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Berlin

A Capital City between Nation State and Global Gateways

Frank Eckardt

After the German reunification, the face of Berlin changed rapidly and radically. As it is the only place where East and West Germany are shaping the reunified "Berlin republic", it seems that processes of national scope have dominated the city. The relocation of the German government from Bonn to Berlin has been a major step in the way of reorganizing the whole German urban network. At any rate, many infrastructural projects have been enlisted to be following this trend. At the same time, the city claims to have become a "Global City" (Sassen 1991) with an interconnecting position between the west and east of Europe. Berlin has integrated into the world economy and has found some gateway function in the European networks.

This paper will outline some major developments of Berlin and debate, how far certain areas of the urban development are more linked to national or global influences. In the first chapter, the economical position of the new German capital will be reflected as regarding the basis of the political intention to turn Berlin into a "city of knowledge" by 2010 (1). Although the status as achieved by the city concerning industries of culture, media, and science underscores the global scope of economic performance, Berlin has to be primarily considered as part of the highly interactive German urban system (2). The paper will argue that Berlin is an exceptional case in Germany, but the city could not be regarded as centralizing or pre-dominating the other economically strong urban regions. It will also discuss the often discussed urban planning and city governance issues of Berlin of the recent years (3). As globalization has been assumed to have substantial influences upon the social fabric of the city, this article will have a closer look at the social inequalities in Berlin immediately after 1989 (4). In particular, the situation of foreigners who are attracted to "global" cities will be taken into account (5). Finally, the following question will be posited: Has Berlin been successful in symbolically reunifying the inhabitants of the former East and West Berlin (6).

The paper works with the general premise that globalization is not directly influencing the recent transformations of Berlin. It is, however, questioning the existing theoretical approaches concerning the linkages between "the global" and "the local" (Smith 2003). The case of Berlin shows the inability/impossibility of creating a "Global City" with a principal function whereas the rest of Germany has already been highly integrated into the world market. The main hypothesis of this paper is therefore, that Berlin is influenced by globalization in an indirect manner: the discourse on urban planning, economic transformation, social mixture and ethnic diversity has been embedded into a global landscape of real or perceived changes of Berlin.

1. Berlin as a “Global City”

Within the framework of global city research, the German capital is not prominently examined as pertaining to its linkages with the global economy (Taylor 2004). As regarding these criteria used by the advanced studies of the global city hierarchies, Berlin is often regarded as a "third-rate" or gamma city. This is to say that Berlin cannot compete with other urban centers in Europe like London or Paris. As the categorization of global cities is mostly based on the quantifiable locations of "headquarters", this analysis of Berlin's position in the world economy might be justified. Many publications see the city as being positioned between "World city, national capital or ordinary place." (Cochrane/Jones 1999). As the city with the most inhabitants and with regard to its cultural connotation within German history, there is certain valuation for its potential and significance. After reunification, the remembrance of the “Golden Twenties” was vivid in some reflection of its potential role in the future, as seen by nostalgic views of the turbulent period of urban life in pre-War Berlin, and at a time when the city could have actually been readily comparable to London and Paris in its cosmopolitan appeal, the expectation of Berlin was as a new center within the German nation state and the urban system.

Some concepts about how this reestablishment of Berlin as a first city can be realized have a long tradition. One of these perceptions of Berlin leads to the understanding of Germany as a nation between East and West Europe; which requires that Berlin act as the gateway city between both parts of the continent. Apparently, the real opportunities after the collapse of the Berlin wall have been available and are increasingly used to communicate with the Eastern part of Europe (Schlögel 1999). Nevertheless, the image of Berlin as a “gateway” city has been politically used in many official documents to paint a bright future for the city. It is obvious that the historical evidence of its continental function between the different geographical parts of Europe could not so simply be re-established seven decades later. In this way, the reshaping of Berlin as an “East Meets-West- City” – as visualized on the official homepage of the city – is more or less based on a myth (Tölle 2003). Its unique position within the German nation lies in the special function as place of the meeting of West and East Germans in one city. This is to say that the formerly divided city is the only place where everyday life between both parts of Germany is realized.

In addition to these rather general ideas regarding the position that “New Berlin” should occupy with regard to its supra-local functions, there have been some basic principles, that have been implicitly or, in fewer cases, explicitly argued for making Berlin “once more into a gateway or global city”. These ideas cannot be traced to certain protagonists or political programs of any specific political or social group within the city, but they appear to be shared by a wider public and also from the outside world.

