

# occasional papers

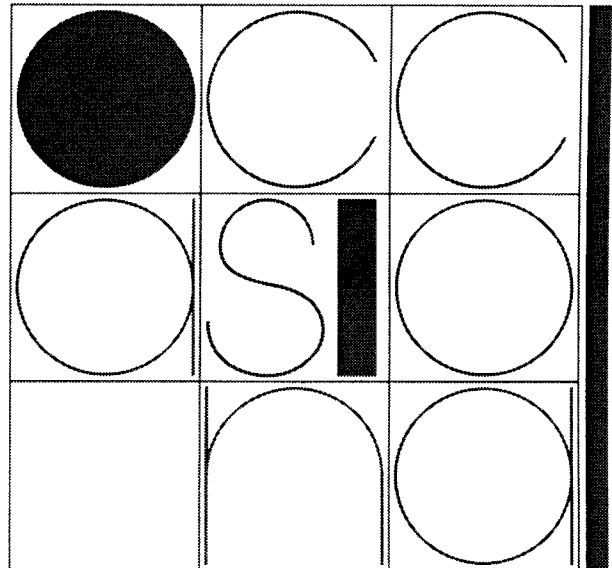
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A Selective Assessment  
of Developments after  
German Unification  
and Prospects for the  
Next Decade



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## 1. Introduction

Growing globalisation in economic relations and the multinationalisation of industry has increased the demand for comparative information about cities. More and more often, international magazines or local newspapers publish more or less serious rankings, comparing, for example the cost of living in major metropolises around the world („the most expensive cities in the world”), or environmental quality („the dirtiest cities in the world”), and the like.<sup>1</sup>

The greater the ambitions, the greater are the data and methodological problems (e.g., in defining regions or aggregating data).<sup>2</sup>

If grandiose findings cannot be delivered, trivia often serve as consolation prize: „In no European city do so many different species of duck spend the winter than in Berlin” (Frankfurter Allgemeine Zeitung, 29 December 1999). As a rule, however, city governments now engage as never before in serious studies on comparative strengths and weaknesses, exchange experience and figures<sup>3</sup> or even embark on major international cooperation projects like the various transnational cities networks in the EU.

As competition between grows, cities have characteristically learned to compete and co-operate at the same time. City marketing aims to enhance the image of a city but also to improve urban quality itself. Given the interdependence between cities and the surrounding territory, the urban region has become the focus of attention for both analysts and politicians.

On the basis of a brief historical review, this paper describes the situation of the metropolis Berlin at the beginning of the new decade. With some reference to statistics on other German metropolitan regions, the specific situation of the city is sketched, and the strengths and weaknesses identified that will determine how the city and the region will develop in the coming ten years.

In comparison with Europe as a whole, Germany has a well-balanced settlement structure:

- In no other European country is the share of the total population resident in the largest city (Berlin) lower than here (about 4 per cent).
- At the same time, a large number of major cities and conurbations are at the apex of the central place system. Official planning currently identifies six „European metropolitan regions” in Germany: Berlin/Brandenburg, Hamburg, Munich, Rhine-Main, Rhine-Ruhr, Stuttgart.<sup>4</sup>

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1 Cf. Grabow, Henckel and Hollbach-Grömig 1995, ch. 7 for methodological critique.

2 This was also demonstrated by the Urban Audit Project of EU Directorate General 16, which recorded some 80 life quality indicators for 58 European cities in 1998/1999, seeking furthermore to obtain comparative information for selected indicators for the region, the city in its administrative boundaries, and individual urban districts.

3 Particular mention should be made in Germany of the activities of the Kommunale Gemeinschaftsstelle in Cologne in establishing various comparative circles, so-called IKO networks.

4 Ministerkonferenz für Raumordnung, Raumordnungspolitische Handlungsrahmen, Bonn 1995, p. 27 ff.

- Finally, these metropolitan regions, agglomerations in general, and central places are relatively evenly distributed throughout the national territory.

No other metropolitan region in the German city system has been so driven or held back by the forces of politics as has Berlin. The dominance of politics contrasts, for example with the ascendancy of economic forces in the Ruhr District. This has been confirmed by developments over the past decade.

The fundamental political changes that occurred between the opening of the „Iron Curtain“ on 11 September 1989 in Hungary and the unification of Germany (3 October 1990) caused a breach in eastern Germany which, within the short period of a year, fundamentally reshaped almost the entire setting for economic, social, and political development; devalued norms, capital, and knowledge; radically altered the scope and resources for action; and demanded a measure of intellectual mobility and a reorientation of behavioural repertoire scarcely conceivable to outsiders. Western Germany was not unaffected, but the adjustments that took place there were slight by comparison, no more than an echo, even on the old borders between the two German states.

This turning point in history – when what had long been separated was united and disparity entered what was now united – affected no city in Germany or Europe more strongly than Berlin, no region more drastically than the „European Metropolitan Region“ Berlin/Brandenburg.

This term has come into increasing use since the Regional Planning Frame for Action adopted by the German Ministerial Conference on Regional Planning on 8 March 1995. It raises a double definitory problem, in substance and in territory.

- There is no denying that Berlin/Brandenburg, the second largest German agglomeration after Rhine-Ruhr, with a GDP larger than that of Ireland or Greece, is a metropolitan region of European rank.
- It is more difficult to define the territory it covers, which is necessary for all quantitative information (cf. Schön 1996, p. 361). The metropolitan region can be equated with the entire area of the Länder Berlin and Brandenburg as „notional overall region“ (Kujath 1995, p. 50),<sup>5</sup> or, as the „urban region of the metropolis“ (Schön 1996), be identified with the Berlin/Brandenburg<sup>6</sup> planning region or with the so-called „close sphere of influence“ as defined for joint regional planning purposes.<sup>7</sup> As an alternative, figures are sometimes cited in this paper for the core city Berlin only, which is less problematic than in other metropolitan regions, as the core city is particularly preponderant in this case.

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5 This was the view preferred by the joint planning authorities at least until the 1996 decision on fusion of the two Länder.

6 Thus the standing territorial observation by the Federal Office for Building and Regional Planning (BBR), with the additional complication that the Brandenburg territorial reform has changed district borders, thus enlarging the regional Berlin/Brandenburg planning area.

