

GERMAN CITIES SUCCESS BEYOND GROWTH?



LOOKING FOR THE FUTURE

Germany, after leading the world for so many years as an advanced industrial economy, is now offering the rest of Europe an accelerated insight into what life is going to be like with an ageing population, a falling birthrate, and a society in which too few active young people are prepared to carry the burden of social responsibility forced on them by demographics.

What was once East Germany has lost almost 1.5 million of its people since the reunification of 1990. That drop means that 16% of all homes in the Eastern Länder are either abandoned or unoccupied. House prices in these areas have fallen 30% in five years. In a country with as high a proportion of owner occupiers as Britain, say, the drop would have been far steeper, with nothing short of catastrophic consequences. Compared to Britain, where home ownership levels are reaching three out of four households, just 10% of housing is privately owned in Berlin, half the levels of Hamburg and Munich. In some areas the population drop has been even more vertiginous. The new cities built by the DDR in the 1950s to serve its chemical industries have lost as much as one in three of their population in the last decade. It is a drop fast enough to threaten disaster. Some settlements can no longer sustain pressure in their water mains, their sewerage systems no longer have the critical mass to function properly, and the survivors are too scattered for public transport to be sustainable.

But Germany is still Germany. It is not a country prepared to sit back and see all this just happen. It is doing what it can to shape its future, rather than fatalistically respond to events. The positive aspect to this is a massive investment in transport infrastructure. More downbeat is a necessary willingness to embark on a costly programme of housing demolition, with a view to concentrating the remaining population in a more sustainable pattern. Britain's deputy prime minister John Prescott proposed a much more modest version of the same thing, and has had to face down bitter political fallout. Heaven only knows how southern California will deal with it when gasoline runs out and dooms the freeway suburbs to the same kind of extinction that faced the abandoned city of Fatehpur Sikri.

This is a far cry from the euphoria of 1990. What was meant to be a huge expansion in West German prosperity eastward has turned into an exercise in managed retrenchment, albeit a fascinating one. But Germany is still a society that is ready to contemplate large plans. It is also a society that in urban terms is like no other in Europe in that it lacks a single clearly dominant city. The idea that Germany has no authentic world city, and its attempts to deal with the supposed absence of one, have formed the backdrop to much of the thinking about urbanism in Germany: in an attempt to rectify the perceived shortcomings of the lack of such a city for the most populous state in Europe, either by creating one, or by finding an alternative.

There have been a series of more or less ill-fated attempts to turn Berlin, the most likely candidate for the role of a German Paris or London, into a genuine metropolis. Speer and Hitler set out to build Germania, doubling Berlin's population, and equipping it with the stone monuments that would reinforce its claims to attention by sheer force of

malignant will. Whether such an entity could ever have been understood as a genuine city, which is above all else a settlement dedicated to making the random interactions of life possible, is open to doubt. Reunification for a moment brought about another glimpse of a new version of Berlin as a world city. It was another chance for a fresh start. And as if to demonstrate that property development has always been fuelled by the culture of irrational exuberance, as much as by cold calculation, the boldness of reunification resulted in the construction of a city that failed to reflect the realities of Germany's actual urban structure – a network of cities, rather than a one dominant city of the French or British model. But while the world's attention was focussed on the extraordinary transformation of Berlin's old centre, from a fortified wasteland on the periphery of two cities that never spoke to each other, into a single entity, the real transformation in Germany was the rise and rise of Munich, and the eclipse of Frankfurt's dreams of becoming a world financial centre the equal of London. It is a shift that can be measured in the passenger numbers passing through the expanding Munich airport, and the emerging network of ICE trains that has made Frankfurt the root of a Y-shaped pattern. In fact, despite the impression that Berlin is the focus of Germany's most serious property bust, with 1.75 million sq m of empty office space, (9.7% of the total), it is close to the European average, while Frankfurt with a vacancy percentage of 17.2 is much more challenged.

