first decade after the restoration of the sovereign Republic of Latvia brought a rapid stream of policy and regulation change making it next to impossible for planners to devise proper planning documents for the long term. The current long-term planning document has forty-two amendments and thirty-two specific corrections added to it as the initial development strategies were drawn up in haste and with a general lack of practice. The document bares its Soviet planning legacy prefaced on continuous rapid population growth expected to reach 134.000 inhabitants by 2010 (Grupa 93, 2011a). On the contrary to the expected population trend (consult Error! Reference source not found.), the city has lost twenty-six per cent of its population within two decades and the trend persists until today (CSB, 2011). The negative development spikes in Figure 4 in the period from 1993-1995 can be explained by the relocation of permanently stationed former Soviet military troops and their families who were recalled back to the Russian Federation. However, the rest of the data show steady urban shrinkage due to among others a negative net migration rate and negative natural population development.
Recognising the inconsistencies in local planning policy at the time the city council came forward with the comprehensive Liepāja development strategy 2008-2014, thus adding to the inconsistencies of overall planning policy. The need for new long term municipal territory plan arose and the work on “Liepāja territory plan 2011-2023” was initiated.

According to the evaluation of the territory plan of 1996, which is still operational, there are several reasons that require a new long-term territory plan. These reasons are: (1) the conflicting goals of current policy and the new ones drafted, - the first of its kind in Liepāja history, top-level municipal planning document “Liepāja development strategy 2008-2014”; (2) the necessity to allocate the territories for development of projects of national significance outlined in planning documents at the national and regional tiers such as transport infrastructure, port activities, and thermo-electro station etc.; (3) the need to update the concordance with current legislation; (4) the requirement to adjust the current planning documents to be match the current demographic, economic, and politic setting, as well as the need to re-evaluate unimplemented planning projects (Grupa93, 2008:4-6).

The analysis of the evaluation of the previous long-term territory plan, conducted by the private planning consultancy “Grupa 93”, seems to reveal sufficient awareness of the demographic trends and their inadvertent effect on urban processes thus questioning the hypothesis No. 1 and No. 2. Nevertheless, it seems that the growth paradigm inherited from both from capitalist and socialist planning practices takes the upper hand as no follow-up to discussion stems from the statement of the demographic situation. Moreover, analysis of the first draft of Liepāja territory plan 2011-2023, developed by the same private consultancy, “Grupa 93” has lost the edge of linking population shrinkage to other urban processes. In almost a one hundred page planning document exactly five sentences and a graph that states the fact of population decline (Grupa93, 2011a:10-11), are featured. However, as stated before, it has lost every linkage to this fact and the consequences related to the successful development of the rest of the plan.
Thus, we simultaneously reinstate the hypothesis No. 1 & No. 2 and draw a conclusion that strong political resistance must have been met to divert the development of planning document to such an extent.
Chapter 4  The interviews and opinions

4.1  Misconception and evasion of difficult decisions

Ingūna Tomsone, the expert of strategic planning with the department of City Development at Liepāja city council, believes that in many cases the political and municipal misconception of demography is related to feebleness that surrounds this aspect. “Social and cultural aspects often receive similar attitude from decision-makers since frequently they are not entirely understood and their value appreciated” adds Ms Tomsone (Tomsone, 11.05.2011.). With previous experience working on the project “Liepāja socio-economic development strategy 2008-2014”, Ms Tomsone points out that the currently running Liepāja territory plan project is the first and so far the largest project in Latvia to communicate and involve people with the creation and discussion of the future of their city. All interviewees agree that for the first time in the modern Latvian planning practice the municipality and planning consultants did approach and involve people to such extent. Multiple discussions were held in every district involving as many willing citizens as possible. The media coverage and included in formation centres both on the internet and in many public buildings offered brief and understandable information created for general public with professionals assisting if any questions arose. The planners point out that there is much to improve upon, but this was the first planner’s initiative of its kind and extent. The experience will serve as an icebreaker to convince unwilling politicians and the city administration to support and expand on this practice in the future.

