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# BERLIN - METROPOLIS IN TRANSITION: THE STATE OF URBAN DEVELOPMENT IN 1994

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After the rapid end of its geopolitical constraints, Berlin - with its region - is experiencing farreaching changes in spatial processes. Set to become Germany's centre of political decisionmaking again, the city is reappearing as a metropolis of European importance. An urban fabric which was conserved under special conditions is rapidly changing, mainly in accordance with general principles of Western capitalist urban development. Berlin's specific situation regarding a number of development factors to be examined, however, has important implications for the direction of spatial evolution.

Key words: Berlin, Containment, Suburbanisation, Urban Sprawl, Deindustrialization, Capital

City, Power, Knowledge

### 1. The end of the contained city

After 50 years of no or very little suburbanisation in both West and East Berlin, urban sprawl, and suburbanisation of all kinds of urban functions, is setting in again in the Berlin metropolitan region. Berlin is developing from an exceptional case of urban containment into a "normal" urban area.

The reasons for this specific conservation of urban containment are, of course, different in West and East Berlin: In West Berlin, the wall prevented urban expansion. Here, containment was not a planning vision, but a harsh geopolitical reality. Against tertiarization pressure, which, however, was still comparatively weak, housing and a rich functional mixture had to be preserved in the central areas, though decentralisation (especially of population) did occur within the city of West Berlin, with the development of large-scale housing schemes on the periphery.

In East Berlin, it was rather the central allocation of land use (and of building materials) that hindered urban sprawl on a large scale, and enabled functional variety in the core area to be retained. (There was, however, "suburbanization through the back garden", with a large part of the population spending the summer in allotment plots outside the city, as well as population decentralisation to large new housing estates on the urban fringe).

The vital questions of urban development in the Berlin metropolitan area in the 1990s are: In what way and how fast will the move of urban elements towards the urban fringe set in? How will this process of metropolitan expansion transform the functional structure of the metropolitan area, i.e. the reunited city of Berlin as the core and the "new" or rediscovered suburban belt in the neighbouring state of Brandenburg (Figure 1)? In addition to this, the macro-spatial question concerns the

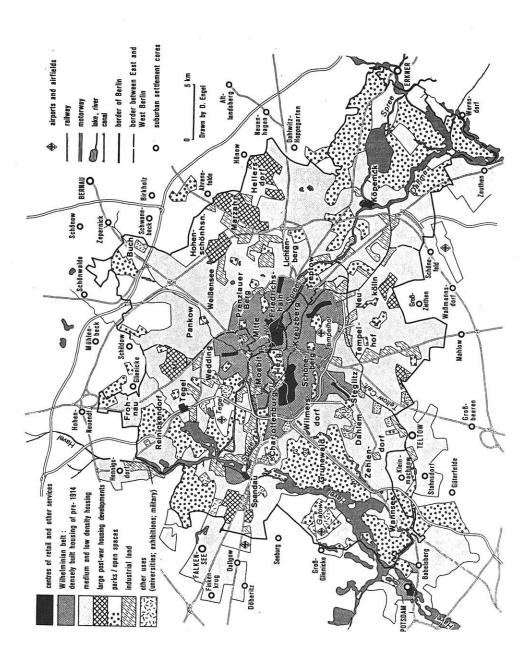
still very sparsely populated rural periphery of Brandenburg: Will it continue to be the origin of urbanisation flows, or will it gain from far-reaching suburbanisation or counterurbanisation?

Figure 1 Berlin und Brandenburg



In 1994, Berlin presents itself still as the compact city of the recent past, with its clear-cut urban edge in most parts, with two central business districts as focal points within the densely built-up pre-1914 housing belt (also including much small and medium scale industry and services), with medium and low density housing beyond and the large post-war housing developments as well as open spaces on the urban periphery (Figure 2). So far, in 1994, there are few signs of suburban development in the Brandenburg part of the metropolitan area. They can be seen above all in consumer services, haulage and warehousing and some manufacturing, but much less so in housing. In 1994, integration of the two Berlins and also of the rediscovered suburban space surrounding Berlin is mainly through commuter flows from East to West Berlin (118 000 in 1993, ca. 8% of the labour force employed in Berlin) and from Brandenburg to West Berlin (45 000). But planning for the development of commercial and housing estates is heavily under way. The sparsely populated rural parts of peripheral Brandenburg are losing out totally and preparing for further depopulation.