Just as persistent a theme in thinking about German cities as the quest for the metropolis has been the hope that Germany does not need one and the belief that it should learn to make the most of what it has. The evidence would suggest that it has indeed done so. As the world's leading exporter, economic growth is concentrated in Germany's urban areas. The country's ten biggest cities account for 20% of the economy's GDP, while accommodating only 13% of Germany's population. Moreover, the number of new jobs created in these cities is higher, with a growth rate of 3.1% per year, compared with a national average growth rate of new jobs of 1.1%. Half of all the new jobs generated in Germany last year were in its ten biggest cities.

Germany has invested heavily in its transport infrastructure, which investment – combined with a new tax on fuel and energy – stopped the long-standing growth in car mileage. Railways have seen an average annual growth rates of 3-4%, helped by 215 new high speed trains linking the major cities. On the other hand there is no question but that the old East is economically troubled, and despite the massive investment in infrastructure, things are still very different in the two halves of the country. With 18.8% of the work force in the east out of a job in 2005, things are almost twice as bad as they are in the west.

Berlin, if it is not going to be London or Paris, does seem to have identified a role for itself as a creative centre, on a grander scale, continuing the role of the pre-reunification Kreuzberg as a Bohemian enclave. 'Poor but sexy', in the words of its mayor. Dresden also seems to have found a new role, by reconstructing its Baroque past. For Halle Joseph Haydn may not be enough of a future.

Despite the attractions of cheap accommodation that has allowed creative communities to flourish in Berlin and other depressed but grandly proportioned cities,

and set in place the basis of an economic future, the other cities of eastern Germany do not yet have the cultural base to follow in Berlin's footsteps. With only 1.9% of the population in eastern areas born outside Germany compared to 10.6% in western areas, the statistics suggest that the east is still a long way from producing a genuinely cosmopolitan urban culture. It would also suggest that despite the prejudices of right-wing extremists, a strong migrant community is clear evidence of a city's economic health.

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GERMANY: A GLOBAL CITIES SYSTEM?

The globalisation and digitalisation of the economy will not – as many experts have prophesied – lead to a disintegration of cities. Rather, it will lead to the creation of a new form of urban centrality whose chief manifestation is the ‘global city’. This new type of city, as Saskia Sassen has demonstrated convincingly, plays a strategic role in the globalised economy: it is in existing global cities that the control, integration, and management functions of global value chains concentrate. At the same time, global cities are central production locations and transnational marketplaces for the high quality, knowledge-based services that feed into the head-office functions of multinational companies.

Germany has been a world export champion for many years, and few economies are as strongly integrated into the world market. Yet despite this, no German city makes it into the top group of global cities. Exceptionally, the Inventory of World Cities classifies Frankfurt – a ‘small’ city with just 660,000 inhabitants – as an ‘alpha world city’. But other German metropolises such as Berlin, Hamburg, Munich, and Düsseldorf only rank as ‘gamma world cities’ – third-class global cities. Other German cities do not even rate a mention.

How, then, can we explain this apparent contradiction between the central position of Germany in the global economy, and the fact that its cities are rated as second or third class?

The usual answer is to point to Germany’s history, with all its interruptions and peculiarities. Germany gained a single capital city in only 1871, with the founding of the Prusso-German Empire. Berlin became the seat of government and, over time, the dominant German economic and cultural metropolis – although it never reached the centrality of London or Paris. The catastrophes of the Nazi regime and the Second World War brought about the collapse of the German Empire and Germany’s subsequent division into four occupied zones. The central metropolitan role of Berlin was dismantled. Many companies moved away from the geopolitically unstable Berlin and the Soviet occupation zone to West Germany. The Reichsbank in Berlin was closed and, following a decision of the American occupation government, the new Bank Deutscher Länder was established in Frankfurt. In consequence, large banks such as the Deutsche Bank and Dresdner Bank relocated their head offices to Frankfurt and other banks followed suit. Frankfurt Airport became America’s main German air force base. Today, gateway functions of Frankfurt Airport and the city’s role as an international financial centre are the direct results of these decisions taken during the occupation years. Similar historical decisions led to the specialisation of other cities: Munich became Germany’s high-tech metropolis; Hamburg, its news and media centre; and, with the creation of the German

Federal Republic in 1949, the seat of government was moved to Bonn. The result of these historical developments is evident: today, Germany has a highly polycentric urban system, with its metropolitan functions distributed between Berlin, Hamburg, Munich, Frankfurt (Rhine/Main), Cologne/ Düsseldorf (Rhine/Ruhr), Stuttgart, and the potential metropolis Halle/Leipzig/Dresden (Saxony Triangle). After reunification Berlin was reinstated as the seat of government, but it is highly unlikely that it will resume its former central economic role.

