

Chapter 7

Urban Shrinkage in a Neo-liberal Space



Amir Reza Khavarian-Garmsir, Ahmad Pourahmad,
Hossein Hataminejad and Rahmatollah Farhoodi

Abstract This study focuses on this fact that shrinking cities are the other side of changes in a liberal space. They occur as a result of the uneven performance of neo-liberalism in urban and regional developments. This uneven performance in development is due to the competitive spaces between the processes of production and accumulation. In addition, since neo-liberalism always needs to impose its own institutional array and market-oriented social and spatial norms on a city and a region, an explanation of the process of urban shrinkage in a liberal space is placed within a neo-liberalism creative destruction mechanism.

Keywords Shrinking cities · Neo-liberalism · Creative destruction
Urban and regional development

7.1 Introduction

The history of human life has indicated that societies have always sought to adopt strategies required to respond to new obstacles and problems. Sometimes, these strategies have led to the permanent removal of the problem, while at other times, they have acted as a temporary remedy only delaying the problems caused by the crisis. In fact, these strategies are associated with conflicts which arose from society or from the external environment, so their articulation will reproduce a new space. This new space itself is a creator of new problems and crises added to the previous crisis of the community (Leitner et al. 2007).

In recent decades, various spatial and temporal crises such as the crisis of the Fordism welfare state, the New York financial crisis in 1976, the crisis caused by the debt of countries in 1982, and the problems caused by the collapse of the USSR in

A. R. Khavarian-Garmsir (✉)
Department of Human Geography, University of Tehran, Tehran, Iran
e-mail: amir.khavarian@yahoo.com

A. Pourahmad · H. Hataminejad · R. Farhoodi
Geography, University of Tehran, Tehran, Iran

the socialistic states of Eastern Europe in 1989, have all convinced policymakers and planners to found new strategies, so called neo-liberalism, regarding the role of the government and market (Leitner et al. 2007; Peck et al. 2009). Indeed, neo-liberalism is the offspring of a crisis that was able to produce new space as a temporary solution, removing the obstacles created in the way of the accumulation of capital (Harvey 1982).

Overall, neo-liberal policies in a geographical space exhibit a selective mechanism, i.e., they do not affect man-made environments in the domain of a space in a uniform way. This difference is manifested in terms of both position and scale. Regional and local, rural and urban, and metropolitan and town scales are each affected differently by the influence of neo-liberal spatial strategies (Brenner and Theodore 2005). Now, in regions controlled by neo-liberalism, cities follow various procedures. Some of these cities are growing and others are shrinking. In fact, the growth and shrinking of cities are two sides of the same coin representing the evolution of urbanism in a neo-liberalist space (Martinez-Fernandez and Wu 2009; UN-Habitat 2013). However, urban shrinkage is not just limited to neo-liberal societies. It is possible to find various such countries all over the world (Oswalt et al. 2006).

Urban shrinkage in today's world does not follow a single cause and effect pattern. In other words, in modern cities this phenomenon is a superstructure which varies due to different reasons in accordance with various geographical spaces. In this regard, one of the most common causes of urban contraction, which was introduced as the most crucial reason of this phenomenon in neo-liberal societies during the early years of the twenty-first century, is deindustrialization. This transfer process of industries from Western developed countries to developing countries in recent centuries, which originated from various causes, such as environmental crises and the emergence of new industrial competitors in East Asia, finally led to the loss of many jobs in the industrial cities of the countries involved (Dasgupta and Singh 2006; Martinez-Fernandez and Wu 2007).

Therefore, significant cities in Europe, like Manchester and Liverpool in England, Lorraine in France, and many industrial belts are today considered as shrinking and shrunken cities. One of the structural and political crises regarded as one of the main causes of urban shrinkage in Eastern Europe (such as in Lithuania, Bulgaria, Romania, and Hungary) and the old European socialist bloc is the collapse of the socialist system in many regions and countries. For example, after the collapse of the Berlin Wall, many East German cities such as Leipzig experienced this crisis and eventually began shrinking (Bontje 2013; de Sousa 2010).