Ms Tomsone also mentions that due to many changes in recent planning legislation this is the first time that the document of such long-term planning period is required and regulated. Due to necessity every municipality have had their own versions of similar documents, but they were never standardised and therefore the traditions on the content are still being worked out. The planners admit the existence of political resistance when confronted with the fact that the initial call for three demographic scenarios, which would also include population decline, has been lost along the way of creating the current draft of Liepāja territory plan. Both Ms Tomsone and Mr Arvīds Vitāls, the chief spatial planner with Liepāja city council admit that it is neither traditional nor mandatory to utilise the techniques in future studies and scenario building in Latvian planning practice. The professional initiative to employ these tools was surrendered in the face of political resistance and lack of professional experience of how to overcome it. In this case, both hypothesis 3b and 3c are confirmed. The misconception of the importance and the consequences of demographic situation, combined with the political uneasiness surrounding this subject causes urban shrinkage to be neglected in the planning process. The professional initiative is hushed up and other tasks get prioritised instead.

However, there is the other side of the coin to which the planners and municipality officials involved in interviews point. They remind that both the planner and politician gain their “mandate” in order to serve the public to the best of their ability. Therefore, it is against the job description to oppose public opinion. As a result, the new Liepāja territory plan is created with economic growth and new jobs in mind. It sets aside the politically inconvenient reality of urban shrinkage thus giving way to the hegemony of the growth-orientation within the

11 The argument must be seen in context of hypothesis 3b – misconception of the importance of matters at hand.
12 www.liepaja.lv and www.grupa93.lv/liepaja both serve as information centres offering all the data on Liepaja territory plan.
planning that Hollander (2011:120) talks about. Ms Tomsone points out that there were several reasons beside political pressure why the work group leaned towards the economic orientation and devoted so little to social and demographic concerns. Planners indicate that according to a recent survey (SKDS, 2011) on the city image of five largest Latvian cities, 73% of people in Liepāja expect that creation of jobs must be the priority of their city. Therefore, people expect this plan to have a heavy economic orientation. Yet another motivation is the economic crisis that depletes the budget of the city. More jobs and increased economic activity improve the collection on income tax and provides a direct economic feedback for the city. However, the argument of the professional mandate seems to serve as a cover-up for the failure of raising the subject of the urban shrinkage to public debate. Thus the both assumptions - hypothesis 3b and 3c are at work here. Interviewees close to the official planning process do agree that an extensive public communications campaign would be needed to discuss and tackle urban shrinkage. Yet, it is impossible without stern political backing and a clear vision of what to do, and neither exists today, explains Mr Vitāls (Vitāls 19.04.2011.). In the face of overvaluing complexity of the task, the urban shrinkage fact is not addressed, and many other tasks, as pressing as this one or even more urgent, have to be solved in a meanwhile.

4.2 Planning legacy or Growth paradigm in Liepāja planning practice

The majority of interviewed experts, those holding offices at municipality in particular, believe that the discipline of planning in its deepest ontological meaning holds a strong relation to the process of development, evolution, and growth. It is believed to be a planner’s task to devise a course of action that will lead to the better and increasingly prosperous future. When confronted with the demographic data of population decline, they argue that it would be pointless for the planning discipline to exist if the planning product would be a smaller city. Here we must pause the narrative to explain that the word “shrinkage” holds a similar semantic meaning in Latvian as its English counterpart, however, it contains double the dose of implied negativity trough the historic legacy both from the Soviet planned economy, and capitalist market economy, as discussed in the previous section.

Thus, we must draw the parallels between both the growth paradigm (discussed in section 1.1) and the historic planning legacy (developed in section 3.2 and section 3.1) to explain the tendency to elude the “elephant in the room”, that is to say, the declining demographics and the logical consequences for the city. However, when the concept of urban shrinkage is rephrased to the Latvian equivalent of “right-sizing”, the concept seems to be better perceived and can be presented as something smaller, more suitable, and better (Oswalt and Rieniets 2007). Nevertheless, once the link with the cause (diminishing population) is re-established the same panic returns driving planners and politicians to denial. The planning strategies are refocused around expansion of the port and industry although history has not shown any astonishing results in this area. It seems that like the most of the world, with a few exceptions such as in Germany (Wiechmann, 2008) or the United States of America (Schatz, 2008; Hollander et al., 2009), the hegemony of the growth-orientation within urban planning is too strong to overcome. However, delving deeper in problematisation, examples, and stories elucidated during the public discussions of the first draft of the long-term municipal planning

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13 4b. The [misconception of urban shrinkage] is causing [the politicians and planners] to [divert the attention from urban shrinkage to other tasks].