This historical sketch implicitly classifies Germany’s urban network as a special case in the hierarchy of the global urban system – a case that shows clear deficits. Can Germany, with its globally oriented economy, do without a truly global city? If it cannot, which city might fill this role?

The discussion on ‘varieties of capitalism’ (Hall/Soskice) supplies a possible alternative answer to the question of globalisation and urbanisation in Germany. If it is true that modern capitalism is not a homogeneous entity, but that different models of capitalism have formed themselves under different historical conditions, then it is not unlikely that these different models also have correspondingly different patterns of urbanisation.

Historical studies show that Germany, as a late comer industrial nation, developed an alternative to the liberal system of production even as early as the end of the 19th century. Germany’s ‘coordinated market economy’, coupled with the strongly federal structure of the German state, formed the basis for the economic and social system in West Germany. Because of their specific manufacturing tradition, German companies concentrated on producing high-quality, distinctive, customer-oriented products as an alternative to mass production and global price competition.

With diversified, export-oriented, high-quality manufacturing, Germany established itself in the upper niches of the world market. This characteristic production model and the related production strategy led to the phenomenon of ‘manufacturing/service districts’. In Anglo-Saxon countries, the globalisation push in the 1980s and 1990s led to a strong geographical dispersion of industrial functions – an important factor in the growth of central business functions in global cities. By contrast, German conurbations showed a development dynamic that was based strongly on the interaction between knowledge-intensive industrial activities and company-focussed services. Since the mid-1990s, this interactive development has seen some uncoupling of industrial sectors and regions. Yet, the relationship between the development of industry and of services has not broken down – it has simply become more dispersed. At the same time, individual metropolises are developing increasing specialisations in particular clusters of high value services.

Underlying this argument is the thesis that ‘Rhineland capitalism’ has not just produced an alternative model of production, it has led to the formation of an alternative, fully viable model of urbanisation. This prompts many questions: can Rhineland capitalism hold its own against Anglo-Saxon liberal capitalism in the long term? Do German companies not increasingly depend on ‘buying in’ management and development knowledge for their global strategies in cities such as London and New York? Are we seeing the emergence of mixed business strategies that can exploit the advantages offered by both the decentralised urban system and the centralised global cities system at the same time?

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URBAN NETWORKS ON THE MOVE

Germany has a polycentric urban system with four cities of over a million inhabitants each (Berlin, Hamburg, Cologne and Munich) on top of numerous mid-sized cities. This characteristic can be generally said to be an indication of a balanced spatial development, for instance, when comparing Germany to countries like France or the United Kingdom, where the dynamics of growth are strongly concentrated on the capital region. Essentially, however, the question as to whether a centralised or rather a decentralised network is advantageous appears futile given the historical path dependencies of urban systems and their interconnectedness. Noticeable changes inherently require historical fractures, such as the division of Germany after the war. During that period, new networking patterns developed, which have in turn been reordered again after the fall of the Berlin Wall in 1989, the major turning point in recent Germany history.

Decentralisation – just as centralised structures have their specific costs – cannot be sustained without paying the price for mobility and transportation. This applies above all to supra-regional transportation. In the course of structural change, major corridors have significantly gained importance while at the same time experiencing growth pressures. The road and rail transportation routes between the conurbations are – similar to the

nodal points of air and sea transportation – confronted with limits to growth and capacity. In contrast, the volume of traffic is static and even decreasing in other, more peripheral regions of Germany.