7 Defined in the appendix to the Regional Planning Treaty of 6 April 1995.

## 2. Brief Historical Review (1945-1990)

Any consideration of Berlin's future role requires analysis of its historical development.<sup>8</sup> The position of Berlin in the national urban system differs fundamentally from that of many other capital cities in Europe owing to the singular development of Germany after the Second World War. It is marked by the unique structural breaches caused by the division of Germany, which led to a substantial shift in the German city system, and by unification, which has led to more recent functional shifts (cf. Henckel et al. 1993).

Very soon after 1945, with the „world capital Germania“ reduced to rubble, it became difficult to think of Berlin as a city at all. After the initial division into four sectors, the two Berlins began to emerge, West Berlin and East Berlin, neither of which could be termed a metropolis (Wippermann 1986, p. 308), and each of which developed its own form in isolation.

West Berlin became an exclave of the West German city system with transportation links constantly under threat (Blockade 1948/1949), constitutionally outside the federation, a nominal capital where the presence of the Federation was always problematic (cf. occasional sessions of the Bundestag or the occasional presence of the Federal President). West Berlin became a city-state as Hamburg and Bremen had traditionally been, with reduced rights for its representatives in both houses of the federal parliament, the Bundestag and the Bundesrat.

East Berlin, by contrast, developed into the indisputable centre and capital of the German Democratic Republic. The will to create an attractive socialist city was often implemented at the cost of other parts of the country. Privileged access to consumer goods caused resentment in provincial East Germany that has not yet abated. East Berlin became capital of the GDR without the right of municipal self-government in formal terms by becoming one of the 15 GDR districts as well as in material terms, since municipal self-government as provided in Article 28 (2) of the West German Basic Law was unknown to East German constitutional law.

Prior to the War, Greater Berlin had had a population of 4.4 million; by 1945 only 2.5 million remained. The population grew to 3.3 million by 1949, after which it more or less stagnated until the Wall came down in 1989 (3.4 million). In absolute figures, East and West Berlin, although divided, remained the largest cities in their halves of Germany; their shares of the respective national population rose in the East and declined in the West.

From an economic point of view, too, the two halves of the city went their separate ways. With the construction of the Wall in 1961 at the latest, West Berlin lost considerable ground. During the 60s the remaining big companies shifted their headquarters almost completely to western and southern Germany. This strengthened the polycentric city system of the Federal Republic at the cost of the traditional industrial metropolis Berlin (Henckel et al. 1993). Between 1970 and 1984, 42 % of jobs in manufacturing were lost (Kluczka 1985, p. 434). The Berlin Promotion scheme for industry and workers, Berlin Aid for the budget of the city-state were mobilised to compensate a fundamental eco-

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8 For greater detail see Henckel and Mäding 1995.

conomic weakness, and was later to generate a much deplored „subsidy mentality“ and a „deformed production structure“ (Sinz 1994, p. 227) with an outsized public sector and low skilled production (Geppert 1999, p. 87).

Industrial structures in West and East Berlin continued to be determined by mechanical and electrical engineering, and chemicals; the decisive difference being that the headquarters of many East German *Kombinate* were based in East Berlin. Together with the ministries and central scientific and social institutions, this raised average income considerably; East Berlin incomes were on average 30 per cent higher than in the GDR as a whole (Ring 1992, p. 243). West Berliners earned at the average level for the Federal Republic (DIW 1986, p. 24), and thus less than residents in the other metropolitan regions.

### 3. Developments 1990-2000

The constitutional unification of Germany (3 October 1990) reunited East and West Berlin. In 1999 the Capital City Resolution of the German Bundestag (20 June 1991) was implemented, retransferring government functions from Bonn to Berlin. This reinstatement of Berlin's capital city functions can be seen as the currently most important single factor for the development of the city and the region, with positive repercussions in the whole of eastern Germany. However, the hesitant decision-making process, the close vote in the Bundestag, and, finally, the decision to split governmental functions between Bonn and Berlin and to withdraw some federal authorities (like the Federal Insurance Agency for Employees, the Federal Environmental Office, the Federal Administrative Court) from Berlin in compensation indicate that Berlin has not yet conquered the incontrovertible place in the „mental map“ of members of parliament that the resolutions on the capital status of the city enjoyed in 1871 or 1919. This is even more true for business leaders and the general population.

The demographic development of Berlin has been undramatic. In the ten years since the fall of the Wall, Berlin's population of 3.4 million has not changed much. A negative natural demographic development and the departure of many people to surrounding areas have offset the inflow from other parts of the country and abroad. Despite the transfer of the government, this stagnation will continue. Whereas the summer 1994 land use plan for the city assumed a population figure of 3.7 million in 2010, the latest forecast for that year puts the population at 3.35 million, and at 3.36 million in 2015 (Tagesspiegel, 2 February 2000).

The economic situation of the city, which is decisive for the entire region, still suffers from numerous problems inherited from the period of division, and which will continue to affect matters for a long time to come. Since 1945 and 1961, West Berlin had lost essential functional specializations, because the division of Germany acted as a massive redistribution programme for functions (cf. Henckel et al. 1993). Little of what was lost has yet been regained, and Berlin is now only one of several important centres and no longer predominant. Frankfurt has assumed the function of financial centre. Hamburg and Cologne are now the leading media centres. Munich, Hamburg and Cologne are important insurance locations, and Stuttgart and Munich are high-tech centres in the field of electrical engineering/electronics.

Division and isolation robbed West Berlin not only of functions but also of qualified personnel, producing a much less competitive economic structure than that of other centres. East Berlin's unrivalled position in the GDR, however, also fell victim to unification. Industrial structures with their links towards the East have collapsed, and employment in industry in Berlin as a whole has therefore dropped from about 400,000 before unification to about 130,000 today. East Berlin's administrative functions were „wound up“ completely, and the research infrastructure to a very large extent. All this decisively weakens Berlin's economic position in the German city system and places considerable strain on the labour market.

In West Berlin, subsidisation primarily engendered enterprises with low research and development capacities, no more than „extended workbenches“, so that Berlin industry is now far less modern than that in other German centres. Moreover, there is as yet little in the way of regional upstream networks in Berlin, and the research done by local institutes finds little implementation in local industry. It is no wonder that Berlin recorded the lowest growth of all Länder in the 90s.