To start with, the official projects will be taken into consideration in order to arrive at an overview of the strategies implemented in order to realize the self-image of the town. Marketing and reality of the position achieved by the city with regard to certain areas of urban development are sometimes difficult to differentiate. The so called “BerlinStudie” could be seen as an expression of the basic philosophy for the future development of Berlin (Der Regierende Bürgermeister von Berlin 2000). In the foreword, by then Mayor of Berlin, Eberhard Diepgen, he points out that this document was meant to outline a guide of orientation for Berlin in the following years. The time horizon was framed to overview the period until 2015. After a conceptual introduction, the issues of “exchange

relationships", competition and work, social cohesion and metropolitan development were given special attention in each chapter. It is noteworthy that knowledge and culture are seen as basic points of the city's profile. Another objective laid down in the document is the integration of immigrants. Reading this prospective concept of Berlin's future, it seems that in every chapter there are some major issues that appear again and again to be addressed. These are embedded in a strategy for the regeneration of civil society. Under this umbrella term very heterogeneous interests are submitted, such as the process of the "Local Agenda 21" for sustainable development, public management reforms, the "entrepreneurial city" and the merger with the surrounding region Brandenburg. In its observation of the present state of affairs, the study concludes realistically: "Berlin will not succeed in reaching the status of a Global City within the next 10 to 15 years:" (83) The authors come to the conclusion that the city should foster and enlarge its position in the German urban system. Especially the links to Hamburg with its sea related networks and international experiences would be an ideal partner. In this partnership, Berlin could bring in its competencies in the areas of science and culture. From a strategic viewpoint, the following politics are suggested to realize the axis between "Hamburg-Berlin":

Enhancing the existing networks of the cities and improving the existing relationships with other cities. Scientific cooperation, in particular, should be used to mobilize the potentials for strategic partnerships. Initiating a "strategy of quality", the city should start to build up a privately founded university. A "Future Funds" should allow supporting a start up of an "International School for Technology and Management Berlin". Main fields of activity of this new school should be the development of core competencies in the fields of biotechnology, information technologies and transport research. Communicating the strength of Berlin as a city of science, should be made visible within the public appearance of the city and in the "internationalized public space" of Berlin. This should give "the visitor the feeling that he or she is in a future Global City". When it comes to defining priorities for "the most Eastern city of the West and the most Western city of the East of Europe" (41), the focus on certain areas used to underpin the status of a "Global City" can be thusly identified:

1. Knowledge Industries

The study argues that the "knowledge landscape" of the city is already sophisticated and developed to an advanced level. To underline this perspective, the concerned chapter sums up the 16 universities, high schools, and academies that are host more than 130,000 students and create 22,000 jobs. Furthermore, Berlin hosts 126 other public research institutions and eight technology centers.

In contradiction to its formulated suggestion that Berlin should enlarge its quantitative capacities, the fiscal policies of consolidation in the run of the bank crash, however, have lead to serious debates of closing one of the three main universities and at least of some faculties. Political life in the last years has been accompanied by protests of students and academics against these policies.

Name	Thematic focus	Founde In	Square meters	Ente prise	Job
Technological and Innovation Park (TIB)	<ul style="list-style-type: none"> • Micro system technologies • Information and Communications technologies • Environment technologies • Media and satellite technologies 	1985	79.540	47	1.42
Wedding Center for Technology	<ul style="list-style-type: none"> • Micro peripheral technologies • Services • Communication technologies • Environmental technologies 	1996	3.310	10	75
Innovation Park Wulheide (IPW)	<ul style="list-style-type: none"> • Mechanical technologies • Process automation • Optical electronics • Medical technologies • Energy technologies 	1991	41.700	97	1.13
Science Park Adlershof	<ul style="list-style-type: none"> • Optical and laser technologies • Information and communication technologies • Environmental technologies 	1991	155.000	174	2.28
Research center Buch	<ul style="list-style-type: none"> • Biotechnologies 	1995	85.000	40	400
Innovation Park « Am Borsigturm »	<ul style="list-style-type: none"> • Information and communication technologies • Transport technologies • Logistics 	1998	8.500	14	150
Focus Mediport Berlin	<ul style="list-style-type: none"> • Medical technologies 	1995	21.000	32	550
Media City Adlershof	<ul style="list-style-type: none"> • Media economies 	1996	41.000	120	1.60

Tab 1: Technology centers of Berlin. Source: The Berlin Senator for Economy and Technology.

2. Cultural Industries

Culture is described in the study as one of the "strong competencies" of Berlin and many significant flagship projects like the Berlin Film Festival are internationally established and envision the strategy of "development by culture" (53). It is also true that Berlin has a long tradition of a cultural backbone with a variety of cultural institutions and a supporting population. More than fifty theatres and 240 cinemas, numerous little and some world famous museums are frequented in a substantial manner. Nevertheless, as with the educational and research basis of the city, cultural institutions are in question because of the accelerated fiscal crisis. At this very moment, the closure of some public institutions is debated and the necessary support for the regeneration of others is under threat. The mayor's study suggests a stronger cooperation between the public and private institutions of the cultural sector. This seems to be realized, as one can observe in certain areas of the city where "subcultural" practices and places are becoming absorbed into mainstream activities. Although the politically responsible want to stress that these activities are supported by the local administration, it seems that they are more or less self-sustaining

and sometimes, as in the case of the Love Parade – which has finally failed to be established this year – have to undergo controversial negotiations.