The metropolitan regions are anchor points for Germany's relatively balanced spatial structure. They bundle the central functions for densely populated areas; are usually connected to prime nodes of the transportation and communication networks; and are considered to be generators of commercial development on the basis of their population potential, their economic strength (even in the knowledge economy), and ultimately because of their role as gateways for global flows of people, goods and information. Transport growth along the major transport corridors reflects the importance of these hubs.

Examination of the urban network structure and international accessibility has received theoretical stimulus in recent times through the 'New Economic Geography'. Accordingly, large agglomerations particularly represent the centres of gravity for economic development, based on productivity advantages, economies of scale and low transport costs. Consequently, they are at the centre of development-oriented political concepts. Regional planning policies have also embraced this viewpoint and promulgate a strategy of 'strengthening the strong': encouragement and support of a few growth cores instead of well balanced development everywhere.

Admittedly both 'draft theories', the New Economic Geography as well as growth-oriented spatial development policies, still lack convincing empirical evidence. Firstly, not all densely populated areas by far are economic engines for growth. On the contrary, old industrial regions like the Ruhr Basin, despite high density and excellent connections, are icons of decline rather than places of optimism. Secondly, many prosperous regions in Upper Swabia or Lower Saxony belong to the so-called 'silent stars' remote from metropolises, basing their success on factors other than centrality and motorways, airports or container terminals. Transportation and accessibility are however vitally important for both areas: the major centres as well as the prosperous periphery.

Noteworthy differences can be seen in lifestyle choices, which reveal parallel spheres of life. Supporters of the modern, international structure of metropolitan regions are the business élite. They travel predominantly by airplane between major nodal points and practice mobility as a form of global nomadism. It is no coincidence that this élite also makes a significant contribution to the transportation demand. According to recent studies on long distance travel, 10% of the transportation users in Germany account for approximately 50% of the total transportation demand.

For the majority of the population actual travelling remains confined to the localised realm of everyday life activities. The frequency of journeys and travel times show only a slight increase, even though travel distances are getting longer due to the spatial division of labour and individual preferences. Other than vacation or business trips, most people are still mainly concerned with how to organise their intra-urban mobility rather than how to access international networks.

The mobile lifestyle of the business élite and the mobility patterns of the majority of the population can however no longer be distinguished from one another, and they especially cannot be played against one another politically. Long-distance commuters constitute the new middle class mobile nomads, who regularly fill the ICE trains on Mondays and Thursdays, with their double lives of separate places for living and working. A second example is the growth in air traffic, which today owes less to the business class than to the short trips made by John and Jane Q Public, who gratefully take up the offerings of low-cost carriers for shopping in London etc. Low energy prices still allow this type of mass individualisation and democratisation of mobility.

However, the conflict over the expansion of infrastructures – as the example of airports in Frankfurt demonstrates – makes political regulation of these matters complex. For one thing, the roles of perpetrators and victims are distributed diffusely amongst the airline passengers and those plagued by aircraft noise. Additionally, the network economy of transportation and goods handling attracts many regions, which hope for compensation for ongoing deindustrialisation. The phrase 'job machine', however, has an empty ring, since the newly created jobs offer only a fraction of what was lost, in terms of quantity and quality. If it is true that energy in the future will never again be so inexpensive and ubiquitously available as in the twentieth century, then we face what is a suspenseful question about the transformation of mobility – and its consequences for the urban system.

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TOWARDS A EUROPEAN URBAN FORM

Is it still necessary and topical to consider the European city? It has been mocked and criticised by modernity for its limitations, lack of hygiene and functionality, and its hierarchy of space. In the 1960s the European city experienced its dissolution. Together with the arrival of automobiles en masse, the occupation of inner city areas by service centres and office blocks destroyed its civic spaces. Residential uses were moved to housing schemes on the outskirts or relocated to subsidised homes in suburbia. The reaction to modernity did not fail to appear. Reurbanisation was promoted in order to stop the demolition of cities. In the 1960s and 70s post-modernism rediscovered the European city.