A few ratios can illustrate the position of the Berlin metropolitan region within Germany. The data is taken from the extremely useful work by Schön, „A Statistical Comparison of Agglomerations, Metropolises, and Metropolitan Regions in Germany“ (1996), which takes the planning region as the territorial unit (cf. table 1).

- In 1991 the old industrial region Berlin showed a low level of manufacturing industry – even lower than Munich and Rhine-Main, and higher only than Hamburg. Four per cent below the metropolitan average.
- This was not offset by higher levels in producer services. Two per cent below the metropolitan average, less than in Rhine-Ruhr and only ahead of Stuttgart. Berlin lags behind comparable cities especially in the so-called producer services, which are an important indicator of centrality and of an urban economy's prospects.
- As a result of unification, Berlin tails the field by far in wages and salaries per employee in mining and manufacturing enterprises: DM 11,000 below the metropolitan average. Recent comparisons between the city-states Berlin and Hamburg show an even greater gap: in GDP per resident, Berlin reaches only 60 % of the Hamburg figure, and in per capita tax revenue 65 % (Tagesspiegel, 9 January 2000).
- The same is true for the share of sales abroad. Berlin attains only one third of the figures for the three southern metropolises Munich, Rhine-Main, and Stuttgart.
- Very few business groups have their headquarters in the city. Again, Berlin is last by far on the national scale.<sup>9</sup>

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9 Greater detail in Callies 1995, p. 106 ff. A recent study comparing Berlin and Hamburg quotes the following figures for 1998: of the 580 German companies with the highest sales, 50 are domiciled in Hamburg (sales DM 360 billion) and only 18 in Berlin (sales DM 100 billion) (Die Welt, 30 December 1999).

Table 1

	labor force (in percent)		wages per employee (in 1000 DM) 1993	share of exports (in percent) 1993	headquarters 1994	unemployment rate (in percent) 30.9.1993
	manufacturing 1991	producer services 1991				
Berlin	30.6	20.5	52	12	2	12.4
Hamburg	27.2	25.8	63	19	13	7.7
Munich	31.1	27.0	73	38	11	4.8
Rhine-Main	32.0	25.7	67	35	17	6.3
Rhine-Ruhr	37.6	20.6	62	28	25	10.5
Stuttgart	46.1	19.5	65	34	6	5.9
Metropolitan regions	34.7	22.4	63	28	74	9.0

Source: K.P. Schön, Agglomerationsräume, Metropolen und Metropolregionen Deutschlands im statistischen Vergleich, in: Akademie für Raumforschung und Landesplanung (ed.), Entwicklung und Probleme der Agglomerationsräume in Deutschland, Hannover 1996.

- As a result, unemployment is higher in Berlin even than in Rhine-Ruhr, way above the metropolitan average. The latest figures on a Länder basis for 1999 show an unemployment rate for Berlin of 15.9 % and for Brandenburg of 17.7 %, the national average being 10.3 % (Tagesspiegel, 6 January 2000).

#### 4. Unique Opportunities

Despite this difficult economic situation, the metropolitan region has considerable opportunities for economic development even if no short-term solutions to the problems it faces are to be expected (cf. BfLR 1996; Süß [ed.] 1994, 1995, 1996). The internationalisation and globalisation of the economy is accompanied by a stronger locational dynamic. In this regard Berlin has a good chance of getting a slice of the pie for itself, for the following reasons:

- Never in the last 150 years, i.e., since the urbanisation and industrialisation of Prussia, has Berlin had to rely so strongly on its function as capital as the basis for the economy. The inflow of substantial elements of federal governmental functions (since 1999) will contribute to the sustained functional strengthening of the city. Even if the direct employment balance is initially meagre, in the medium term about 40,000 additional jobs can be expected (Geppert 1999, p. 107). Not only political functions and occupational associations will be moving to Berlin. The city will also become an important competitor in attracting media companies, the national headquarters of transnational corporations, new divisions of major companies, and trade fairs. In the medium and long term it can be expected that the present artificial division of the government between Berlin and Bonn will gradually shift in favour of Berlin, if it is not abandoned altogether.
- This process is supported by the absolute market size of the region, which, with a population of 4.3 million, ranks second in Germany, and by the geographical distance from other metropolitan regions. The importance of Germany in the European economy is also likely to have a positive effect on the prospects for the country's capital city.
- Although Berlin's distance from western European centres and lines of force and the persistent economic weakness of the new Länder<sup>10</sup> have to be seen as obstacles to the development of the city, the imminent eastward enlargement of Europe makes the location of Berlin increasingly central, and will thus permit the city to re-acquire its culturally traditional role as „gateway to the East“. In opening up eastern European markets, Berlin faces serious competition from Vienna, Prague, Warsaw, and Budapest. The extent to which the city succeeds in assuming economic and scientific advisory and transfer functions will be particularly important.
- A favourable location without transport is of little use, and transport requires infrastructure. Berlin will once again lie at the intersection of important classical transport axes. West-east from London and Paris to Warsaw and Moscow; north-south from Scandinavia via Rostock to Munich and Milan or from Hamburg to Vienna and Bu-

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10 Their economic capacity is currently only about 60 % of that in the old Länder.



dapest. But this nodal function will generate important development potential only if in goods transportation the locational advantage can be combined with the appropriate modern logistical and financial services. And the miserable air links will persist throughout the coming decade because of dilatory decision-making on the new airport.