Also, in its report, the Housing Committee of the United Nations (2008) referred to the fact that although it is paradoxical to talk about the urban shrinkage of developing countries in an age of rampant urban growth, there is plenty of evidence indicating that this phenomenon is creeping gently into this group of countries. A great number of different reasons for the occurrence of urban shrinkage in developing countries are mentioned in the report, and these can be categorized as urban marginalization, economic crises, selective contraction, and the reclassification of divisions of cities.

As a result, and as previously mentioned, there are various factors affecting urban shrinkage. These factors and primers present a very wide range and to place

them along a spectrum as the key factors is an understatement. In this regard, Van Hear (1998) and then Van Hear et al. (2012) also believed it impossible to place all the significant factors of the stream and process, especially in studies on population mobility, in a single group.

They categorized these factors into four sub-groups: predisposing, approximating, precipitating, and mediating. These predisposing factors, which all contribute to the creation of a context for contraction, result from macro processes like globalization, environmental changes, evolution of economic and political ideologies, and population changes. The proximating factors are usually caused by their direct relationship with urban contraction and its occurrence. They mostly stem from the functions of the predisposing factors or their structural features. In shrinking cities and regions, they include deindustrialization, urban marginalization, and the aging of the population. The precipitating factors are those factors which accelerate this chaos. They may be in economic spheres, including financial degradation, rising unemployment, and declining health, education and welfare services; or they may be political and security in nature, or factors such as torture and frustration of the citizens and occurrence of war, along with other natural and environmental events. Intervening factors may lead to empowerment, mobilization, simplification, acceleration, deprivation or a strengthening of the shrinking of cities. In the meantime, the presence of factors such as high-tech transportation, information and resources that are necessary for a trip can facilitate the process of population transportation. The absence of infrastructure and the lack of information and resources needed for displacement are among the repressing factors (Van Hear et al. 2012).

So far, studies on the causes of urban shrinkage have mainly focused upon the proximating and ultimate factors such as deindustrialization and suburbanization. They have not considered the precipitating factors such as the neo-liberalization of space and the political and economic ideologies of the states. The present study attempts to analyze the urban shrinkage process in a neo-liberal space.

7.1.1 Neo-liberalism: From Doctrine to Its Effect on the Field of Urban Developments

Over the past four decades, a great evolution occurred in neo-liberalism. From the doctrine of pure economics (since its advent in the 1970s), it changed into a spatial and growing strategy to address the barriers of capital accumulation around the world. Although at first this ideology was a reaction to the regime of Fordism and a device for removing the vast fundamental welfare state in North America and western Europe, it is now a prescription dictated from international organizations like the World Bank and International Monetary Fund (IMF) as a policy of economic reformation used to promote competition, modernization, and flexibility. Meanwhile, it has made some developing countries in South America and South East Asia.

More dependent and vulnerable in the World Market (Gwynne and Kay 2000; Peck et al. 2009; Portes and Roberts 2005).

As a result, the geography of neo-liberalism goes beyond market-oriented schemes. This is a global project accepted by the elite and by major political parties all over the world, so it is transitional in different scales of international as well as urban governance. In general, previous attempts were limited to restricted countries or forces in their dependent nations and governments (Leitner et al. 2007).

Many studies (Lee and Zhu 2006; Moody 1997) point to the significant difference between the ideology of neo-liberalism and its daily function in capitalist societies. Also, the inefficiency effects of neo-liberal views on reforming capitalism in different structural fields and at various spatial levels during the past two decades has been significant (Brenner and Theodore 2012).