What had been seen as disadvantageous in the past was being rediscovered as a paradigm of urbanism: it was rediscovered that small lots and living areas, functioning neutrally, could open up the city to change. The division of land into lots enables diversity in unity, combining various typologies and lifestyles. It allows for demolition or new development without automatically compromising the entire spatial structure.

The same spatial constriction which was criticised by the modernists, was perceived as a density of communications and functions by the postmodernists; it acted as a stimulant to the changing economies of the service and information sectors and a knowledge-based society.

In the action group culture of the 1980s, citizen commitment and public debate called for the sensitisation of the European city and its culture. It became more and more clear that the European city made it possible to integrate people from different social backgrounds and nationalities as equal partners and was able to socially integrate inequalities.

However, the return of the post-modern to the European city was not its only victory. Suburbanisation continued. It now developed peripheral spaces, with new images emerging that Tom Sieverts so succinctly described as 'cities between cities'. Socially homogeneous lower middle class areas began to emerge in the suburbs, while in the city a social polarisation set in with a simultaneous upsurge and decline in parts of the city.

What appears problematic to us is that the postmodern criticism of the linear progressive thought of the modernists went to the other extreme. The postmodernists felt it their duty to protect the traditional. All too often in the redevelopment of inner cities, the reconstruction of historical forms and design was at the forefront. Not only was it overlooked that the reconstruction of a historical building could not actually restore it, but historical forms were also taken out of their original context and placed into new contexts. In the age of globalisation the inner cities became places for tourists and centres of consumerism. In this alleged return to the traditional, reflection on the demands of the



present were still missing. Living quarters became towns for singles or high income bracket groups of urban professionals in marketing, media, finance and IT. In contrast, infrastructures, services, cultural possibilities, areas for children and spaces for relaxation were unavailable to families. For them, living in the city meant a dissociation with the natural environment. The connection between redevelopment and contemporary urban planning and architecture was missing.

In parallel to the massive hollowing out of some cities and ongoing suburbanisation, there is now a clear urban renaissance and growing support for reurbanisation. Cities, however, are still at risk of losing their role as cultural and economic catalysts and as social integrators that alleviate inequality. There is no doubt that land values and intra-urban competition for centrality and accessibility still play a fundamental part in these processes. High subsidies that promote new developments, rather than densification of existing areas, do their best to significantly advance suburbanisation, endangering, if not destroying the characteristics of the European city.

According to a survey carried out by Empirica in Hamburg some years ago, the majority of households who were interested in residential property preferred an inner city location to property in the countryside, which they viewed as the second best solution. Their views on country living did not deviate much from those of the urban planner: dreary locations, 'out in the sticks', boring urban developments, and 'terraced boxes on towelling plots'. The European city certainly has much more to offer.

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THE LUXURY OF EMPTINESS

The title of Wolfgang Kil's book 'The Luxury of Emptiness' accurately describes the situation of public spaces in shrinking cities. Given the huge amount of mediocre architecture in our cities, it would not be difficult to philosophise about its removal and the resulting freedom for the creation of public spaces. But this is not the real issue. Empty, boarded up buildings; windows covered with posters as alternatives to billboards in urban spaces; derelict buildings beside restored 19th century facades; gardens and plots that have run wild and resemble primeval forests more closely than well-groomed residential areas – these are sights in our public realm that arouse negative, or just unusual, associations. There is simply too much building stock, too much infrastructure, too much that is no longer needed and can no longer be afforded. People's needs and requirements have changed, and there are fewer people around. Since German reunification in 1990, people have moved from the cities out into the suburbs, have left for more prosperous regions where there are jobs to be had, and have had fewer children. Combined with industrial restructuring and changes in service industries, this has meant that increasing numbers of properties – of various types – are being left vacant.