Figure 2 Berlin - General Structural Lay-out



### Fundamental ingredients of metropolitan growth and their role in presentday Berlin

Six factors have been selected for discussion that will in any case play a key role in the development of Berlin and its region. In general, these determinants influence wealth creation, urban development and the ability to attract value added in metropolises.

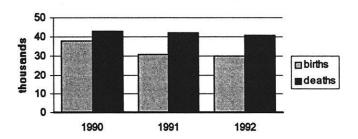
Size, in terms of population, stands for the size of the regional market, the purchasing power as well as the available human capital and general interaction potential of the urban area considered. Secondly, despite the relative growth of services, manufacturing still matters as a source of wealth and employment in urban areas; the future "service society" or "information society" will certainly not be "post-manufacturing". Thirdly, services are expanding in the shape of consumer services, shaping the role of a city as a central place in Christallerian terms. In addition, two kinds of information functions strongly determine the dynamics of urban areas: those of power and knowledge. Both have always been a major facet of urban growth. With the increasing importance of control and knowledge in the economy, where competitive advantages are above all sought in advantages in knowledge, their influence is still rising (LAMBOOY 1993). Finally, quality of life, in terms of housing, environmental quality, social, cultural and leisure facilities, is important, not only for elite personnel, but also as the foundation of the social urban fabric, minimizing social strain.

### 2.1 Size, in terms of population

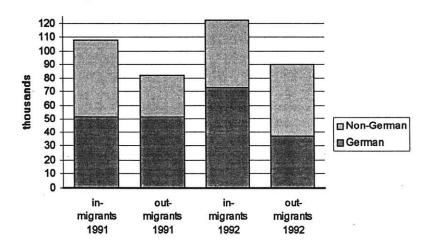
The city of Berlin has experienced slight population growth for a number of years, and has now a population of 3.472 million (1993), of which 2.174 are registered in West Berlin and 1.297 million in East Berlin. In recent years, this growth has been due to the fact that increases in the non-German population (mostly through inmigration, but also as a result of higher fertility of non-Germans) have been greater than losses in the German population, which have to be attributed to the number of deaths per annum exceeding the number of births (Figure 3). West Berlin experienced population decline from 1957 onwards until 1983, when a turnaround occurred, and in-migration of migrant workers from Southern Europe as well as of Germans from the 'mainland', lured into Berlin by tax incentives and other subsidies, caused West Berlin's population figure to rise again. East Berlin had lost about 150 000 of its population between 1949 and 1961, mainly through out-migration to West Germany, which was consequently stopped by the wall. Since then population figures in East Berlin have shown a steady increase, in contrast to population losses in the whole of the GDR (Table 1).

Figure 3 Berlin: Population Change 1990-1992

## Natural population change



### Migration



Source Statistisches Landesamt Berlin

Table 1 Berlin: Population figures (1000s)

	West	East	total
1939	2751	1588	4339
1950	2147	1190	3337
1961	2197	1055	3252
1970	2122	1086	3208
1993	2170	1291	3461

Source Statistisches Jahrbuch Berlin, 1994

With the in-migration of migrant workers and their families, the share of non-Germans in the total Berlin population has risen continuously, and amounts to 10.7% in 1992. Most of the migrants still live in West Berlin, so here the percentage is 15.3 (which is still much less than in cities like Frankfurt or Stuttgart) as opposed to East Berlin's 3.4%. Just over one third (34.7%, June 1993) of the non-Germans are Turkish, 15.6% come from former Yugoslavia. Other important national minorities in Berlin are Polish, Greeks and Italians. The Turkish as well as the other non-German inhabitants of Berlin live predominantly in the old working class quarters of the pre-1914 Wilhelminian belt (Neukölln, Kreuzberg, Wedding, Schöneberg and Charlottenburg).

Thus, the mass in-migration, which many commentators expected after the fall of the wall, has not materialized. Neither have large numbers of Germans entered the city in a wave of 'catching-up' with urbanisation, nor have large numbers of people from Eastern Europe (both Germans and other nationalities) migrated to Berlin so far.