The effects of the dysfunctional neo-liberal vision on the restoration of capitalism at all spatial scales, including market failure, the development of economic recession and non-uniformity, intensifying inequality, destructive domestic competition, insecurity, social inequality, and public opposition are obvious (He and Wu 2009; Peck et al. 2009). However, in comparison with other political and economic ideologies, these countries' experiences show that neo-liberalism is one of the most flexible versions of economic and political reforms that humans has ever mapped out. This flexibility of neo-liberalism can be observed in the form of retreat from his doctrine and compatibility with his environment (He and Wu 2009). The fact is that neo-liberalism advances under any condition and periodic failure cannot lead to the cancellation of its projects. In other words, it experiences a series of setbacks, and then, with the aid of the government, revives itself and continues its growing process (Brenner and Theodore 2005, 2012).

Unlike previous doctrines, neo-liberalism promotes maximum and borderless economic development instead of optimal growth. Consequently, any kind of governmental intervention in main industries and market performance is rejected and attempts are made to increase their advantages through changing workforce organization and reducing the taxes of large companies. In the meantime, reducing public and social services and personalizing them, are among the means used to make urban societies more competitive and commoditized (Brenner and Theodore 2012). One of the important characteristics of neo-liberalism that has attracted geographers and urban planners is the ability to distinguish the performance of this ideology at different geographic scales. In general, it is possible to determine the scope of neo-liberalism's performance at both domestic and transnational levels (Keil 2002). In this regard, Pack et al. (2009) stated:

Neoliberalism is very much a multi-scalar phenomenon: it reconstitutes scaled relationships between institutions and economic actors, such as municipal governments, national states and financialized capital; and it leads to the substitution of competitive for redistributive regulatory logics while downloading risks and responsibilities to localities. (pp. 50–52).

At the micro scale, cities are at the forefront of neo-liberalism, because they are the centers of capital accumulation and the habituate of the majority of the community (Carmody and Owusu 2016). Although in the past, the main fields of

political conflicts were based on the shape and direction of economic reform during the prolonged periods of crisis in the Fordism welfare growth regime (Leitner et al. 2007; Peck et al. 2009), among the changes created by neo-liberalism, urban redevelopment is the most important aspect of specialized capital accumulation. After the penetration of neo-liberalism into a space, cities are restructured and their spatial arrangements, whether local or in an urban system, change greatly (Van Hear 1998). These developments may lead to the emergence of a new model of urbanism which some—due to emergence of a renaissance in urban planning and the rapid process of capital accumulation in urban centers—have called ‘neoliberal urbanization’ (He and Wu 2009).

One of the peculiarities of neo-liberal urbanism is its attempt to redefine a city as an investment city. In other words, this is a city where all its effort is centered on economic success in competition with other cities and investment, innovation and the creative class are a core for spatial competition, welfare reform, and the formation of neo-liberal goals (Leitner et al. 2007). Lee and Zhu (2006) believe that in each stage of the development of capitalism, special sites and certain territories act as forces of production, and as a result, some sites, territories, and scales are systematically placed at a higher position than others as places for capital accumulation (Harvey 1982; Massey 1995). This can result in uneven urban development.

In addition, neo-liberal urbanism in the scope of spatial changes relies more on the active power of the state than its exclusion (Brenner and Theodore 2005), because the social relations of capitalism are based on tensions and conflicts. This factor has destabilized and undermined the accumulation process and as a result the government can play a key role in order to survive and redress the imbalance created due to the uncertainty within a system in which continuous spatial planning strategies are ignored (Lee and Zhu 2006). These government strategies have evolved to manage uncertainty within the system and to develop the uneven city regularly, in line with the economic-political and sociopolitical conflicts (Brenner and Theodore 2012).

Commodification and privatization are often the key factors in the new model of neo-liberal order in neo-liberal urban planning. When neo-liberalism penetrates into the space governing local states (which have a special status in neo-liberal systems), it tries to remove social housing and other forms of accommodation. Also, it reduces control over housing rents. This may also happen to the land sector through the destruction of traditional neighborhoods in order to make way for large real estate projects aimed at redevelopment.