2. Berlin within the German urban system

The decline of the traditional industries of Berlin certainly has to be linked to the world market integration of an urban economy that has been protected, so far. While the East Berlin economy was under the regime of a socialist economy that was assumed not to follow the market dynamics of global exchange but politically determined planning, the West Berlin economy was strongly supported by West German tax regulation to maintain a certain infrastructure and economic representation. In both parts of the city, the opening to the competition with the outside world showed just how little economic potential artificially supported industries had. Within a period of ten years, the Berlin industry lost more than 150,000 jobs. Newly created enterprises in the service sector branches have not even come close to compensating for the loss of these jobs. Traditional industries like textile, metal processing, vehicle manufacturing or others have been able to maintain a certain position within the urban economy, although they mostly rely on considerably lower work forces and are benefiting from indirect support of local politics.

It is important to notice that Berlin has been de-industrialized in a rather different way as compared to other parts of the German urban landscape. Firstly, Berlin has not moved its industrial capacities to its hinterland, as is the case in the other important economic centers of Germany like Frankfurt, Munich, Stuttgart, and Hamburg. If production sites have been closed within the city, they have not been reopened in the peripheral region of the city, which in this case means in neighbouring Brandenburg. Secondly, the deindustrialization has been very abrupt and short termed. In comparison to regions of the second industrialization like the Ruhrgebiet, Saarland, or Franken, this process regarding East German industries came as a shock.

The early - and perhaps premature - hopes after the reunification of quickly establishing Berlin as a central headquarters has ended in resignation. There is still the assumption circulating in public debates that Berlin, as the capitol, would "by nature" attract certain management functions of the big companies. The reinstallation of the German political center in Berlin has not lead to a spin-off for the economical elites to follow. Instead, the main national and international economical players still have some type of representation in Berlin. The long established economic clusters in German economy (e.g. Frankfurt: banks; Hamburg/Cologne: media; Munich: assurances; Stuttgart, etc.: car manufacturing) have not been challenged by the opportunities of Berlin. It has been reasonable to imagine a certain drift toward the newly arising capitol and some major projects, like the building of an international "Willy Brandt Airport" or the opening of a stock market, are intended to directly compete with the other German cities. Only in few cases such as the relocation of Popmart, the biggest Music fare in Europe has Berlin been able to count as success. Even in this example, it is not clear which factors have led to the move to Berlin and which economic effects it will have. As regarding media industries, it has been argued that Berlin could have the potential to develop into a "global media city" (Krätke 2002). Within the highly competitive urban system of Germany, urban governments are under pressure to offer as many advantages as possible to potential new investors. This has led to a situation where many hard competitive factors are often no longer considered as being decisive. Local taxation of

revenues has been lowered in many cities so that this no longer has much influence upon making the decision to relocate an enterprise. Berlin and its surrounding region could be more easily seen as competing with other eastern German cities such as Leipzig or Dresden, because they are in a comparable situation regarding the territorial capacities for hosting new companies. East Berlin has by no means been disfavored in the financial transfers from West Germany, but it seems that it has been easier to reorganize the spatial infrastructure in certain East German regions. Many reasons can be assumed to be of importance in explaining the lesser attractiveness of East Berlin in some regards. As a matter of fact, when BMW planned to build up a new industrial site, the area of Leipzig-Halle offered the best mixture of technological and mobility infrastructure. The proximity to West Berlin has not been an argument for installing the new factory on the periphery of the German capital.

Another major disadvantage of Berlin is that the city has a relatively small skilled work force that certainly cannot compete with other West German centers. This is especially true for those workers formerly employed by East German industries who have not been able to adequately and promptly re-enter the labor market, but who had to be trained and professionally re-educated to meet the international standards of technological innovation. Concerning soft factors, the turbulence of political life in Berlin and its image of being the biggest "construction site in Europe" has not contributed to making it easy to charmingly market the city. On the contrary, the city has gotten a dubious reputation as being administrated by corrupt elite and hosting political radicals that provoke authoritarian responses by the police and the political system in a merely ritualized way (Rucht 2001). Critical voices from representatives of economical interest groups have been heard especially after the entrance of the former socialist party (PDS) into governmental power in 2002. With a proclaimed socialist approach, the PDS first held the post of the Senator for economic affairs in Berlin. Here, the capital city differs significantly from the overall trend in other parts of East Germany where the voters have increasingly ignored post-socialist politicians. While in some areas of East Berlin, nearly every second vote went to the PDS, in the rest of East Germany this party has lost up to 25 per cent of their supporters. The "red-red" government of the social-democratic mayor Klaus Wowereit was elected because he was regarded as someone who "wants to clean the house" after the enormous bank crash which caused a public deficit of 4 billion Euros and was caused by a corrupt structural system of local politics and economic players. While Wowereit had governed for only two years, he had been targeted by a new case of the Senator of urban development.