- But in the foreseeable future Berlin – like most of the new Länder – will otherwise have among the most modern of infrastructures and industrial investment, which will also have a positive effect on in-company locational competition in multilocal enterprises.
- Unification has strengthened Berlin in the research and cultural fields. With 18 tertiary educational institutions and about 220 state and private research establishments (Thiem 1992, p. 1425), the accumulated resources outdistance all competitors. With some 145,000 students, Berlin is far ahead of Munich (ca. 105,000) and Cologne (ca. 80,000). The scientific-cultural centrality of the region now surpasses its economic centrality. The broad (state) educational and research landscape offers important points of departure for the permanent establishment of a viable (SME) economy with regional upstream networks and „innovation milieus“. Certain fields are being actively fostered (transport engineering, medical engineering, environmental engineering, information and communication technology). The endogenous potential is to be exploited by promoting business start-ups and by more intensive networking between companies and between the private and public sectors. In the information society, „brains“, knowledge and motivation, are more than ever the central resource in competition between regions. A 1995 privately developed vision of an economic future for the area as a creative urban region points in the right direction: „Berlin 2010 – The Venture Capital“ (Kahlenborn et al. 1995). „In view of the unprecedented investment intensity in Europe, most money is to be earned here with good ideas“<sup>11</sup>. With 114 newly registered businesses per 100,000 inhabitants Berlin leads the nation (Tagesspiegel, 27 December 1999).
- Finally, because of its positive, leisure-oriented soft locational factors extra muros (parks, forests, lakes, environmental quality) and intra muros (the arts, alternative lifestyles, urbanity), the region enjoys particularly good national and international prospects.

## 5. Unique Obstacles

In taking advantage of these opportunities, however, the metropolitan region faces difficult tasks:

- As capital of a federation, Berlin cannot exploit the centrality advantages that accrue automatically to London or Paris.
- The fusion of the two Länder Berlin and Brandenburg was rejected by the Brandenburg population – Berliners were in favour! – in a referendum on 5 May 1996. The remarkable selflessness and farsightedness that characterised governmental and par-

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<sup>11</sup> E. Pieroth, Berlin's senator for economic affairs, quoted in Capital 5/96, p. 190.

liamentary decisions preparatory to the ballot were not honoured by the citizenry. Joint bodies (e.g., a coordination council) have to find compromise solutions to bothersome detailed problems over and over again (e.g., compensatory payments by Brandenburg for the use of Berlin schools and hospitals). There are now over 50 treaties and administrative agreements between the two Länder (cf. Stolpe 1999, p. 59). One bright spot is that the two Länder institutionalised joint regional planning as long ago as 1 January 1996 independently of the outcome of the referendum. But whoever is acquainted with the limited control capacity of spatial planning at all levels in Germany will not expect too much under the new, markedly more problematic conditions under which this system has to operate. From an economic point of view, too, the numerous advantages of fusion will now remain unexploited (cf. DIW 1995). The project remains the long-term goal of both governments, but there is little agreement among politicians when the next attempt should be made to realise it.

- Berlin is the only German city and, as a city-state, the only German Land having to deal politically and administratively with unification in which largely uniform political and administrative regulation still faces substantial economic disparities (income, infrastructure, housing) and mental, cultural, and social differences in values, world-views, and behaviour among the population. But the mingling of life circles is growing: 25 % of East Berliners commute to West Berlin to work, and 9 % in the opposite direction; 19 % of East Berliners have friends in West Berlin and 11 % of West Berliners in the East. Recent polls show that between 1995 and 1999, East Berliners were increasingly adopting the value patterns prevalent in the West. With relief, politicians are claiming the „Wall in the mind“ is falling (Tagesspiegel, 1 October 1999; Berliner Zeitung, 1 October 1999). However, the remaining discrepancies create an obstructive setting for politics that is often not taken seriously enough – not even in East Germany. That the relationship between Berlin and Brandenburg is not only marked by urban-rural tensions but also has West-East connotations has been clearly demonstrated by the debate on fusion of the two Länder.
- Finally, Berlin is the most obvious financial victim of unification (cf. Weinzen 1995). The Berlin Aid provided by the federal government was cut within four years from DM 14 billion to zero. The transfers that began in 1994 in the context of the financial equalization system between Länder, a key element in German federalism, offer no adequate substitute. Whereas sometimes more than 50 % of the Berlin budget had been covered by federal appropriations, transfers from the federation and the Länder now cover no more than 25 %. The reason offered, that unification has eliminated the justification for assistance is in no way satisfactory. It ignores the slowness with which (personnel-intensive) Land budgets can be restructured. It takes no account of the special needs arising from the very necessary infrastructural unification of the city and of the city with surrounding areas. At current estimates it is likely to take another 10 years before technical infrastructure networks linking West and East Berlin, Berlin and peripheral communities assume reasonable form. The sudden cuts in funding necessitated disproportionately high rates of loan financing and also made it difficult for Berlin actively to assume its new role as capital of the country. The belated budgetary consolidation embarked on only since 1996 has demonstrated the will to self-help at the symbolic level, but at the factual level it has for the moment exacerbated Berlin's economic problems. Although sales of the most important utilities (power, gas, water)

and housing inventories have contributed DM 15 billion to consolidating Berlin's financial position, this course, on the other hand, has been severely criticised as a long-term restriction in services for the public.

- Berlin has a complicated constitution, which assigns important rights of self-government to the (current) 23 districts with directly elected councils. In an ambitious process of administrative modernisation (Naschold 1999), the city is attempting simultaneously:
  - ▲ to introduce New Public Management principles (especially greater privatisation and the decentralisation of responsibility for resources and results),
  - ▲ to halve the number of districts to 12,
  - ▲ to devolve competencies to the districts.
- Under conditions of extreme austerity, the public service has been drastically cut from 200,000 before unification to about 140,000; administrative conflicts have become particularly intensive, and success is by no means assured.

## 6. Internal Structures

The Berlin-Brandenburg metropolitan region has hitherto been treated as a territorial unit. But a few brief remarks on internal structures, especially settlement structures, are needed at this point. Once again, Schön's data (1996, cf. table 2) are a useful source.