4c. The [political sensitivity of the subject of urban shrinkage] is causing [the politicians and planners] to [ignore and evade the fact of urban shrinkage and therefore limits their ability to devise realistic plans and alternative solutions].
document “Liepāja territory plan 2011-2023” we come to consensus that population loss must not necessary imply the decline in the quality of the neighbourhood. For example, Hollander (2011:138-139) demonstrates that the resident’s perception of neighbourhood quality vary drastically and with afresh look at urban planning and policy practice we might remove the pre-acquired negative assumptions that accompanies the urban shrinkage. Mr Vīksna, a head of the architectural studio, raises a similar opinion during the public discussions on the first draft of the Liepāja territory plan 2011-2023. He agrees that about the only thing we can do for Liepāja as a shrinking city is to raise the quality of every square metre of the residential areas. Together with fellow architect A. Kokins he passionately promotes an alternative vision that among other things focuses on reattaching the Northern residential areas to the main body of the city; limiting the industrial and port activity within the city and northern shipping canal that divides the city; replace the current hundred family block high-rises with less dense ten family housing that promotes social cohesion and feeling of the belonging (Vīksna, 2011a;2011b). He explains that he doesn’t expect these goals to be reached during the planning period of the plan 2011-2023 as it is too short of a time. The policy makers must be brave and envisage the long-term future for Liepāja in more realistic terms: a smaller population, but more friendly to its inhabitants. “We need a strong vision and slowly, step by step, we will reach it” (Vīksna 19.05.2011.).

In a socialistic regime we aspired to reach the goals set by some remote centralised administration. With a shift towards the capitalistic market economy we now expect the second industrial revolution to happen right here in our port and Special Economic Zone. However the last twenty years show that there won’t be a dramatic growth in that area and it is silly to keep planning for that (Vīksna 19.05.2011.). However the drafted planning document does exactly that. “Comparing the size of industrial area and rest of the city a feeling arises that Liepāja is intended for robots, rather than inhabitants. [...] I doubt that such a proportion is correct” writes Mr Vīksna (Vīksna, 2011b). Thus the discussion can be summarised in the hypothesis (3a) the [legacy of planning practice] causes [the planners] to uphold the [growth paradigm] and causes [the unreachable objectives of eternal growth to be set].

4.3 Even further focus: from the city to the district of Karosta

During the course of the interviews, it proved necessary to narrow down the scope of discussion and examples to the district of Karosta (see the Figure 6). Urban shrinkage being a new and unconventional subject, the majority of interviewees opted to focus the conversation on exact local examples. Karosta, being the most disputed district, was decided as a relevant example. Situated in the North of the city, Karosta is a district that rose out of historic military fort of Tsarist Russia on the twentieth century. Due to geographic and social alienation on all levels ranging from an emotional to political level, the neighbourhood of Karosta has potential to become a catastrophic example of urban shrinkage unless the business-as-usual approach is changed. Therefore, with the full knowledge and cooperation of interviewees, the current planning and policy trends were looked at and developed from an utterly pessimistic perspective. That is to say, we developed a pessimistic planning scenario to probe and discover in a step by step manner what urban shrinkage and current planning and policy trends might lead to. The exercise shows an accurate current representation of Karosta, but taints the colours of the future dark enough to surface and identify the current state of awareness of urban shrinkage among main actors in the planning at Liepāja, which is the aim of this thesis. Therefore, many examples and discussions will feature the troubled although cultural historically rich district of Karosta that houses the population of roughly thirteen or fourteen per cent of the population of Liepāja (see the Figure 6). The neighbouring district named
“Zalā birze” is physically close and features similar signs of a degraded living space, however, it does not share the same history and has its geographic advantages in terms of being better connected to the main part of city. It also houses a hospital of regional significance, which rises the utilitarian significance of the area.