The city's deficits are causing not only serious fiscal problems but are a competitive disadvantage. The low degree of public spending no longer allows for the substantial support of infrastructural innovations or of investment in new large-scale projects. Berlin therefore remains in a very precarious economic situation that is not likely to improve in the near future. Referring to a study by the German Institute for the Economy that made a ranking of 50 German cities, Berlin is lounging on the third last position. In this evaluation, which is considered to be the most intensively empirical research on the German urban system, 109 factors have been researched and evaluated. It was critically observed that criteria such as cultural offerings, green spaces, and entertainment facilities found little attention in this study. Concerns have been raised however, because the findings have also been directed at a certain analysis of the future potentials of the cities. Innovative in its approach, the study evaluated factors of economic dynamics. To capture this part of the research, a survey on the different

potentials has been realized. Berlin is seen to be a city with low potential and little dynamic and sustainable developments (IW Consult 2004). Although this study has been highly motivated with regard to criteria of scientific research and based on official statistics, the acceptance of the findings by politicians can be considered weak. This is even truer, as other surveys deliver a different view of Berlin. Exemplary of this is research by the European Business School on the Internet economy in Germany, which is often quoted to underscore the potential of Berlin's economy (EBS 2001). Based on a survey of 12,000 Internet enterprises, the results show that Berlin is ranked behind Munich and Hamburg as the most favored city for start-up companies. Interviewees have stated that the high quality of life is the most important factor for the choice of the location. Berlin received the most attention as being a city with a future in the Internet economy. Another result of the survey shows, however, that Berlin might function in the German urban system as a kind of playground for Internet experiments. When it comes to the number of jobs, the Internet firms of Berlin are rather small. The average of companies ranks Berlin at the eleventh position. The same finding is contested for the market chances of these enterprises that are only average when compared to other German cities.

To indicate the special role of Berlin in the urban system of Germany remains thus a difficult task. It might be an expression of the highly competitive urban landscape, that city rankings are very fashionable and attracting public attention, even when it is doubtful that they have political implications. Research institutes frequently deliver new hierarchies of the cities and their tables and findings are published in weekly and daily newspapers like "Wirtschaftswoche", "Capital" or "Focus". Only recently has a critical study of these city rankings pointed out that the complexity of urban development is not covered. The rankings therefore only give a "first indication", which can only be adequately used in a periodical way. This means that the relative development over time of a certain city could point to the local or regional dynamic. The following table gives an overview of the ranking of German cities in different publications. Significantly, these studies are based on 31 indicators from which 20 are related to "hard" economical factors such as economical growth. Even if one takes into consideration that these studies are influenced by a certain interest in addressing a more superficial interest of newspaper readers, the evidence of the weak position of Berlin in comparison to other German cities is striking.

City	Focus 1994	Focus 1995	Focus 1995	Focus 1995	BIZZ 1999	Focus 1999	Impulse 2000	Focus 2000	Capital 2001	Capital 2003	Average
Cologne	14	5	4	6	1	1	2	2	5	4	4,4 (1)
Munich	3	1	1	12	4	3	17	3	1	2	4,7 (2)
Hamburg	2	4	2	18	10	6	13	1	4	3	6,3 (3)
Berlin	10	12	3	1	16	17	7	7	17	17	10,7 (12)

Tab.2: Berlin in popular city rankings over the last ten years. Source: Own completion.

3. Urban Planning for globalization

It was only in 1991 when it was decided that Berlin would regain the status of national capital. Between the fall of the Berlin Wall in November 1989 and the decision of the National Parliament was a time of confusion, uncertainty, wild speculations and dreams (Strom 2001). The prices for land spiraled upward after Berlin had been re-established as capital and the urban planning was confronted with a manifold of opportunities, needs, and different interests. In 1991, the "Stadtforum" as a platform for debates on the future development of Berlin was established and produced many interesting ideas. The contribution of this innovative element of urban planning has been widely appreciated as introducing a new planning culture with a discursive, networking, and participative character. Nevertheless, closer examination exposes serious problems of the "Stadtforum", because it paid little attention to international, regional and practical aspects (Kleger/Fiedler/Kuhle 1996). The later developed "Planwerk Innenstadt" has been adopted as a result of the "Stadtforum" by the Berlin Senate (Süchting 1999).

It must be said that the discourse on the type of urban development the city should plan for came too late. International and major national investors had already made up their mind as to how they wanted to position themselves in the New Berlin. Behind their activities of re-hosting their offices and firms in the inner city stands a perception of Berlin that is quite similar to the mapping of the "Golden Twenties". The new centrality of Berlin was primarily shaped by those private decisions that had priorities of re-establishing a certain area between Pariser Platz and Alexanderplatz as the main field of their investments. While the institutions of urban planning in the Berlin administration were still discussing principals, the powerful economic actors had been already looking for the best pieces of the cake. Only a few parts of the city have finally been influenced by the results of those principal debates on the urban planning of the future Berlin (Häußermann/Simons 2000).