As a result, new opportunities are created, from speculating in the property market to boost leasing, to the private ownership of land and housing. In fact, land and housing change into a tradable commodity. Other local measures of neo-liberal governments are reducing public service costs and ignoring the implementation of welfare programs and transferring them to the private sector. This leads to the privatization and commodification of public services, which in turn increases inequality and social polarization (Brenner and Theodore 2012; Lee and Zhu 2006).

7.2 Urban Shrinkage

Throughout history, one of the unique features of humans has been creation followed by destruction. History has always witnessed the glory of cities and their destruction over time (UN-Habitat 2008). In fact, from late antiquity to the present era, it is possible to trace the signs of prosperity and subsequent decline of cities at all levels. In this regard, during the Middle Ages, many cities experienced wars, natural events, fire, agricultural crises, and the spread of deadly diseases, so they faced population declines and even depopulation (Hollander and Németh 2011; Hollander et al. 2009). However, during the first half of the twenty-first century, mainly due to the increasing of the number, scale, and geographical distribution of cities are losing population, urban planners and researchers have paid special attention to them (Olsen 2013), so the concept has become a fixed foundation in their studies.

Providing statistics on the shrinking cities in the world today is of great importance. As Europe and America pioneered urbanization in the last few centuries, the earlier contraction of their cities is also inevitable. According to Haase et al. (2013), 42% of cities with a population of more than 200,000 households in Europe are classed as among the shrinking cities of the world. Moreover, in the long-term and macro-statistics of the past 50 years, in cities with a population of more than 100,000 inhabitants, there are 370 cities which have lost more than 10% of their population (Hollander 2013; Pallagst 2008).

Quoting the Shrinking Cities International Research Network (SCIRN), the most severe case is the city of Abadan in Iran which lost about 90% of its population in its war with Iraq. Moreover, habitat analyses performed in 1408 cities showed that 10% of them are shrinking (Un-Habitat 2008). Habitat research (2008) reports that of developing countries, Asian countries have the largest share of urban shrinkage; hence, 60% of shrinking cities are the developing cities in Asia, especially in China and India.

A great number of urban and regional planners who deal with shrinking cities (Hollander 2013; Hollander and Németh 2011; Olsen 2013), define shrinking cities as those with population of more than 10,000 people, which have experienced a population decline and negative growth for more than two years. In this regard and along with economic, social, environmental, and political changes, or some traces of structural crises, such cities are called shrinking cities. Of course, some (Reckien and Martinez-Fernandez 2011; Schilling and Logan 2008) have required a broader time period, such as 40–50 years, before qualifying as a shrinking city.

In Borguand's opinion (2003), urban planners analyzing shrinking cities should pay attention to what is lost. Accordingly, he believes that one of the ways to identify shrinking cities is to identify what is being lost, such as loss of population, culture, social investments, valuable buildings, and eventually economic activity. Laurssen believes that although the term contraction reminds us of physical concepts such as empty streets and haunted and ruined houses, there are four key dimension for such a city: demographic, economic, cultural, and social. In cases, just one or a few of these aspects may occur (Laursen 2008).

However, two concepts can be interpreted: migration and depopulation of cities, and single or multidimensional structural developments. These can occur in a specific temporal and spatial arena. Obviously, urban depopulation, whether because of migration or internal causes such as the aging of the population, is caused by multidimensional crises. Therefore, it can be concluded that while doing research on a shrinking city, the first problem is its negative population growth. As a result it is the duty of researchers to determine and recognize the main reasons for the depopulation and uncover the past and present crises underlying urban shrinkage.

7.3 Urban Shrinkage or Urban Decline?

In terms of researching urban shrinkage, there are closely similar concepts such as urban decline and urban decay. Hence, in most cases, it can be difficult to distinguish between the two concepts, since both imply the loss of population and economic decline in a city. Consequently, these two concepts overlap to a large degree. It should be noted that the concept of urban decline has a long history in urban and regional planning texts. Here, different opinions about the distinction between these two concepts will be outlined.

