

Economic downturn and urban landscape. Investigating urban shrinkage in a middle-sized Greek city: Larissa

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Abstract

Economic recession and crisis have been significant constraining parameters for sustainable development of cities and regions in eastern and southern parts of Europe during the last two decades. In the case of Greek cities in particular, the ongoing economic crisis has resulted in urban shrinkage: In inner city areas and yet the city centre, there is a large number of vacant commercial shops and offices in former lively commercial streets. As a consequence of the shrinking economic activities, out-migration flows have appeared. Population decreases in the city centres or live under stressful processes of the new changes.

This paper investigates the driving forces and the negative impacts of urban shrinkage in Greece and especially in Larissa - a middle-sized typical Greek city. It describes the changing urban landscapes in Larissa in terms of closing enterprises and the emerging vacant spaces, using data provided by the Ministry of Finance during the period

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2008-2014. The phenomenon of shrinkage can vary from city to city, from area to area, according to the context in which it occurs. Investigating different types and aspects of shrinkage and their effects is a critical concern in urban planning. Such investigation can provide guidelines for urban regeneration of the shrinking areas/and cities.

Keywords

Urban shrinkage, Economic crisis, Urban landscapes.

Introduction

Financial crisis characterizes and marks space in many ways and levels. The impacts of the crisis are discussed reasonably in an international level, without implying that every area is affected the same. The understanding of the financial crisis could be read as a spatialized understanding of the relationship of the local and the international (Aalbers, 2009; Keil, 2010; Bernt and Rink, 2010).

The case study

Landscape in contemporary Greek cities, under the “oppression” of financial crisis, is determined by the shock observed in medium-sized local trade in many inner city areas (Gospodini, 2002). The consumer areas of former “lively” central areas are now depicted as “damaged areas”, in which the image of folded stores is consuming the area. Stores entail an, inextricably linked with the urban network, symbolic “space” which in turn defines, marks, and guards its own contribution in urban development. Strolling

through the stores, a relaxed activity, daily and informal, entails a life experience closely linked with our urban life, the use and familiarization with urban space.

Shrinkage is usually discussed under the label of "urban decline", implying various changes in the spatial organization of urban area and has been seen through the lens of uneven economic development and the underlying dynamics of territorial division of labor or as a result of demographic changes. Urban shrinkage is described as a phenomenon which results from interactions of various local macro – processes (Moss, 2008).

Population change index appears as the main index for measuring urban shrinkage since all causes and effects of this phenomenon are usually associated with population growth (Haase *et al.*, 2012). Even though urban shrinkage refers mainly to a specific symptom, population decline, a wide variety of procedures and causes are behind it. Greece provides rich source of data for studying this phenomenon, in particular the population dimension, due to the economic crisis (placed in 2008 but perceived at least two years later) and the procedures that led much earlier to this. The examination of demographic shrinkage in Greece during the period 2001-2011 showed that this phenomenon pertains to the entire Greek area, mainly in the prefectures of Attica and Thessaloniki metropolitan centers that represent the 2/3 of the population (Manika and Anastasiou, 2015). It also appears in smaller settlements, where the population derives from between different classes and rates of population decline. Larissa, the capital and larger city of the Thessaly region of Greece and capital of the Larissa regional unit, has been selected as a case study because not only presents demographic shrinkage and shows signs of decay in terms of its economic activity and trade but it is also characterized during this period by a kind of resilience and elasticity. This resilience stems from

and can be explained partially by the structure of Greek society. This means that, as medium sized cities' population in Greece, Larissa's population receive income from many different sources (agricultural activity parallel to their main employment) or even economic dependence on other family members. As a result, they were not influenced by the economic instability as strongly as the population of the larger settlements that had to move in search of employment.

The subject matter of this article is the systematic listing and unfolding of the phenomenon of "closed down stores" within the urban network of the city of Larissa and especially the central areas, which show signs of decay in terms of their economic activity and trade. All data used for this study stem from the Greek Ministry of Finance and account for the years 2008-2014. This article of course does not aim to disprove the impacts of the financial crisis on the trade side, but rather the thorough and complex description of the trade's shrinking alongside with the corresponding shrinking of the city, and the demonstration of the differentiations of the trade in conjunction with geography and the phenomenon's intensity. Accountable for the dire changes in the employment cycle of companies according to the opinions of store-owners are considered the spread of shopping centers and the propagation of parallel marketing. Since 2009 though, the financial crisis because of the reduction of available liquidity for consumers and companies combined with the implementation of austere lending criteria from banks, is also considered another cause.

Most studies so far are usually concerning only the shopping centers in cities or an average of every city, offering only an indicative image, simplified and singular, which is not inclusive of the possible differentiations or distinctive traits of various neighborhoods. Research well-

focused on specific neighborhoods and specific shopping streets reveals critical differentiations and particularities. The understanding of the complexity and multiplicity of the phenomena of recession is significant for the exercise of appropriate urban strategies.