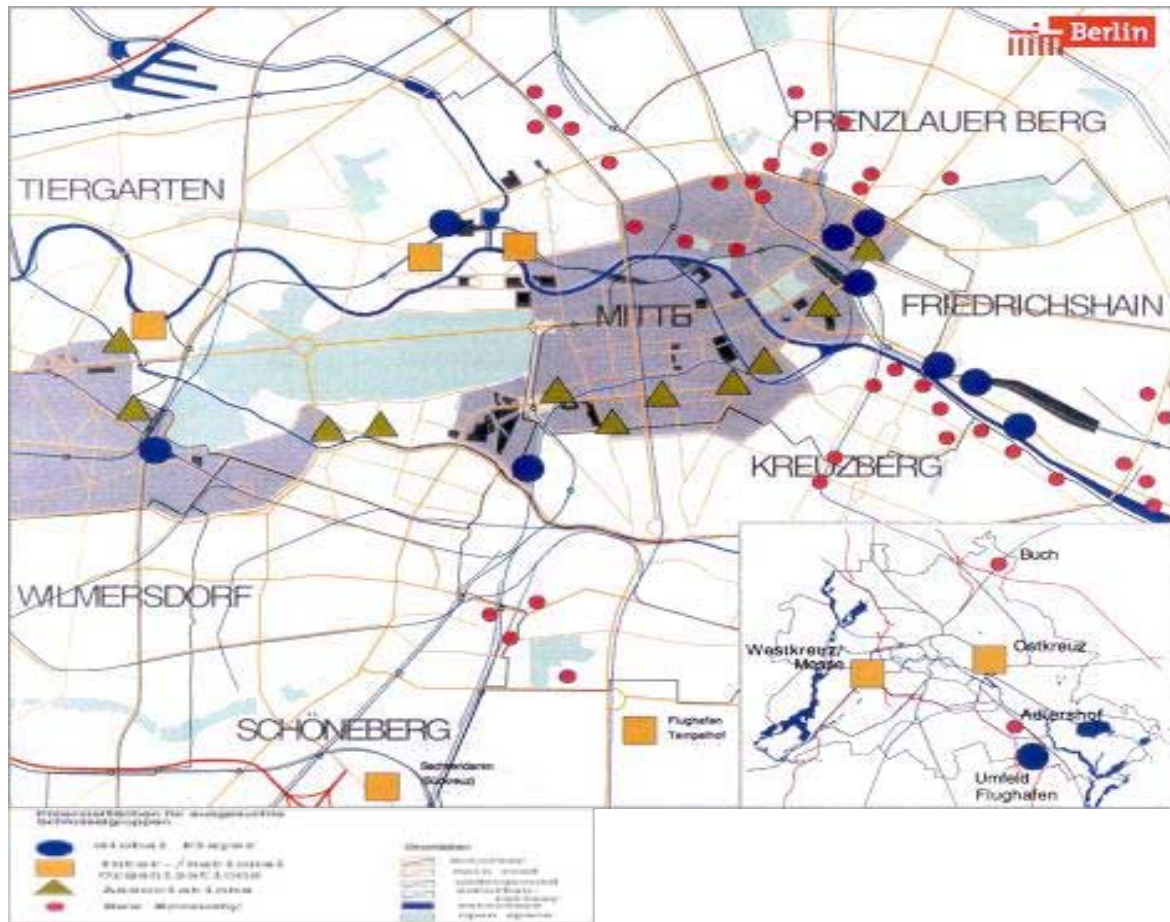
The outcomes of this first phase of urban planning have to be considered as a consequence of the expectation that Berlin would really become the Global City as foreseen. Growth was the paradigm on all subjects, be it housing or be it investments in infrastructure. A psychological barrier might have contributed to the lacking consciousness that the development of two inner centers should be abandoned for a single Berlin center. In the first land use plan of the reunified Berlin of 1994, the spatial structure gave the most attention to the decentralized development of those areas related to the stops of the over-ground light rail system (S-Bahn). It left open what kind of new middle should be established. In this way, urban planning was reduced to aesthetic categories.

Since 2002, urban development plans (UDP) have been introduced as instruments of informal structural city planning. Urban development plans are designed for the whole city of Berlin and include directives and objectives for different functions such as work, living, social infrastructure, transport, supply and waste disposal. They are declared as the basis for all future planning and solidify the land use plan by defining spatial and temporal priorities and pointing out the necessary measures to be taken.

The political definition of Berlin's urban development planning describes the way of realizing projects as a process in steady continuation and renewal through feedback. It is placed within a context of sustainable development, where urban development planning is regarded as becoming increasingly important. The homepage of the department for urban planning defines "the task assigned to the urban development

planning process is to identify social and spatial problems at an early stage and to develop corresponding coping strategies to deal with these problems.”

While this objective may have led to certain early responses in deprived neighborhoods, on a general level it seems that urban planning is not independent of those visions of Berlin described above, whether they are adequate or inadequate. Although the reality of the “Global City” Berlin is much smaller than predicted, the planning of the urban center of Berlin has kept upright a vision on the development of the inner city that will attract more and more economically strong partners and “global players”. A growth of 4.5 million meters of office space is expected. The number of office workers is also expected to increase by approximately 90,000 by 2010. This is the year when Berlin is intending to have achieved the status of a “city of knowledge” of global importance (Heuer 2000). The demand for office space will focus on inner city locations (57%) - primarily in Berlin-Mitte and the "City-West". Global Players and New Economy sectors are seen as gaining importance. Whether these expectations are based on a realistic perspective could be doubtful as already in the year 2001, Berlin has more office space to offer than Brussels and Vienna together. Especially regarding its weak position in the German urban system, it is not easy to understand why Berlin should have more office space, while the city has already twice as much space to offer than Frankfurt or Munich. It is therefore likely that the present office market is already suffering from the lack of a strong demand. Furthermore, the political arrangement of certain territorial projects is characterized by a questionable procedure that is influenced more by some particular interest than the proclaimed contribution to sustainable development (Altrock 2003).