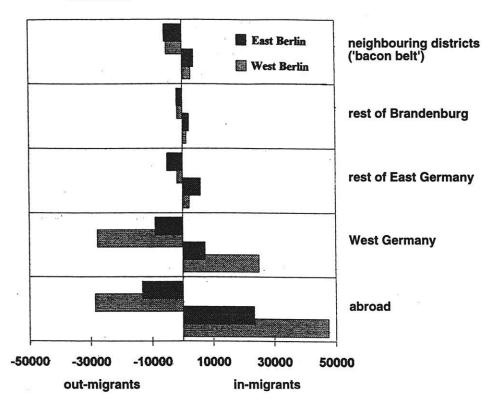
Neither has there been a great population increase in the surrounding districts of the federal state of Brandenburg, so far. For the period from 1989 to 1992, the districts neighbouring Berlin actually experienced population losses, mainly due to out-migration (to West Germany and to West Berlin!). Berlin was still in the process of urbanization. 1993 is the first year, when a centrifugal movement from Berlin towards the neighbouring Brandenburg districts has set in, though on a very small scale (Figure 4).

### 2.2 Manufacturing industry

Sheltered by specific mechanisms from national and international competition, both East and West Berlin were heavily over-industrialized. In East Berlin, this was due to economic strategies in the GDR relying predominantly on manufacturing industry. In West Berlin substantial subsidies for branch plants with very low qualification profile of the workforce (in textiles, food processing, consumer durable industries) were responsible for the over-industrialization during the division period. This is now

followed by a process of harsh deindustrialization in both halves of Berlin (Figure 5). In East Berlin, manufacturing employment has gone down from around 180 000 in 1989 to just over 40 000 in 1994. Noncompetitive plants were given no time to adapt, and the East German market was swamped by Western products. In West Berlin, subsidies have been cut severely. Here, manufacturing employment declined by 16%, falling from 172 000 (in 1990) to 144 000 (in 1994).

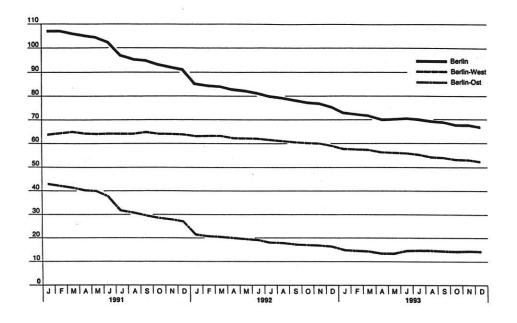
Figure 4 Migration from and to Berlin 1993 according to regions of origin and destination



Source Statistisches Jahrbuch Berlin, 1994

In July 1994 212 000 people were unemployed, 13% of the working population. Moreover, a similar number of people work in employment creation schemes paid by the labour office. Without these, the actual unemployment rate would amount to about 25%! Correspondingly, cases of derelict land - to be developed - are numerous. Amidst the dereliction, individual new plants stand out as modernisation islands, in the built-up area as well as on the metropolitan fringe.

Figure 5 Employment Change in Manufacturing Industry in Berlin 1991-1993



Berlin 1991 = 100

Source Statistisches Landesamt Berlin

### 2.3 Trade and central place function

Retail trade and other consumer services contribute considerably to the visual image of the city, and both halves of the city have well-developed hierarchies of retailing centres, though on different levels of quality and quantity. Whereas East Berlin functioned as the unquestioned retailing centre for the GDR as a whole, the situation was different in West Berlin, which was relatively under-equipped with retail functions, - in comparison with West Germany. Tourists did not compensate for the missing hinterland. Various indicators reveal figures for Berlin retailing that are below the national average for big cities, e.g. retailing floorspace per capita (FNP 1994), and Berlin's share in the total retailing turnover in Germany is less than its population share.

#### 2.4 Power

The capital question is the capital question: The role which Berlin will play as a government centre depends, of course, on the speed with which the Federal government and parliament are moved from Bonn to Berlin (envisaged now for the

year 2000). This will also result in relocations of various other functions (business and nonprofit associations). So far, Berlin's importance in power functions is very small. The Berlin government is only responsible for the city of Berlin. Former GDR functions have been replaced by branch ministries from Bonn.