Results and Discussion

It is important, before we examine the economic sectors observed in Larissa, to make sense of the city's profile, and specifically the city's primary sectors according to the Hellenic Statistical Authority in the period 2008-2014. Agriculture, forestry, wholesale and retail trade, household and professional, together with scientific and technical activities prevail as main economic sectors. The significance of agriculture in the economic scenery of Larissa is primarily explained by the city's geographical position in the center of the Thessaly region and because of the large, arable and productive land.

A year in which we have the greater amount of change is 2011. It constitutes a period within which the financial crisis was apparent in the primary volume of economic activities, mainly manufacture, as a result of the lack of national and European financial envelopes, the lack of recreation and education, sectors which seem to be struck first during crisis, the lack processing, of financial and insurance services and finally the lack of wholesome and retail.

The overall view on business demonstrates the inclinations and dynamics of economic activities, but the examination and study of changes in the concentration of the same businesses per road/way axis is the one which allows its correlation with the particular traits of each region.

Table 1 - Changes in specific addresses. Data provided by the Ministry of Finance (authors' compilation).

Address	Change during period 2008-2014.	Address	Change during period 2008-2014.
Deukalionos	11,64%	Lamprou Katsoni	-16,67%
Athanasiou Diakou	-9,68%	Korai	-12,04%
Eleutheriou Venizelou	-9,52%	Velisariou	-12,03%
Anthimou Gazi	-6,35%	Iasonos	-11,63%
Kouma	-6,19%	Ogl	-11,46%
Rousvelt	-4,63%	Patriarxou Grigoriou Pemptou	-9,76%
Koumoundourou	-4,21%	Seferi	-8,81%
Soutsou Skarlatou	-3,91%	Miaouli	-8,51%
Mandhlara	-3,31%	Eikostis Tritis Oktovriou	-8,23%
Papakyriazh	-2,80%		
Megalou Alexandrou	-2,42%		
Patroklou	-1,37%		
Asklhpiou	-1,21%	Ringroad Larissa-Trikala	-29,63%
Epirou	-0,96%	Ringroad Larissa-Farsala	-27,27%
		Ringroad Larissa-Volos	-26,00%
Cyprou	2,45%	Ringroad Larissa-Karditsa	-19,44%
Alexandrou Panagouli	3,71%	Ringroad Hgoumenitsas	-12,50%
Alexandrou Papanastasiou	3,76%	Ringroad Athens-Larissa	-10,98%
Frixou	4,35%		
Panos	4,60%		

Usually, the majority of studies conducted and concerning the shrinking of Greek cities use data from on-the-spot investigations. This information refers only to specific areas, because of the difficulty found in their application across the city. For this paper however, it was preferred to utilize more reliable and accurate data of the Ministry of Finance. Streets, whose economic power is equivalent to at least five businesses per street at every year of the examined time-frame, are studied.

The impacts of the financial crisis on economic activity seem to have a reverse correlation to the trade power of every street depending on its distance from the city's center along with the distance from the shopping area. Specifically, as shown in table 1, activities whose premises are at the shopping areas experience a small drop, which fluctuates on average 3,30% and increases up to 11,00% as we are moving around the city's periphery. Moreover, the drop in neighborhood streets is bigger. It reaches a peak, on average 14,40% in suburban streets and city's approach/exits roads.

It is also worth mentioning that in the shopping areas we have streets with a decreased activity a lot bigger than the average of the area, which shows the shift of shopping areas in streets with lower rent rates. The drop of the rent in some central neighborhoods is probably the reason of the rising drop of the number of stores, moving their premises- with the same or lower rent- in more central areas, broadening their scope.

The relocation of these stores contributes to the fall of the average of economic activity in the shopping area. Finally, it is evident that there are streets of the shopping area with a rise in economic activity, namely Panos and Frixou, something that is attributed to the development of new

centered facility management and recreation (especially with food services). A next important step, for more safety in results, is the study of each beginning and end of business activity in every street not to mention the nature of their activity.

Conclusions

Investigating aspects of urban shrinkage in Greek cities, in the case of Larissa, a major impact is the underused or/and deserted urban landscapes. The number of folded businesses demonstrates a high level of differentiation amongst the central areas and among shopping streets. In order to rigorously document the spatial impacts of crisis and define the most effective regeneration policies the particular traits of every area were correlated to the “entry” and “exit” of businesses in these areas and the classification of their activity. Understanding the complexity and multiplicity of the recession phenomena appeared to be specifically interesting in medium-sized regions, such as Larissa. Medium-sized cities although exhibiting signs of shrinkage on a lower level compared to large Greek cities, they results of tolerance, flexibility, and acceptance of financial shock. The emerging shocking urban landscapes in former “lively” central consumer areas - now depicted as “damaged areas”- are characterized by shut-down stores, and vacant spaces and buildings. The formerly popular consuming central areas are now consuming themselves the vital space of the city – both creating the phenomenon of waste of space and altering the identity of city centre, shifting from a district of productive economic activities to a district of symbolic economy and leisure.

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