In some places, the freedom this offers to change the use of the buildings or to remove

them altogether is too much for both the population and for planners to handle. What should we do with so much space? Inevitably, the inverse question also crops up, a question that the city of Halle has been asking itself as part of the IBA Stadtumbau in Sachsen-Anhalt: how much public space do people need? And how much can we afford? We can identify three major trends in this regard:

GREEN SPACES AS A 'PUBLIC PATIENT'

Given current constraints on municipal budgets in Germany, attempts are being made to reduce the monies spent on the maintenance of public space. The level of care given and the total acreage looked after are both being reduced in order to minimise financial burdens. Municipalities are planning low-maintenance public spaces, for example by creating forested areas when redeveloping former high density housing areas. Forests are the most economical way of using space to create green areas; they are cheap to create and also economical to maintain. An example of this can be found in the Halle district of Silberhöhe, where a large scale residential development which already contains a large number of green areas is being transformed into an urban forest. Urban public space is thus regaining ground in our cities.

CITIZENS ANNEXING PUBLIC AREAS

The use of open spaces is also changing. Land freed up by former supermarkets or housing

that is no longer needed is being converted into semi-communal agricultural or horticultural land at the edges of the city, where it seamlessly adjoins existing farmland. However, the land made available has been annexed by a variety of groups. One family set out rows of tomato plants; a Japanese martial arts enthusiast laid out a Zen garden; and people who enjoyed gardening or simply being in the fresh air occupied their own zones. The first act of the new occupiers was to create a boundary between their areas and the remaining public space, marking their territory and making private space visible. The reaction of the people of Halle was mixed, with some protesting against the privatisation of parts of the newly created public spaces.

CREATING SEMI-PUBLIC SPACES

In inner cities, the demolition of the second row of buildings in a block is seen as a liberation from excessive density, especially in the closed courtyards of 19th century districts. Often, the old auxiliary buildings or servants' quarters now lie vacant. They are being replaced with open spaces and green areas, considerably increasing the residential quality of life in cities. Buildings constructed along major traffic arterials or at problematic corner locations do not retain residential functions. Given the large number of properties available, tenants have the freedom to avoid occupying those which they regard as inferior. The vacant buildings are re-used to house infrastructure that is lacking, such as parking spaces or garages. They are also converted into commercial units, as although traffic creates noise it also offers passing trade. The gaps created by demolition are also used for recreation, by the neighborhood or by those living next door. Another trend is 'Turning three into two', purchasing an adjacent plot and dividing it up between the two neighbours,

allowing improved access and increasing the amount of light available to residential units. Thus although a large number of residential buildings are due for demolition, the way in which these spaces are being reused is not satisfactory. The constructions seem temporary and spontaneous rather than demonstrably permanent. One has the impression of pioneer plants which are subjecting themselves to an unreliable experiment, and are observed by all with suspicion.

PUBLIC SPACE: AN OUTDATED CONCEPT?

Increasingly, the way inner city open spaces (or 'gaps') are used is being affected by artistic interventions or citizens' interests ('The Night of Vacant Lots': walks through empty lots or derelict sites). These gaps are occupied by temporary uses such as (temporary) car sales areas and election campaigning, so as to realise any possible economic benefit from the spaces. In a city whose population is decreasing, the sense of responsibility for open spaces and people's identification with them are also decreasing. Ideas such as a 'public room' in urban spaces are increasingly attractive as providing quasi-public spaces, areas where the public can take a break, or informal locations where teenagers and children can play and be adventurous.

The borders between public and semi-public are disappearing in some areas undergoing transformation. Space, formerly at a premium, is now regarded as a burden. In part, only increased space for private use is regarded as positive. Public space as a public asset is on the decline, and is being concentrated in a few central locations. When will we start to miss it?

Josef Weber is chief urban planner for the City of Halle on Saale

THE VITALITY OF A GROWTH-LESS CITY

Why is Berlin so hip? Why does its late 19th century Prussian severity attract people from all over the world? Can such a poor and economically disadvantaged place really become a cosmopolitan city? Is it not an explosive boom which is the elixir for each and every metropolis?

Berlin is structurally weak, as is the case for all East German cities. Years of zero growth and little hope of a more dynamic near future are as typical here as in Leipzig, Dresden, Erfurt, Halle, Magdeburg or Rostock. All of these cities have a large number of empty flats, shops and offices, and much industrial land in disuse, that cannot be easily reoccupied. Instead of the traditional housing shortage, for the first time in history there is an abundance of space.