Some, such as Laurssen (2008) and Hoekveld (2014) believe that while differentiating urban shrinkage and urban decline, it is necessary to distinguish between two points: (1) the causative history of these concepts and (2) their oriental geography. In fact, the first distinction derives from the second one. In other words, since these two concepts emerge in two different locations, different factors support their formation.

In this regard, urban decline, borrowed from both the Anglo-Saxon discourse and the post-Second World War period, is used commonly in English speaking countries, especially the United States. Among the chief thinkers and leaders of this discourse is Beauregard. In contrast, urban shrinkage, emanated from the thoughts and notions of the German researchers, Siebel and Häußermann and has been common since 1987. Moreover, urban decline which is often due to the decline of cities is deindustrialization and sub-urbanism, especially in the United States. However, urban shrinkage involves multiple interrelated causes among which are deindustrialization and suburbanism. Others, such as Stohr (2004) and Hollander et al. (2009), who have tried to distinguish the two cases, believe that in recent years researchers have sought to replace shrinkage with decline in order to redefine the concept and to present a more creative way of managing shrinking cities.

Finally, in one of their most recent comments, Martinez Fernandez et al. (2015) on the distinction between shrinking and declining cities have referred to long-term urban and historical decline in the United States in order to explain the processes of suburbanization and deindustrialization (Beauregard 2003). Due to the reconstruction of this post-Fordism, many cities in the United States have experienced a sharp decline in their manufacturing sector (Dewar and Epstein 2007). Along with this economic decline, the decline in the number of jobs which has led to migration

to the suburban district, especially in Rustbelt areas, along with empty buildings and weak housing market.

At the same time, job decentralization and the middle and the upper classes' tendency to suburbanism has accelerated the rate of decline of the center of cities so that these cities have transformed into places with affordable housing and weak job markets, which focus on hiring African-American people with low skills and low-incomes, as well as members of the immigrant population (Glaeser and Gyourko 2001). On the other hand, in Europe, the process of contraction in combination with deindustrialization and suburbanization is less similar to that which has occurred in the United States.

However, the phenomenon of urban shrinkage is mostly used in Europe and is mostly affected by the industrialized regions, for example, the Ruhr area in Germany. Demographic factors play an important role in such areas. The dramatic decline of fertility in these areas is sometimes considered as a demographic shock leading to rapid shrinkage of cities and significant changes in fertility and mortality rates. In other words, Martinez-Fernandez et al., believe that urban decline is oriented from Fordism urban planning and development, and modernist notions, whereas urban shrinkage is the result of post-Fordism developments and is seen as a challenge to global planning challenge and twenty-first century capitalism (Martinez-Fernandez et al. 2015).

7.3.1 Urban Shrinkage in a Neo-liberal Space

As pointed out earlier, since its inception, neo-liberalism has undergone many spatial and temporal developments. This ideology is advancing through the targeting of maximum capital growth and the removal of barriers to the accumulation of capital worldwide. The experiences of those spaces affected by neo-liberalism have indicated that neo-liberalism in particular has changed into a flexible and space-based ideology, because the paradigm changes in political economics vary greatly across countries (Gwynne and Kay 2000). Indeed, this spatial feature helps neo-liberalism to employ different solutions to impose institutional arrangements and market-oriented spatial and social norms in a region or city.

However, one of the common characteristics of all neo-liberal strategies is their selective nature. That is, when the influence of neo-liberalism in a geographical space is felt, its strategies have an uneven look to all cities, regions, and countries, because some places are more capable in the processes of production and capital accumulation, while others contribute less to the process of maximization of capital accumulation. As a response to this neo-liberal approach, cities and regions attempt, over time, to improve their competitive advantage in accordance with the logic of neo-liberalism in order to compete with other places. Loss of competitive advantage in a city or a region implies it is lagging behind in production and the accumulation of maximum capital. Finally, what remains is a neo-liberal space that is often seen in the prosperity and growth of some cities and regions, as well as the decline of

others (Brenner and Theodore 2005; Candan and Kolluoglu 2008; He and Wu 2009; Keil 2002).