Table 2

	share of core city's population (in percent)	population density outside the core city (inh./km <sup>2</sup> )
Berlin	83.6	112
Hamburg	52.1	162
Munich	52.4	220
Rhine-Main	41.3	417
Rhine-Ruhr	60.8	658
Stuttgart	23.2	571
Metropolitan regions	56.7	325

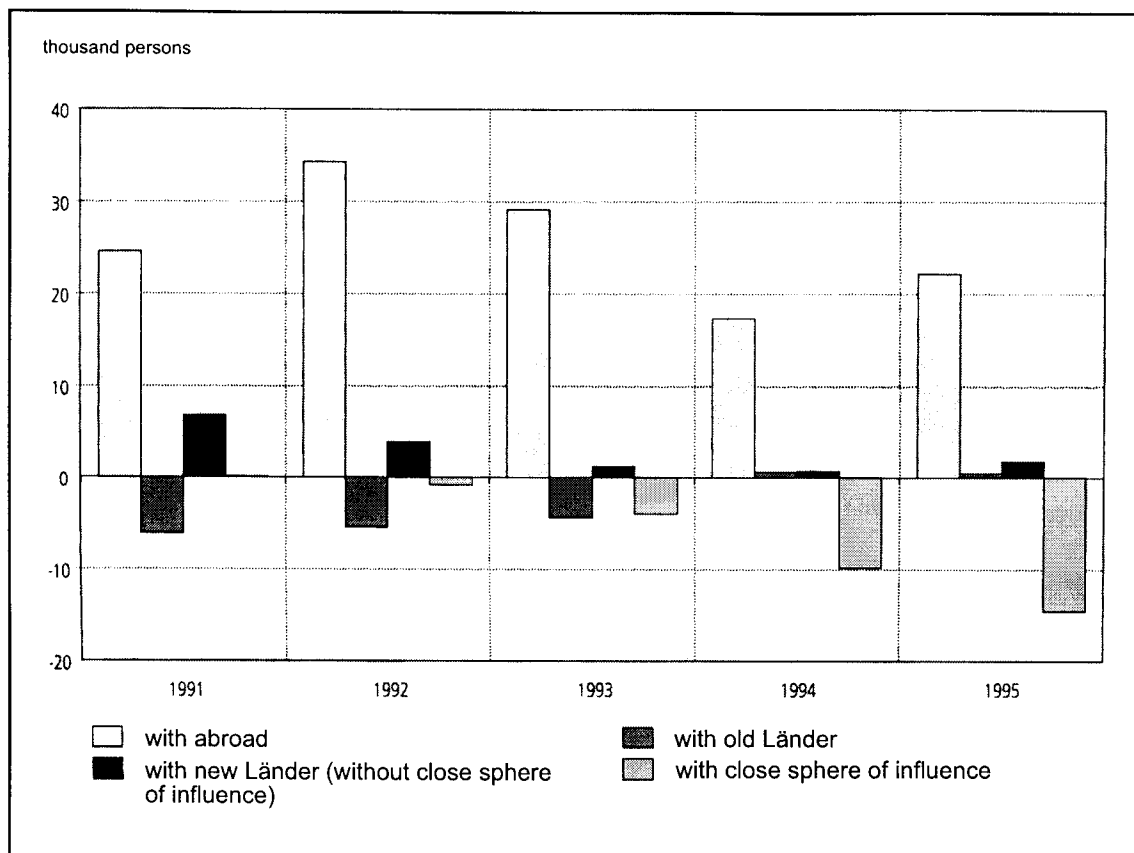
Source: K.P. Schön, *Agglomerationsräume, Metropolen und Metropolregionen Deutschlands im statistischen Vergleich*, in: Akademie für Raumforschung und Landesplanung (ed.), *Entwicklung und Probleme der Agglomerationsräume in Deutschland*, Hannover 1996.

Even in comparison with the next largest cities, Hamburg and Munich, which, like Berlin, are spatially isolated, it is striking:

- that the core city of the Berlin region has by far the highest proportion of the regional population,
- and that population density in the periphery is by far the lowest.

Both point to the (still) absence of suburbanisation. The division of the city and the country, the Wall around West Berlin, and GDR urban development policy have made of Berlin a city that is compact to a degree unrivalled by any West German city. From an urban design point of view, the well-defined „edge” of the city is among its particular advantages. For environmental policy, the lack of suburbanisation offers an opportunity for concepts of sustainable urban development with low land use and reduced traffic volumes (Apel, Henckel et al. 1995). If we accept the view of the German Institute of Economic Research that agglomerations that deal most successfully with transport and environmental problems will enjoy marked competitive advantages in the long term (DIW 1995, p. 218), opportunities are now being lost in this region. Although the figures for inward commuting initially gave reason for optimism (1994: under 100,000 and in absolute figures half as high as in Hamburg or Vienna, Thiel 1996), the daily inflow has grown rapidly (1999: 146,000) as a result of a suburbanisation that is problematic from both a financial and environmental policy point of view. From 1990 to 1995, the share of people moving out of Berlin to the close sphere of influence grew steadily. In 1991 migration was more or less in balance. In 1995 there were already about 15,000 more people moving to peripheral communities than were moving into Berlin from these areas (figure 1). Berlin is thus taking the same path as other German urban regions.

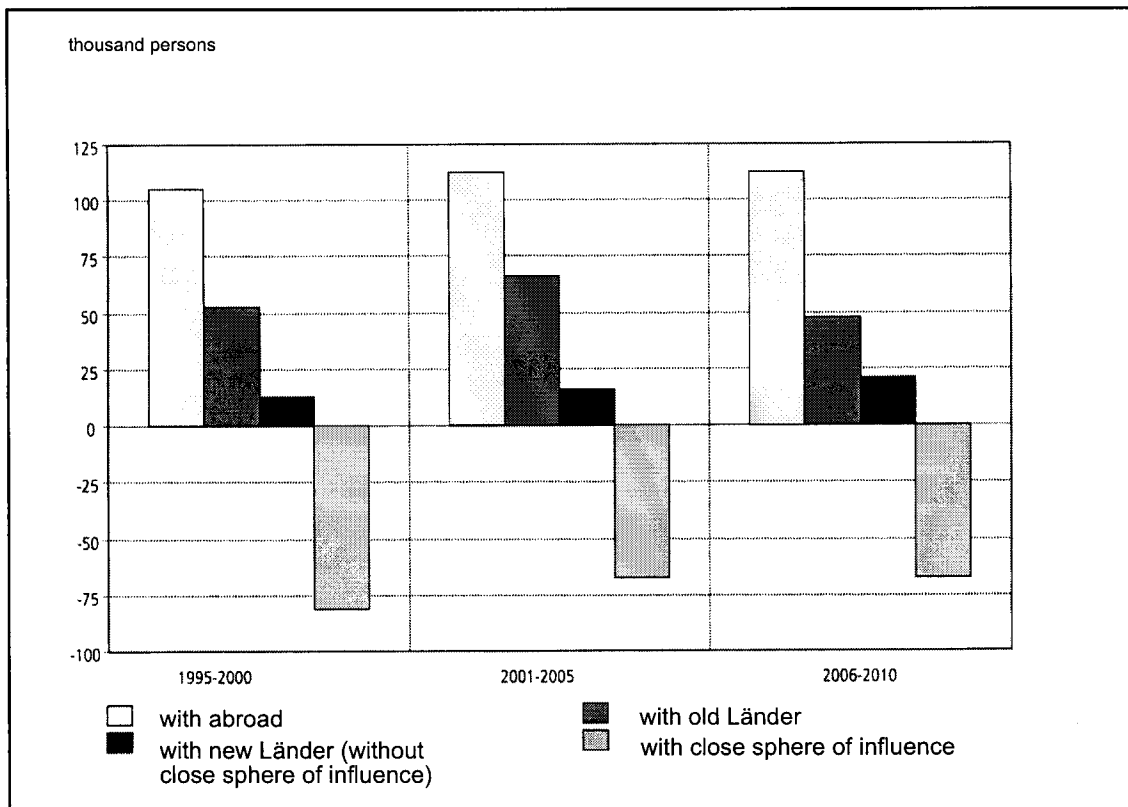
Figure 1: Net migration 1991-1995 of Berlin\*