Karosta is physically separated from the rest of the city by the former military shipping port. Mr U. Kaugurs points out that besides the numerous social, economic, and geographic aspects that have moulded and shaped this neighbourhood to become the city district we can observe today the history of the area must be explained, as it is an essential part of what defines that part of the city and its problems. The literal translation of the name “Karosta” means War-Port. Karosta was constructed few kilometres North form Liepāja by the order of the Russian Tsar Alexander III in 1890 to serve as the main naval base for Russian Baltic fleet. The ambitious project was never completed because of the military intervention of British fleet with artillery of superior range. Though there is an extensive fortress system that surrounds whole city of Liepāja, however, the main military objects were contained in Karosta. The important part of this story, points out Mr Kaugurs, is that even though it never took off as the main naval base of Tsarist Russia, it was planned and built as fully autonomous unit. Through through the history it is clear that Karosta was always a self-sustained military garrison with its interaction with the civilians of Liepāja kept to the minimum. Although it featured strict curfew hours, before Soviet occupation Karosta was accessible to the civilian population of Liepāja as a grand park with beautiful architecture and garden like planning. However, with the Soviet take-over the place became accessible to the authorised military personnel only. Karosta had its own power station, water and sewage system, church, schools, and social life. Mr Kaugurs points out that it is exactly one generation or eighty years ago when Karosta was closed off and the regime has been fully changed only for last fifteen years. Add to that the uncontrolled marauding and eventually the criminal activity that followed the complete evacuation of Soviet troops and personnel in 1994 and there is the scene for “that Northern appendix of Liepāja” (U.Kaugurs, 8.05.2011.) The majority of magnificent and pompous red brick architecture was vandalised, burnt, and the bricks were sold to serve in many new buildings or for money. All interviewees admit that the flowing reaction of the municipality was inconsiderate and with no foresight what so ever when the
relocation of the depraved social groups started as an unwritten but common practice until
the late 1990s. Even the upcoming Liepāja territory plan describes the district as “one of the
most exotic parts of Liepāja with its own peculiar subculture” (Grupa 93, 2011a:59). All
interviewees agree that Karosta is alienated and often is not on the mental map of the average
citizen. Ms Rāte believes that many people see the area as an attraction park, something that
is not real, not a natural part of the city. Ms Tomsone reminds that even this touristic angle has
been almost lost since there has never been an understanding what to do with the
neighbourhood. Not for profit organisation, Coalition Clean Baltic recently criticised Liepāja for
the lost touristic opportunity and failure to incorporate this historic cultural legacy in the
identity and image of the city. However, Mr Strautiņš, the economics expert with the DnB Nord
bank warns that overall economic activity generated by tourism in Liepāja is unlikely to
increase dramatically and is expected not to be higher than three per cent (Strautiņš, 2011).

Thus with the previous section in mind, we re-read the description of Karosta in the upcoming
Liepāja territory plan that reads “Currently Karosta is an amusing destination, however, the
quality of the living environment is low in comparison to the rest of Liepāja” (Grupa 93,
2011a:59). Nonetheless, remarked most of the interviewees, despite expectations, Karosta
feature high levels of social cohesion and socio-political activism. Ms Rāte adds that at the time
the approach and coordination of the effort could be improved if some NGO would take an
interest in that, but the activity of the inhabitants is remarkable. In comparison, other districts
of Liepāja that often house betters social groups and larger portions of city exhibit low to zero
social activity. Numerous spokespersons represent the interests of different areas of Karosta,
whereas other districts are rarely represented at all in similar proceedings. Mr Kaugurs
speculates that social cohesion could be the result of the social background of the place and
the fact that there is no other place for them to go to. Besides, some of developments suggest
that the feeling of local belonging is strong in Karosta, such as private construction of single-
family housing by local inhabitants who are better off. Although this subject has never been
researched, most of interviewees agree with this statement as their personal experience and
interaction with Karosta suggests that. Mr Vitāls argues that it might be a coincidence that
some socially-active citizens dwell in Karosta, although he agrees that Karosta is best
represented among other districts of Liepāja.