Tab. 3: Office Space Planning for Berlin 2010. Source: The Berlin Senator for Urban Planning.

4. Berlin in global colors

Globalization has been regarded as not only changing the economical structure of cities, but also playing a major role in the "global flow" of people and cultures (Rogers 2001; Rundell/Bauböck 1998; Sassen 1999; Schuck 1998). The effects of globalization cannot only be considered as important with regard to the economic position of Berlin and the social consequences of the rearranged geography as derived from an adaptation to new economical necessities. As it has been pointed out above, the political, economical and scientific elites of the city see a chance to get Berlin to play an increasingly important role.

Berlin has experienced international migration since the early 60's and does not differ in this aspect from other industrialized areas in Germany. This has led to a certain concentration of ethnic minorities in some areas of the city (Gesemann 2001). Kreuzberg developed as a major area of housing the first generation of "guest workers" where nearly every fourth Non-German inhabitant of West-Berlin found residence. Larger groups of immigrants have also concentrated in regenerated areas in Charlottenburg, Tiergarten, Wedding and Schöneberg. In the seventies, there have

been neighborhoods with 15% inhabitants of foreign backgrounds (9% average in West-Berlin). This ethnical segregation has been perceived as problematic and regulation has been initiated to equalize the spread of foreigners all over the city. In effect, these decisive instruments have not worked (Häußermann/Kapphan 2002, 84).

As these developments have caused some political debates and has produced a certain image of Berlin as a city of ethnic diversity, the real number of foreigners before the German reunification was lesser than in many other German cities. Nevertheless Kreuzberg has developed as one of the neighborhoods with a higher percentage of Non-German citizens. It is estimated that one out of three inhabitants are of foreign origin and 75 % have a Turkish passport. With regard to the generally low ethnic diversity within the Berlin population, Kreuzberg might be readily being seen as a quarter of the foreigners, however in other German cities are quarters with higher concentrations of ethnic minorities. Moreover, the average percentage is significantly higher in many other cities, especially in Frankfurt, Munich and the cities of the Rhine-Ruhr area. In this way, Kreuzberg has become a nation-wide cliché as "Little Istanbul", while it is only for Berlin a significantly more colorful neighbourhood. This is especially due to the effect that other parts of the city are rather uninhabited by Non-Germans as many quarters of the East previous to 1989, where nearly no foreigners lived.

	1980	1990	1995
Frankfurt	20,6	23,9	28,8
München	16,4	22,3	21,6
Hamburg	9,0	12,1	14,9
Bremen	6,4	10,4	13,6
Duisburg	12,2	14,9	16,3
Dortmund	8,2	10,2	12,4

Tab 4: The German cities with the highest percentage of ethnic minorities. Sources: Annual Yearbooks of Statistics of the respective cities.

Already in the 80's the character of immigration was beginning to change. The countries of origins were more diverse, as the city has been one of the gateways of asylum seekers and refugees from all over the world. Some of them stayed for a longer period to await the end of the legal procedures. In the 90's Berlin was a major destination of immigrants from the former socialist countries, especially from the collapsing Soviet Union and the processor states. A particular group of the new migration was formed by those immigrants from East Europe who, on the basis of the particular German principle of citizenship (*ius sanguinis*), claimed that to be of German origin. These so-called "Aussiedler" have been living, mostly in the second or even third generation, outside Germany and are socialized under different social conditions. This is foremost evident with regard to the language skills, which can usually be considered as inadequate for immediate integration into the labor market and the educational system. Invisible as ethnic minorities in a statistical sense, as they can claim German citizenship without delay, the socio-economic status of this group is comparable to the one of other immigrant groups.

The reunification of the Gastarbeiter-families has also led to further immigration from Turkey in the nineties. The Turkish minority remains the largest ethnic group in Berlin.

Their method of integration has led to a diverse form of cultural interaction and heterogeneous types of identities (Kaya 2001). With regard to the ways of integration of the pluralization of the immigrant groups, the city has developed a certain tolerance and curiosity. The “carnival of cultures” attracts more spectators every year and has become a major event on cultural and tourist agendas. As this might be regarded a sign of acceptance, the form of representation of the ethnic diversity approaches the exotic (Frei 2003).

The influx of immigrants of other EU-member states also shows a significant incline in the last ten years. Many male immigrants from Southern Europe have found work on the many construction sites of the city. This immigration wave might be analyzed as being of another quality, as the migrants are in a juridical position nearly equal to the German inhabitants and their mobility is much higher as those of the former guest workers who are restricted by foreigner’s laws. Even more dynamic is the situation of many immigrants who come to Berlin for short term work, presumably in the illegal and irregular economic branches. Due to the difficulty and transience of the subject, there are only vague estimations about the scope of this form of immigration. Occasionally newspaper reports and events expose an image that this phenomenon is not a marginal factor in the urban economy.