\*Source: *Senatsverwaltung für Stadtentwicklung, Umweltschutz und Technologie (ed.), Bevölkerungsprognose für Berlin bis zum Jahr 2010. Soziodemographische und teilsräumliche Differenzierung*, Berlin 1997, p. 12.

In 1997 the Berlin Senate Department for Urban Development, Environmental Protection and Technology (SenSUT) published population forecasts up to 2010 (figure 2). In consultation with the Brandenburg government, an accumulated net migration loss for Berlin towards surrounding areas of about 210,000 was estimated until 2010. All other migration balances are positive for Berlin. The financially not unselfish efforts by Berlin to keep the population within the city bounds, including the provision of building land (Inner City Plan, 50,000 dwellings in the 1999-2003 legislative period) and the promotion of home ownership (Home Ownership Strategy 2000) have hitherto been thwarted by the dramatic price differences in the real estate market between the city and outlying areas. At the moment it seems the Berlin/Brandenburg region has not been able to take advantage of its late arrival on the scene to achieve a more sustainable development.

Figure 2: Net migration 1995-2010 of Berlin\*



\*Source: *Senatsverwaltung für Stadtentwicklung, Umweltschutz und Technologie (ed.), Bevölkerungsprognose für Berlin bis zum Jahr 2010. Soziodemographische und teilsräumliche Differenzierung, Berlin 1997, p. 14.*

Berlin and Brandenburg, which surrounds it on all sides, have collaborated closely in regional planning policy since the fall of the Wall (cf. Schäfer 1993; Prieb 1996). Since 1 January 1996, the joint Regional Planning Authority, which is part of both the Berlin and Brandenburg administration (respectively the Senate Department for Urban Development and the Ministry for the Environment, Nature Conservation, and Regional Planning), has

been a unique institution in the German administrative landscape, one that will hopefully survive.

The Berlin/Brandenburg Joint State Development Programme, which has been in force since 1 March 1998, commits joint state development planning, regional planning, and specific departmental planning to „polycentric state development on the basis of a regional planning vision of decentralised concentration” (§ 1 (2)) (cf. map 1, p. 16). The territory as a whole is divided into the city of Berlin, the Brandenburg part of the close sphere of influence<sup>12</sup> and the outer development area, with a considerable difference in population density and average population per community between the Brandenburg part of the close sphere of influence and the outer development area. With ratios for population density of 174:71 and community size of 2834:1237, the development area reaches only about 40 per cent of the figures for the sphere of influence (LEPeV, table 2, p. 12). Considerable depopulation has also occurred at the periphery over the past 10 years, although state planning envisages resource distributions figures of 30 % Berlin, 30 % close sphere of influence, and 40 % development area.

The heart of the agreed but controversial decentralised concentration vision is the deliberate strengthening of the six regional development centres of the so-called „urban crown” around Berlin, composed by the cities Brandenburg, Neuruppin, Eberswalde, Frankfurt (Oder), Cottbus, and Luckenwalde/Jüterbog. The aim of this concept is:

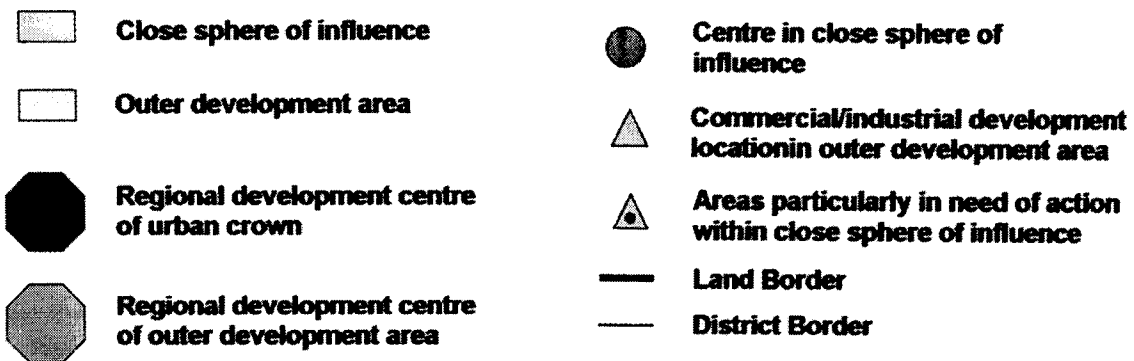
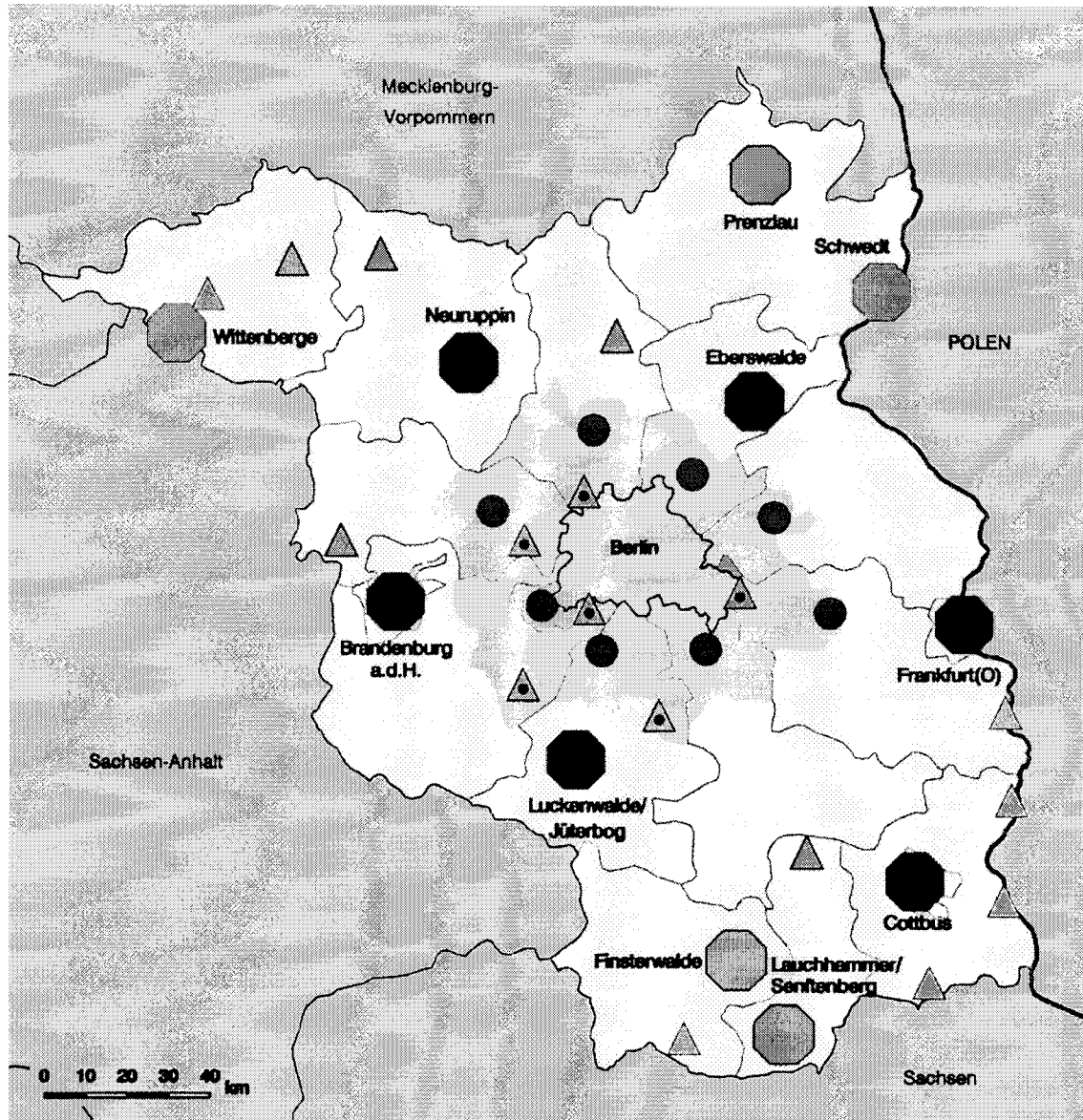
- to prevent the metropolis from „boiling over” its boundaries,
- to concentrate development stimuli at some distance from Berlin,
- to stabilise and develop the outer development area,
- and to complement and disburden the metropolis.

There are an additional five regional development centres in the outer development area and eight centres in the close sphere of influence, including the state capital and largest city, Potsdam. For this close sphere of influence there is also a textual and graphic „Joint State Development Plan” – LEPeV – on settlement, open spaces, and transport. The anticipatory control effect of this planning cannot be dealt with in detail at this point. In view of the developments observed in recent years, the concentration of settlement (industry, commerce, housing) along the autobahn ring, especially to the south of Berlin, it seems unlikely that these goals will be attained. The territorial division of the five „pie-slice” regions of Brandenburg regional planning seems problematic, however welcome the planning goals behind it may be. The heterogeneity of the problems between the peripheral communities of the metropolis and the rural communities in the outer development area has confronted regional associations with considerable problems. State and regional planning offer only meagre legal means of control, and in the initial phase available instruments have often not even been applied for understandable reasons of local development aspirations. The funds available to the Brandenburg government for promoting infrastructure and economic activity are short, let alone those available to local authorities. Inter-municipal cooperation suffers, especially cooperation between Berlin

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<sup>12</sup> The close sphere of influence is defined under the Regional Planning Treaty and includes, in addition to Berlin, 275 Brandenburg municipalities with Potsdam.

Map 1: Decentralised concentration as the principle of spatial structure\*



\*Source: *Ministerium für Landwirtschaft, Umweltschutz und Raumordnung des Landes Brandenburg and Senatsverwaltung für Stadtentwicklung des Landes Berlin, Strategy Report. Metropolitan Region Berlin-Brandenburg, Potsdam 1999, p. 33.*

districts and adjacent municipalities and rural districts (Bufalica 1995). But, since 1992, outer Berlin districts and adjoining rural districts, cities and towns have been working together in four so-called „local authority neighbourhood forums“, which include the Berlin Senate and the five Regional Planning Associations in Brandenburg. The focus of this voluntary cooperation is open space planning, recreation/tourism, and public transport.

After unification, Berlin itself drew up and adopted a new land use plan in a remarkably brief space of time in 1994, which envisaged decentralised concentration in the metropolis by strengthening the subcentres. It was based on the optimistic estimate that the population of Berlin and Brandenburg would grow by a maximum of 1 million, of whom 300,000 were to be provided with living space on Berlin territory. Overall expectations having been modified downwards, this plan is still defended as providing a „coat to grow into“, while the strong concentration of building activity in the centre (Potsdamer Platz, government buildings, Alexander Platz) is criticised as an obsolete utopia, incompatible with the decentralisation postulate. What Blotevogel (1995, p. 39) wrote of the Ruhr District clearly also applies to Berlin: „The specific regional mental set of the past apparently forms the „mental spaces“ for future development, in a largely restrictive way“.