Ms Driķe calls attention to a particularly objective criticism that was voiced in public
discussions in the Liepāja development plan in April. She recites Mr Kuzmins speech that
summarises the social critique on the upcoming Liepāja territory plan 2011–2023. Mr Kuzmins
said that the municipality of Liepāja is ignoring the people of Karosta. Despite the fact that
Karosta and Tosmare combined house fourteen per cent of Liepāja population there are no
medical or cultural facilities, the public transportation that connects them to the city centre is
insufficient. The last public buss returns at 21:00 which limits the use of cultural facilities in the
rest of the Liepāja. Lastly, despite the highest rate of children and new families among other
city districts, Karosta has a single day-care centre and only one school and even that is with
Slavic orientation. It adds up to uninviting living conditions that manifest in all renting inquiries
excluding both Karosta and Tosmare. All the interviewees unanimously agree that current
planning and policy attitude towards this region does not promote it as the part of the city and
promotes rather than fights the urban shrinkage. Ms Rāte, along with the other respondents
claims that a long lasting political unwillingness surrounds the Northern part of Liepāja.
Ms Driķe points out that the same topics concern people from all districts of Liepāja: refurbishment of public areas, improvements in public safety, road quality, public transport, cycling lanes etc. However, the answers that municipality and planners can provide are severely limited. Many implemented and also planned improvements can be listed in
discussions to other districts whereas Karosta and Tosmare are often excluded from such improvement projects altogether. Thus, the underlying evasion of Karosta in planning and policy supports the hypothesis 3b and 3c. The misconception and the political inconvenience of the subject cause systematic dogging dealing with Karosta. Unattended problems remain and increase while the municipality busies itself with other priorities.

Much of the critique is addressed to the economic and port related orientation of the upcoming Liepāja territory plan 2011-2023. The Liepāja Economic Zone Authority is the administrative and lobbying force behind developing the port activities in Liepāja by offering the tax-haven and other incentives to potential investors. Large territories surrounding both shipping canals and extensive territories in Karosta are reserved for potential port development. Mr Koliņš, the head of marketing and investments department with Liepāja Special Economic Zone Authority, argues that prospective port development and subsequent creation of jobs is what people request. The prospect of job creation is the only force that can attract new inhabitants to Liepāja and reverse the tendency of urban shrinkage that persists in the city. He argues that the Karosta Industrial Park, outlined by upcoming Liepāja territory plan will not only create more jobs, but will also improve the quality of public space and the street network leading to the school situated within the development project.

Mr Koliņš presents potential new jobs and economic growth of the city as a whole with yet another project prioritised in Liepāja territory plan 2011-2023. The reclamation of a neglected former military part of the port aquatorium will expand the port of Liepāja opening it for further potentialities for the growth. However, this has been the cause for great public unease and discussions in the media with the participation of prominent public persons on both sides of the argument. Mr Vīksna, a head of the architectural studio and former Chief Architect of the Liepāja region, argues that the upcoming Liepāja territory plan has a poor balance among port activities and the living environment. He argues that the international planning experience strives to relocate the harbour and industrial functions from the city as the territorial quarrel cannot be solved as both port and city try to expand. Relocated historical harbours and industrial territories are given over to city use creating memorable and attractive scenery that could attract new uses, foster economic growth, and counter the declining demography. He maintains that Liepāja territory plan outlines rather opposite future for the city. It neglects the interests of public and further degrades the living conditions and the mental image of Liepāja. Mr Vīksna remarks that as the city’s population is shrinking, and the current physical fabric of Liepāja is made for 40% larger population than it houses at the moment, about the only thing that we can do is to improve the quality of each square meter of living space we possess. Most people who live in Soviet industrial constructed high-rise buildings that lack personal space and do not foster the feeling of belonging to the place. As this type of housing is rapidly coming to the end of its exploitation period we have to plan for the replacement, preferably with low concentration 10 family building. By favouring the industrial and port development we risk losing the most valued quality that Liepāja possesses – the urban lifestyle and proximity of the nature. We are also missing out on alternative uses that picturesque scenes in Karosta could offer for improvement of the city character. “For one thing, we cut off the people in northern Liepāja from access to the sea. For another, we destroy such alternative land use initiatives as old military port provide” (Vīksna 19.05.2011.). The most untraditional land-uses in Karosta are a windsurfer’s paradise within the old military aquatorium; the hotel and thematic experience complex within former military prison; and paint-ball tournaments in abandoned city fortifications and bunkers. This is yet another example of hypothesis 3b and 3c where unplanned and misconceived lack of planning
guidelines threatens to further degrade the social and physical environment while destroying unique developments in the process.