Ethnic segregation in Berlin can be related to some forms of housing. Immigrants move into houses abandoned by the German population, which are the old housing blocks in the West and the high rise estates in the East of Berlin. In contrast to the widely shared expectation, on average, immigrants pay a higher rent. This has to do with a limited access to housing offerings in the first place. Only when the choice allows for the comparison of different offers, is the rental cost taken into consideration. Ethnic segregation is developing than as a communicative process. The first immigrant in one quarter informs others about offerings in his neighbourhood. In general, the concentration of ethnic groups in some areas is seen to be of little significance because of their relatively small total number.

5. Global city, divided city?

However the position of Berlin might be seen in the context of the inter-urban competition and the fear that the rapid changes in the German capital are leading to a higher degree of social inequalities are very high on the public agenda. It has been a major issue in election campaigns, although the concern of social polarization has not been decisive. Already under the conservative government of Diepgen, a highly appreciated study about the changing social landscape of the city has been undertaken (Hermann/Imme/Meinschmidt 1998). Furthermore, the realization of some projects with regard to the social cohesion of less favored quarters within a special cooperative program between the national, regional (Land) and the local level ("Soziale Stadt") have been realized with a wide support steaming from all political parties. In this way, the advanced debate in the Global City discourse as to whether the globalization of urban societies will lead to more social polarization was taken seriously.

As a result of intensified research with regard to the social division of spaces in Berlin, the obvious changes of Berlin after the German reunification are more complex than a simplified hypothesis about the relationship between global change and social polarization would be able to explain (Häußermann/Kapphan 2002, 237-240):

1. Inner city mobility has been increasing constantly since 1990. As population growth is stagnating and a process of suburbanization of the surrounding periphery is ongoing, Berlin has lost its density in the inner city. Especially social groups with regular income and with children have left the city. In this way, a higher concentration of the less favored groups can be observed.
2. Certain inner city areas have not followed this general trend and are regarded as upgraded. Unmarried couples and singles are more frequently living there and are creating a special urban atmosphere with their particular lifestyle. In those areas of the former East of Berlin, gentrified areas are placed in near proximity to poorer quarters.
3. Urban regeneration programs, especially in the East, have given value to certain areas and made them attractive for a wide range of "users", including tourists and night-time visitors. Especially students and professionals of the service economy have started to dominate these quarters and there is some kind of exposure of the older generation.
4. In the former housing estates of the Socialist period, the social composition in those prefabricated high-rise estates has also changed. While family and the somewhat better offs are leaving these houses for the suburban areas, the less financially strong groups remain.

Although these developments are visible and changing some important features of the quarters, the general character of the neighborhoods have not been touched in this recent phase of Berlin's development. In most of the urban areas, the pre-existing social structure has been more profiled by the four trends mentioned above. A more elaborated consideration of the impact of globalization on the social fabric of the city has taken into account that social polarization processes are not becoming immediately visible in forms of residential segregation. As a consequence of an established welfare state, in many European cities the decline of social inequalities does not necessarily lead to a spatial expression of poverty.

This is not to say that new forms of poverty might arise from a globalized economy of Berlin and that poverty might not be a consequence of these changes. In analyzing the re-composition of the social groups of Berlin, the enormous effects of deindustrialization must be taken into account. The decline of the old industries has affected the lives first and foremost of less professionally educated inhabitants who have fallen into a dynamic of social decline. As new work that requires the competencies of manufacturing workers is not re-established, the unemployment in this group especially has become persistent and hard to address with re-education programs. The number of unemployed persons has not only doubled from 1991 until today, but this social situation has developed its own circle of problem accumulation (Kapphan 2002). As a consequence, the inner city has created (small) pockets of complex social deprivation, which are mostly not present in the statistics of residential segregation (Knecht 1999). The visibility of homelessness has led to concerns of the inner city shopkeepers and is threatening the intended "feeling" of the will-be-Global City. An inner city initiative has reacted with the mobilization of political interest to avoid the further deterioration of homelessness in the shopping areas and at the stations. Private security guards and other measurements have been introduced to create a symbolic security for the visitors of the inner city.

The impoverishment of certain central neighborhoods in Berlin has been addressed by a special political attempt that is based upon a concept of "quarter management". This newly invented form of political intervention can be characterized by a double face. It is certainly implemented by politicians sensible to social problems of the concerned areas.

Researchers close to the project evaluation of these "quarter managements" have stressed that the quarter manager could have an important function in the empowerment of a neighborhood which has not lost only job opportunities but also social competencies. In this way, quarter managers could contribute to the upgrading of the social capital of the area by functioning as a modal point of networks and as a "loudspeaker" the local interests (Schnur 2003). On the other hand, these "managers" could be seen as re-establishing social control and as a replacement of "hard" political strategies. Limited in time and scope, restricted in competence and political mandate, the innovative function of the local manager has, in any case, only a marginal effect on the structural reasons for the decline of the neighborhoods.