As a result, these shrinking cities are placed on the other side of transformations in a neo-liberal space resulting from the uneven performance of neo-liberalism in urban and regional development. This uneven performance in development is the result of the action of the competitive nature of spaces on the processes of production and accumulation. Of course, as mentioned earlier, it is impossible to find the traces of neo-liberalism in the shrinkage of cities directly, rather it acts as a predisposing factor, contributing to the provision of a context for the formation of some proximate drivers like deindustrialization. During recent decades, there have been many shrinking cities in liberal countries which have experienced economic recession and reduced job opportunities mainly due to the loss of their competitive advantage.

However, to explain the shrinkage and growth of cities as part of the process of the geographic expansion of capitalism, the concept of creative destruction can be used. This factor reflects periodic fluctuations and changes in the devaluation of wealth and capitalism's efforts to create the basis for sustained accumulation (Marx and Engels 1888; Marx and Ryazanskaya 1963) in an economy of space, where capitalism has inherently and continuously obsoleted some geographical landscape that it had created based on its production and needs. In other words, this concept implies the destruction of the territory developed in the previous stages of capitalism and the creation of a new spatial network for capital accumulation (Brenner and Theodore 2012).

In their relationship with cities, all neo-liberal strategies and projects at their local, regional and national scales possess a creative-destroyer nature of the current institutional arrays and creation of infrastructures for market-oriented economic growth, commodification and capital law (Brenner and Theodore 2002; Lee and Zhu 2006). The association of the concept of creative destruction with shrinking cities can be distinguished in numerous neo-liberal urbanism mechanisms: in resetting and reviving the mechanisms of the relations between national and local governments, and in the moment of destruction, neo-liberalism seeks to destroy the initial systems of the central state supporting the activities of the municipalities and put an end to financial provision and national public welfare services. In the moment of creation, it attempts to transfer the responsibilities of the central government to the municipalities, to create opportunities for new income revenues for them, and to increase their reliance on local revenues (Peck et al. 2009). This rolling back of central government and rolling forward of local government has led some cities which were previously dependent on the financial support of their central government for the provision of public welfare, fail to survive independently. Over time, due to the discontinuation of the support of central government, they have lost their attractiveness and have shrunk, leaving the scene to other cities.

Another neo-liberal urban planning mechanism is the privatization of public sectors and infrastructures. During this process, neo-liberalism seeks to destroy different forms of official hierarchy systems at the moment of destruction and criticizes the dependence on the traditional system of responsive local democracy. In addition, it has attempted to remove public monopolies of the provision of

municipal services (e.g., water and electricity, health, and public transportation). Disposing of public housing and other forms of low-rent accommodation and removing rent controls and the real estate market, mostly based on subsidies, are among other activities of neo-liberalism occurring at the moment of destruction of this mechanism. On the other hand, at the moment of creation, an attempt is made to lead the cities toward privatization and outsourcing of municipal services, joining with elite business interests in local policy and development, creating new opportunities for speculative investment in cities and introducing market rent and moving tenants into the housing sector (Brenner and Theodore 2002; Lee and Zhu 2006; Peck et al. 2009). This neo-liberal urbanism mechanism can have far-reaching effects on the progressive crisis of shrinking cities since the private sector is responsible for providing and maintaining the infrastructure and municipal services. Thus, with a declining population, the maintenance costs of infrastructure and utilities will increase so that continuing such activities in this space is no longer economically advantageous. Therefore, the decline of the economy and infrastructure will be felt in the coming stages of development (Rhodes and Russo 2013; Rybczynski and Linneman 1999).

In the decentralized redevelopment mechanism of the regions, the nationally centralized model of capitalist development will be dismantled and moderating regional policies will be set up that split the national economy into regional systems. On the other hand, in the moment of creation of new cities and regions, secondary developments such as regional free trade zones, techno poles, and other industrial areas will be created (Peck et al. 2009). The formation of secondary cities which result from this process can lead to an initial reduction of cities and shrinkage of metropolitan areas which were previously regarded as the centers of capital accumulation (Portes and Roberts 2005). Considering this argument, it is possible to explain urban shrinkage in parts of large cities with a population of more than 200,000 people in neo-liberal regions (e.g., according to Haase et al. (2013), about 42% of the cities with more than 200,000 residents in Europe are among those classed as contracting cities).