Mr Vitāls play the mediator role in this discussion admitting the necessity for port expansion and the economic boost it might provide the city. He sides with Mr Koliņš in argument that the port aquatorium and its surrounding system of breakwaters is a large and expensive structure, and it would be unthinkable to favour windsurfing over port functions that will support the city’s economic base in future. He finds possible middle ground on the other argument offering that some points of access must remain to maintain the society’s link with the sea as the port reclaims currently abandoned territories that people use for recreation. He promises to debate further this aspect within the context of port development until a compromise can be met. Both Mr Vitāls and Mr Koliņš agree that the balance of economic and urban quality has to be maintained in the development plan. Mr Koliņš remarked that Liepāja cannot afford such port relocation projects as, for example are done in Helsinki. We have to look at things realistically and make the plans accordingly. It is more likely that the port would eventually give up territories in the city centre as it is too small for such functions, but we must offer the alternative location for those. Thus it stands to the reason that this remote area - Karosta - is the best alternative. Besides that, the Liepāja territory plan 2011-2023 shows a reasonable balance that does not decrease the quality of live for Northern residential areas of Liepāja. The document limits the industrial activity to locus contained activities that do not affect the surrounding environment.

However, agree all the interviewees, the elephant in the room, so to say, in all of this heated discussion is the absence of a political stance, a clear and unchanging strategy, and massive communication work to explain the situation to the public. They agree that all three causes (hypothesis 3a/3b/3c), namely (3a) the planning legacy; (3b) the misconception; and (3c) the political sensitivity of the subject combine here. “Liepāja territory plan 2011-2023 offers professional solution for fixing current situation, some troublesome norms are corrected in legislation, and the city development zoning is defined clearly. […] However it lacks the vision on reconnecting the Northern residential areas to the city. […] There has to be a vision of Liepāja in ten, twenty or thirty years. And we must state them in this planning document” (Viksna, 2011a).

Urban shrinkage is already manifest in many sectors such as the operation of communal heating or education system. Ms Tomsone points out that on occasions the supply of the thermal energy is discontinued when larger consumers are falling out of comparably remote portions of network. She remembers an example a few years ago when due to the closure of children day-care centre several blocks of private houses were left without the service. Ms Tomsone points out that Liepāja has a municipal regulation that limits the conversion to alternative heating source in single-family houses to maintain the economic viability of the communal heating system as such. She points out that this regulation doesn’t sit well with the freedom of choice and the goals of environmental sustainability, but it is a necessary step for public good. Ms Tomsone comments that most sectors have no long-term strategies that could cope with current demographic scenarios. The only example that tackles this area is Liepāja City Municipal Education Department’s strategy for 2008-2013 that models the clientele for schools and pre-education institutions. Despite the obvious, the scenarios are too optimistic and focus on the multiplication of education and child-care physical units. The Soviet

14 Liepāja education development strategy 2008-2013 is available on Liepāja City Municipal Education Department’s web page - www.lip.lv (LEDS, 2007).
inheritance of a shortage of child-care centres has not yet been sorted. However, the prognosis predicts a dramatic drop of the demand of these services in next five years and no plans how to deal with that are discussed. In this case the all hypotheses are confirmed with the exception of the first one. The urban shrinkage is recognised as a factor, however, no significant discussions follow, and no action is taken to deal with it, with the sad exception of alternative energy bill. The causalities 3a, 3b, and 3c are all in work here as the growth orientation encourages unrealistically positive scenarios. Moreover, misconception of the urban shrinkage causes attention to weaver towards other tasks, and the political inconvenience causes the problem to be avoided.
Chapter 5  Conclusions

Liepāja is a unique city with a long history, many planning challenges, and immense opportunities. The Soviet planned economy has left its marks in both the cities physical fabric and planning concepts. Breaking loose from the Soviet hold opened the opportunity to reorient the city towards the capitalist market economy and carve its own future instead of following the dictate of centralised planning. However, the capitalist world has undergone many changes that were missed in the Soviet system. The sudden exposure to these processes has started a unique strand of transformation (Bontje, 2004; Borén & Gentile, 2007; Grossman et al., 2008; Mykhenenko & Turok, 2008; Oswalt & Rieniets, 2006). The city has changed dramatically due to the removal of the military presence, the demographic transformations such as both parents working, delayed child bearing, reduced family sizes, and much more (see chapter 1.3). A quarter of the population has been lost due to these processes and the population decline goes on (section 3.1) thus establishing the presence of the urban shrinkage in Liepāja and proving the first two hypotheses – (1) Urban shrinkage is not recognised as a factor in planning; and (2) it is not discussed at any level. It is crucial to enquire to what extent the urban shrinkage is recognised and discussed. It is important to understand if the planners and policy makers have taken the urban shrinkage into consideration when deciding the future of the city. Thus, this thesis aims to form an understanding of what is the current state of awareness of urban shrinkage in Liepāja by the key actors in planning process. The thesis contributes to the field of knowledge by enriching the on-going public debate on Liepāja planning strategies by introducing the prism of urban shrinkage. The thesis seeks to identify and explain the main causes of dominating opinions, nevertheless it does not seek to evaluate or improve on the planning documents.