In the implementation of its vision, the metropolitan region Berlin/Brandenburg thus appears, overall and in the metropolis, to be placing the emphasis *de facto* on concentration rather than on decentralisation.

## 7. Conclusion

In sum, the prospects for the metropolitan region Berlin/Brandenburg, present the following picture:

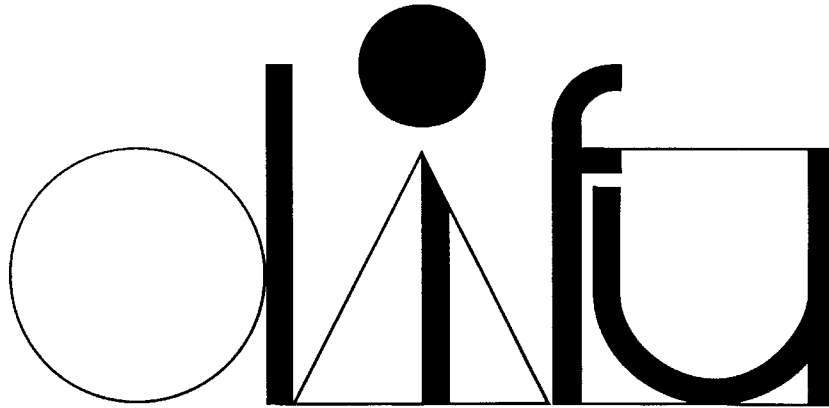
- The region faces a phase of considerable increase in functions.
- Even if the city were gradually to regain the clear leadership in the German city hierarchy, its lead will be smaller than before the War, for it is now only one important player among other German, let alone European cities. But the path to even this goal is a long and arduous one. „In global competition between cities, Berlin will probably never regain its former importance“ (Kunzmann 1995, p. 132). The label „global city“ will be inappropriate for the foreseeable future (Callies 1995, Geppert 1999).
- The internal structure of the region is also characterised by problems. After the aborted fusion with the Land Brandenburg, and in view of the particular financial and political problems Berlin and Brandenburg face, the two Länder have very little potential for spatial control. Disparities between city and country, between West Berlin and East Berlin will remain permanent challenges for politics.



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### Objectives

In 1973 the German Institute of Urban Affairs (Difu) was founded by the Deutscher Städtetag (German Association of Towns and Cities) with the aim of identifying long-term prospects for urban development and providing expert advice to municipal authorities to help them solve their problems.

An institution currently serving just about 140 towns, cities five municipal organizations and one planning community (status: February 2000), Difu consciously orientates its research activities towards the needs of towns and cities, offering them a broad spectrum of services. Studies, expert reports, further training seminars, information and documentation services, and regular publications promote the user-orientated dissemination of scientific findings. Difu provides a forum where local authorities can exchange ideas and experience and municipalities can gain advice on how to implement their planning objectives in administrative practice. Difu sees „urban affairs“ principally as practice-related urban research.

Since German unification in 1990, the Institute has extended its services to the new Länder. The nature and scale of the counselling and services it provides to east German towns and cities are tailored to their special needs.

### Members

Only towns and cities which are direct or indirect members of the German Association of Towns and Cities are entitled to join the circle of contributors to Difu. These towns and cities benefit from the regular services of the Institute which are provided to them either free of charge or at considerably reduced rates. They are also able to have their current problems taken up in the research work of Difu.

Member towns and cities contribute to the basic funding of the Institute in return. The annual fee for 2000 is about DM 0.12 per inhabitant, or a minimum of DM 3000 per town or city.

### **Sponsorship**

The body legally responsible for the Institute of Urban Affairs is the Verein für Kommunalwissenschaften e.V. (Association for Municipal Sciences). It comprises representatives of the German Association of Towns and Cities along with representatives of the member towns and cities and the Senat of Berlin, the city in which the Institute is based.

### **Research and Counselling**

Difu examines local government policies. It conducts interdisciplinary research on municipal problems and develops strategies to support towns and cities. Whenever it can, the Institute also provides consultant services to towns and cities to help them tackle their problems in the following areas:

<b>Urban Development</b>	Urban renewal and city planning	Transport planning Urban networks	Urban time policies Municipal housing policies
<b>Legislation</b>	Planning and building legislation	Environmental legislation	
<b>Economic Policies</b>	Structural changes Commercial zones and industrial estates	New technologies Infrastructure policies	Innovation policies Trends in retail trade
<b>Municipal Finances</b>	Investment activities Fees	Financial balance	Local taxes
<b>The Environment</b>	Environmental protection Climate protection	Urban ecology Nature conservation	Landscape and green zone planning
<b>Social Policies</b>	Senior citizen policies	Municipal policies for foreigners	Youth welfare services
<b>Cultural Policies</b>	Cultural institutions	Conservation of historic buildings	Urban history

### **Municipal authorities**

For further information on individual projects, please refer to the Difu services brochure obtainable from the press office.

### **Further training**

Difu runs approximately 20 seminars per year on topics of interest to municipal authorities. These in-service further training programmes are designed for executives, senior administrative personnel and members of various municipal interest groups. In conjunction with the Association for Municipal Services and the German Association of Towns and Cities, the Institute also runs special further training seminars for towns and cities in the new federal Laender.

### **Information and documentation**

The information and documentation services encourage inter-municipal exchange and the transfer of research findings into municipal practice. The foundations of this are Difu's own self-compiled data banks (ORLIS: literature on matters of municipal relevance, DEMOS: municipal surveys), individual data base research work and the publication of documentation series.

### **Publications**

The Institute publishes various series under its own name and in conjunction with W. Kohlhammer/Deutscher Gemeindeverlag. The list of available publications can likewise be obtained from the press office.

### **Staff**

Difu currently has some 100 members on its staff on either permanent or short-term contracts. This number includes 40 research scientists.

### **Budget**

The overall budget for 2000 is approximately DM 12 million. The Institute is financed by the contributing cities (25%), the Association for Municipal Sciences (15%), the Land of Berlin (11%) and the Federal Government (11%). The Institute also has its own financial resources, i.e. project funding and income from seminars, publications and other services (38%).