Intercapitalism is a kind of neo-liberal mechanism that affects the spatial arrangement of industries as well as the spatial distribution of capital in a country and a region. In this mechanism, at the moment of destruction, the government retreats to eliminate national support policies and to support national leading industries. Moreover, it acts to increase the competition in capitalism, and it takes steps to eliminate national barriers in the way of foreign direct investment. On the other hand, with their advent, new forms of government support are offered for the establishing of new industries and the promotion of their competition with previous industries.

Other measures present are the adoption of policies of trade liberalization and global capital market development, developed by supranational institutions such as the World Trade Organization (WTO), International Monetary Fund (IMF), Europe Union (EU) and the North American Free Trade Agreement (NAFTA) (Brenner and Theodore 2012). As a result of this mechanism, many old industries become bankrupt and shut down, mainly due to failure in competition with other emerging

and growing industries in the global market. Announcing the bankruptcy of major industries of the city is regarded as one of the shared memories of many old residents in shrinking cities worldwide. All the residents stated that after the main industries in the city were closed, due to a significant reduction in the number of jobs and widespread unemployment their cities lost most of their population (Haase et al. 2014; Martinez-Fernandez and Wu 2007; Shetty 2009). However, neo-liberalism mechanisms have been a key factor in the bankruptcy and closure of many industries in capitalist countries over the past few decades. Following these changes in the spatial distribution of industries, many cities have faced urban shrinkage or growth.

7.4 Conclusion

Neo-liberalism is a strategy for responding to crisis encountered in the mid-twentieth century that has been successful in delaying the problems caused by the occurred crises. However, after several decades of neo-liberalism, a different mechanism of this phenomenon can be observed in the spatial development and arrangement of cities and regions. One of the most distinctive characteristics of a neo-liberal space is spatial inequality, because the uniformity and balance in spatial development contrasts with the doctrine of neo-liberalism which seeks to maximize capital growth. Maximum growth of capital has entered cities through local, regional, national and global competition. Currently, many cities and regions, mainly due to having a lower competitive advantage, are the victims of such neo-liberalistic competition. The losers are losing a lot of things, including economic, social, and environmental attractions, and even a part of their population, while the winners of the competition are increasing their developmental potential and population. This study attempted to focus on the key factor that shrinking cities are located on the other side of changes in a liberal space and the uneven performance of neo-liberalism in urban and regional development. This uneven performance in development is due to the competitive spaces between the processes of production and accumulation. Also, explaining the process of urban shrinkage in a liberal space is placed in a neo-liberal creative destruction mechanism since neo-liberalism always needs to impose its own institutional array and market-oriented social and spatial norms on a city and a region. It is also necessary to destroy the territory expanded previously, and to create a new spatial network leading to capital accumulation. Analysis of some mechanisms of neo-liberal urbanism in terms of the moments of destruction and creation showed that neo-liberalism can affect both the formation and the continuity of urban shrinkage. Nowadays, this political ideology is contributed to shrinkage of many cities such as those were supported by the central states in the early stages, created big cities as a result of past centralization policies, and cities was relying on single product economy and old industries.

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Author Biographies

Amir Reza Khavarian-Garmsir is a Ph.D. student, in the department of human geography at the university of Tehran, Iran. His main research interests are shrinking cities, spatial inequality, spatial planning and tourism strategic planning.

Ahmad Pourahmad He has written 12 books in Persian, more than 40 journal articles, and conference proceedings.

Hossein Hataminejad He has written 28 books in Persian, more than 80 journal articles, and conference proceedings in Persian.

Rahmatollah Farhoodi His main research interests are regional planning and urban and regional transformation