With the first true long-term planning document since the reestablishment of the sovereign Republic of Latvia in its final stages and proceeding through a public discussion phases it is timely to investigate how the understanding of urban shrinkage - or lack thereof - is influencing the future of the city. The upcoming Liepāja territory plan 2011-2023 has initiated a flood of public discussions regarding the future of the Northern districts of Liepāja. The districts of Karosta and Tosmare are physically disconnected from rest of the city; socially and economically deprived groups dominate the social composition of the neighbourhood; it houses less than a third of the planned population of that neighbourhood; and it is mentally and emotionally disconnected from the rest of the Liepāja. The rich set of the problems in the context of overall urban shrinkage reveal sad revelations predicted by the literature and summed up by the three hypotheses.

The chapter 3.1 tells the story of a Soviet centralised planning widely implemented all across the Soviet Union, Latvia and Liepāja being no exception. The urban as well as rural development was planned in distant and centralised planning institutes. The industrial infrastructure and large scale high-rise residential buildings were planned and constructed and the necessary labour relocated. The experts agree that the planning efficiency and urban growth was artificial and would not be possible under any other regime (U.Kaugurs; N.Balgalis among others). The current Liepāja planning documents still bares the Soviet planning legacy based on estimates the population will reach 134,000 inhabitants by 2010 that is almost twice the current figure (Grupa93, 2011a). Reorientation towards the Western market economy introduces the dominance of growth orientation in all disciplines. The combination of both strengthens the hegemony of the growth paradigm in Latvian planning practice and several
experts warn that it will dominate the upcoming Liepāja territory plan 2011-2021 too intensely (section 4.2). Along this line of argumentation chapter 4.2 demonstrate the validity of the hypothesis 3a: how the legacy of planning practice cause planners to cling to the growth paradigm resulting in unrealistic objectives in contemporary planning - the population prognosis being most obvious case. Some experts believe that post-Soviet transition and adaption to the capitalistic market economy has led city fathers to expect the second industrial revolution to occur in Liepāja. Thus, the upcoming planning document features often unrealistic port and industrial expansion neglecting the quality of living space, particularly in Karosta (Vīksna 19.05.2011.).The majority of planners full heartedly believe the ontological meaning of the planning implies inclination towards the process of development, evolution, and growth, whereas businesses have long adapted to face declining markets and plan for decline realistically (Böhm, 2006).The chapters 4.1 and 4.3 argue in favour of hypothesis 3b demonstrating how complex problems like urban shrinkage are neglected and other urgent matters are addressed instead due to the recurring failure to grasp the seriousness of urban shrinkage. The professional initiatives are almost never backed-up on a political level and thus are eventually dropped. In line with hypothesis 3c, urban shrinkage is a political taboo (Wiechmann, 2008b:20) as it risks public distress. However, studies show that urban shrinkage does not necessarily lead towards decay of the inhabitant’s life satisfaction (Delken, 2007). The lack of political will silences the planning initiative. It is best illustrated by the neglect of the professional call for an in-depth analysis of multiple more rational demographic scenarios taking the industrial track instead (section 4.1; section 4.3).

With the research question answered and the hypotheses proved the aim of the thesis is fulfilled. However, the planning experts and practitioners always expect some applicable solution to be offered as the result of such a research. Although, this thesis did not set out with a goal to come up with solutions, nor did it promise the suggestions how to improve the planning documents, there are some general observations that are worth exploring and areas that require further research. The first step, advocated by all urban shrinkage literature, is to admit and accordingly incorporate the realistic demographic figures in planning scenarios. Scenario planning can be a powerful tool to open up the boundaries of thought, to enable out-of-the-box thinking, and fully grasp the scope of the consequences of urban shrinkage (Salewski & Bodammer, 2008:3). The professional initiative to utilize this tool should be explored further. Scenarios can help us to develop a long-term vision for the city and to prioritize our goals both in industrial development and the future of residential areas that are too large for the current population. More open and transparent communication tools should be used in order to guide the private investment (Wiechmann, 2008b:28) and legitimize the optimisation in public spending. The transparency and determination is prerequisite in order to win over the public’s support and open new possibilities for finding the ways to deal with urban shrinkage.
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Appendix 1