Very important to note is the very small role that Berlin plays in housing industrial headquarters, after a more or less complete post-war exodus from West Berlin and the break-down (and sell-out by the Treuhand) of the former GDR conglomerates in East Berlin. Of the 250 largest companies in Germany (1993, by turnover) only six have their headquarters in Berlin, and only 8 of the 500 largest. This small list is headed by debis, the Daimler-Benz services company, now the main investor on Potsdamer Platz, and includes a large proportion of public companies like the German railways and electricity companies for East Germany and Berlin. The same applies for banking: Berlin is only a minor location for finance capital institutions, and the relocation of major institutions from Frankfurt, Germany's dominating financial centre, is not expected.

### 2.5 Knowledge

Berlin is the leading centre for university education in Germany, with nearly 130 000 students - though with specific problems (see the contribution of DIETZ and BRAUN in this volume). In research also, Berlin occupies a leading position, especially in information technology, materials research and biomedical science, of which by far the greater share is government-funded.

The fundamental problem of R & D in Berlin is a lack of networking of government institutions with industry and industrial R & D as well as of technology transfer and application, which results in a poor performance in innovation compared with other metropolitan areas in Germany. With this lack of internal industrial integration Berlin does not function as a "new industrial space" with an "innovative milieu", and retains many aspects of a "Fordist" city instead. Associated with the lack of business headquarters, there are deficiencies in high-ranking business services like advertising, accounting and legal services - although Berlin is currently catching up. On the other hand, there is an over-supply of administrative bureaucratic organizations (though with a large labour force), e.g. the state pension fund organisation BfA or the Treuhand, the largest state holding company in the world set up to privatize East German industry.

Finally, there is the rich cultural life of the city, but again this is mostly based on public funds, and therefore in danger. Hopes are set on media development, especially the film industry, which is also based in the Potsdam suburb of Babelsberg.

### 2.6 Quality of Life

For a city of over 3 million inhabitants, Berlin is still a 'soft city' in many respects: For those who have lived here for a long time and who have been in rented accommodation for a long time (and Berlin is a city of tenants - only just above 10% of the population are owner-occupiers), housing is not expensive - but for newcomers the situation is different. In a highly segmented housing market, new rents are three times higher than those in long-standing contracts!

Public transport is efficient and comparatively cheap, as are social facilities of various kinds. The environmental situation shows signs of improvement - but there are - now - too many cars (and too many dogs). Increasing use of private cars has counteracted the benefits from reductions in power station and industrial waste emission.

In general, the rediscovered quality of life, in the extensively renewed urban fabric of the late 19th century with its density, tradition and the generous layout of Prussian urban planning with wide tree-lined streets, is widely acknowledged. Leisure facilities are also numerous and generally of good quality, including parks, forests, lakes in the city and nearby.

### 3 Conclusion

In 1994, Berlin's economic situation is largely problematic: A capital accustomed to subsidies is entering a phase of financial crisis due to the harsh winds of competition. Employment creation, especially for the large petit bourgeois and working classes, will continue to be a great problem in the near future. The situation is aggravated by the unfavourable macro-spatial situation of Berlin, on the Eastern edge of the European growth area (wherever a European "banana" can be found, Berlin will not be in it!). All this happens in (and is made worse by) a phase of mental stress due to rising East-West differentiation and tensions, which heavily diverging election results in West and East Berlin clearly demonstrate. This is why Berlin has put so much pressure into becoming the seat of government.

On the other hand, office and retailing development, infrastructure renewal and redevelopment of derelict land on the former wall strip area (especially on Potsdamer Platz) indicate the potential for growth in the near future. In addition, there is the investment on the suburban fringe, in the "bacon belt" around Berlin, where Brandenburg wants to take part in the growth process. Favourable sites for housing as well as commercial uses are being developed there, often in competition with central Berlin. A political and planning solution to direct spatial evolution in this situation of competition still has to be found, also including the difficult situation in peripheral Brandenburg.

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