6. The reunified Berlin

Often seen as the "laboratory of the German reunification", the city still faces important differences with regard to many aspects. In daily life, East and West Berliners are using different spaces for housing, leisure time and work (Scheiner 2000). The consequences of urban planning that directs its major efforts to achieve a status as "Global City" also have been perceived critically with regard to the objective of German reunification. Especially the development of the former East German quarters, in particular the Prenzlauer Berg, has had a social impact that was received by many inhabitants as putting imbalanced burdens on them, so that many no longer felt welcome in their own neighborhood. The gentrification by mostly West Berlin yuppies has expelled and disfavored many East Berliners (Rada 1997). As the inability of local politics to protect the socially mixed composition of gentrifying neighborhoods becomes evident, the example of the Prenzlauer Berg has evoked questions about the political ability to influence and to govern changes in the urban structure in general. While new forms of negotiation and mediation could be described as another phase of urban regeneration, where the house owners play a crucial role, the margins of political decision making are becoming seemingly narrower (Häußermann/Holm,/Zunzer 2002). On the background of a general wave of international privatization politics, the political opportunities to govern important features of public life are discussed in Berlin as well (Nissen 2002).

The 90's have brought forward a new type of urban development and regeneration management, which follows "post Fordist" logic. The end of the so-called "cautious urban regeneration politics" (Behutsame Stadterneuerung) of the 80's, for which Berlin was famous in German urban planning, has been developed to open up for flexibility. In place of a rigid corporatist planning culture, urban development is organized in a multilayered network with mutual dependencies. These cooperative ventures between a manifold of players can have a sincere and contractual basis or are linked up in a rather lossy and fragile way. Urban planning in Berlin continued to a large extent in a manner as the "cautious way" had been established before 1989. As a consequence in East Berlin parts of the city, that the former civil society movement and other social groups of the East were not included. Moreover, house owners were only occasionally integrated in the urban regeneration practices of Berlin (Bernt 2003).

Certain areas, which were of significance during the Socialist republic and their transformation in the "New Berlin", have been critically followed by the East German inhabitants of Berlin. Central places like the Alexanderplatz or the Friedrichstraße have received symbolic importance. The way in which East German interests have been treated can be summarized as being of little importance. The negation of their rights to

have a say in the further developments of these areas was covered up by “procedures without legitimacy and democracy as coulisse” (Lenhart 2001, 282). This had to do with the sometimes unabashed and undisguised manner with which particular groups have pushed forward their particular interest.

As a special case therefore, the debate of the re-building of the former Schloßplatz has been heatedly discussed publicly. The Socialist politics had destroyed the remains of the inner city castle and they have built up the German Socialist Parliament on the same spot (Steinmeyer 2002; Swoboda 2002). Here, the heritage of the pre-War period was weighed against the value of the memories of those East Berliners who want to maintain a visible place for their memory of a time “when not everything was wrong” (Frantz 2004).

Another important point of symbolic integration of the East Berlin population within the German political system could be made with regard to the new buildings of the government offices after the re-capitalization of Berlin. In general, the process has been an impressing “show of performance of the German inclusion mechanism” (Welch Guerra 1999). In addition to the analysis of performance and procedural integration, the visibility of the new power relationships – embodied by the government buildings and the economy – must be considered within the framework of integration. The placement of the new office of the chancellor and other ministries alongside the Spree River is intended to be outside the established centers of power from the Prussian, Weimar Republic, Nazi, and Socialist periods of time and to make a “bridge between the East and the West” (Häußermann 2003, 147). Two old Nazi building have been reused and the German Reichstag was symbolically renamed as the Bundestag and given a domed roof of glass to express, according to its architect Norman Foster, a “transparency of a democratic building”. These buildings and their reuse have been accompanied by a policy that led the old Socialist places of significance, with the exception of a Lenin monument, to more or less return to a pre-1989 state of affairs.

6. Conclusion

Understanding Berlin seems to be a challenge with regard to some major assumptions in urban studies. It has been a misleading point of departure to define Berlin as a Global City, if only the city’s position as host of the worldwide headquarter economy is taken into account. The development of Berlin in spatial terms, such as suburbanization and gentrification, has much in common with patterns observable in many urban regions of Europe. Nevertheless, the particular historical situation of the political transformation from a divided city to the capital of the reunified nation is unique.

This article more or less argues that globalization has a limited effect on urban development in the case of Berlin. It shows that it is insufficient to identify Berlin as the “German Global City” because it is only in some areas and clusters that the city plays a predominate role when compared to other German cities. Berlin lacks specific potentials to compete with these other strong urban centers (low skill levels, little international investments and international migration). Focusing on specific strategies of urban governance to face perceived Global challenges, Berlin has entered a new phase of urban development. A new pattern of urban settlement, social cohesion, ethnic diversity, and a role within the reunification of Germany can be observed. These changes are only to some extent linked to the worldwide processes of exchanges and to global competitiveness. Other important “home-made” factors such as the

disfunctionality of the political elites and the restructuring of the German welfare state are to be considered of equal importance. Major decisions of rebuilding the New Berlin have already been undertaken and the progressive forms of urban planning introduced later seem not to influence these interest-led developments. On the other hand, the urban politics of Berlin after 1989 have not been very successful in replacing Berlin on the map of the European and German networks. As a place where the East meets the West (and vice versa), Berlin has first and foremost started bridging the two parts of the formerly divided German capital.

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