Conceptual model

Awareness of the Urban Shrinkage

3. Expert interviews
   Human actors
   To be filled after 1st round of interviews

2. Content analysis
   Non-human actor
   To be filled after 1st round of interviews

1. Literature and data analysis
   Urban Shrinkage
   - Demography (Wolf, Oswald)
   - Outflow migration (Wolf, Oswald)
   - Deindustrialisation (Oswald)
   - Post-Soviet re-composition (Oswald)
   - Effects of Shrinkage

Action - Power

Perception - Knowledge

Other Stakeholders / Actors
Planning Professionals
Politicians
Planning Documents
Appendix 2  List of interviews

First round of interviews

   The chief architect of Liepāja, The Building board, Liepāja city council. (2006 -)

   The chief architect of Liepāja, the head of building administration, the head city planner (1997-2006); City planner, private consultant. Outsourced expert for the project “Liepāja territory plan 2011-2023”.

3. Neils Balgalis 17.03.2011.; 23.05.2011.
   City planner, private consultant; the managing director of planning consultancy “Grupa 93”. The head of the project “Liepāja territory plan 2011-2023”

Second round of interviews

   The chief architect of Liepāja region, the municipality of Liepāja region (1986-1991); Architect, the director of architectural studio “GV Birojs”.

Publications related to the project the project “Liepāja territory plan 2011-2023”:


   The chief spatial planner, Liepāja city council. The municipal supervisor of the project “Liepāja territory plan 2011-2023”

6. Ivo Koliņš 10.05.2011.
   The head of marketing and investments department, Liepāja Special Economic Zone Authority.

7. Gunārs Silakaktiņš 02.05.2011.
   Member of the board, NGO “Par Liepāju”.

Publications related to the project the project “Liepāja territory plan 2011-2023”:

2011.gada 29.aprīlī Ķurzemes Vārds” Vai ir tiesības amputēt Jūrmalas parka daļu
8. Silvija Ozola 03.05.2011.
Architect, PHD candidate „City plans and architecture in western regions of Latvia”
Publications related to the project the project “Liepāja territory plan 2011-2023”:
2011.gada 27.aprīļa laikrakstā “KurzemesVārds” rakstīņā “Neredzulīdzsvaru”

9. Indra Rāte 11.05.2011.
Spatial planner, Development department, Liepāja city council

10. Ingūna Tomson 11.05.2011.
Expert of strategic planning, the department of City Development, Liepāja city council. Worked on the project „Liepāja socio-economic development strategy 2008-2014”.

11. Jānis Lejnieks 06.05.2011.
Dr.arch., chief editor of “Latvijas Architektūra”, architecture journal in Latvia. Outsourced expert for the project “Liepāja territory plan 2011-2023”.
Publications related to the project the project “Liepāja territory plan 2011-2023”:
2011.gada 26.aprīļa “Kurzemes Vārds” the article “Izcelt nozīmīgāko un mazināt risku to zaudēt”

12. Lolita Čače 06.05.2011.
Architect, planning consultancy “Grupa 93”. The tem leader of the project “Liepāja territory plan 2011-2023”.
Publications related to the project the project “Liepāja territory plan 2011-2023”:

Journalist, the local newspaper “Kurzemes Vārds”. Journalist covering the public discussion process of the project “Liepāja territory plan 2011-2023”
Publications related to the project the project “Liepāja territory plan 2011-2023”:
2011.gada 5.maijā “Varētubūtzelāparadīze”
2011.gada 26.aprīlī “Ziemeluprieķspilsētādaudztagadnesrūpju”
2011.gada 23.aprīlī par Vitālu “Interešulīdzsvarotājs”
2011.gada 20.aprīlī “Daiļādaizrautiemzobiem”
2011.gada 11.martā “Mūsudžīvojamāistaba”
Appendix 3  List of special meetings, discussions and short conversations