It was almost a shock-wave of deindustrialisation that came over the cities of the former German Democratic Republic in the aftermath of unification. The old island of West Berlin already had only a slim, artificially maintained economy. The industrial enterprises of East Berlin were shut down with the introduction of the deutschmark. Globalisation led to further job losses. Step by step, companies transferred production from high-wage Germany to Eastern Europe or the Far East.

For a few years the euphoria of unification brought a great deal of highly subsidised real estate investment, but not much lasting economic power. The government's relocation to the new capital of Berlin was and still is the strongest push for the city's economic invigoration, but at the price of the dislocation of as many jobs as the move brought with it. The hoped for increase in population has failed to materialise.

Berlin, housing Siemens, Borsig and AEG, once enjoyed a reputation throughout the world as a manufacturing city: now it has less than 100,000 industrial employees. Apart from the state-owned railway, no company of any consequence keeps its headquarters in Berlin. The gross domestic product of Germany's capital and largest city represents a low share of the country's as a whole. Unemployment is at 19% and refuses to abate. Incomes are lower than the national average. The city is up to its ears in debt. In comparison to London or Paris it is pitifully poor.

Yet the city sparkles with life! Berlin is an expert in the art of living and surviving. It attracts creative and unconventional people from East and West Germany, and increasingly from all over the world. The growth factor in this city is creativity, if on a low-budget level. There are several reasons for this.

There is enough inner city space for creative living and working, on little money.

Young people hungry for adventures and experimenting have taken over old, disused factories in the centre of Berlin. Legally or illegally they have settled into the city's many empty shops and buildings and brought them back to a life of morbid charm or modern elegance. With great cunning and tenacity they have made centres of art and creativity out of deserted factories and other buildings: the KunstWerke, Sophiensäle, Kulturbrauerei, Pfefferberg, Tacheles and others. These initiatives are not limited to Berlin. In Leipzig a gigantic cotton mill has become a cultural and artistic factory, and even in the small town of Dessau a group of young people is renovating and fitting out an enormous old brewery with great élan.

The quality of life in Berlin is high, yet affordable. Decades of social democratic city politics, with a highly subsidised programme of urban renewal and a good infrastructure, have contributed to this. The legacy of socialism can be seen in inner city nursery schools, playgrounds and sports fields. Much urban investment was in fact made with a growing population in mind. As this has not come about there is now competition for children among kindergartens and schools, particularly in middle class districts.

Traffic is decreasing because of poverty, unemployment and rising petrol prices. Today Berlin has only 320 cars per 1,000 inhabitants. Even though this is still too many for the Green Party, it is once again a pleasure to stroll about the city streets. Life here is not only affordable; compared with many other large cities it is remarkably good. You can bring up your children here, even in trendy districts like Prenzlauer Berg. Having children is 'in' once again.

But it is not only the urban space and affordable quality of life that make Berlin so

attractive; there is also a very important intangible dimension. It is above all the 'clash of civilisations' between the past 'actually existing socialism' of the GDR and the present real capitalism which is so compelling. Berlin, Leipzig or Halle are challenging: take up what is left of this history and turn it into a new future! Take these cities as a school for structuring globalisation. We are in close contact with worldwide social and political change here.

Of course the majority of people do not want this; they want to be left in peace. In Berlin there is an old West Berlin and a modernised, but mentally just as old, East Berlin. Both have adapted to the changes – passively and in sufferance – only as far as absolutely necessary. This is also the case in other structurally weak cities, which are characterised by much passivity and resignation.

But the future-oriented, creative people who have made new lives here outside the conventional rules, and found the necessary urban space and like-minded friends, are also opening new doors for the city and its cultural and economic identity. Media, IT and advertising, art and music, fashion and design have become an important core of Berlin's new economic life, and will hopefully continue to grow. For there is no way back to the old industrial society. Berlin needs to reinvent itself as a society of knowledge and creativity.

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