

# Berlin: From Divided to Fragmented City?

Socio-Spatial Changes Since 1990

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## THE NEW CRISIS OF THE HOUSING ESTATES<sup>1</sup>

The prefabricated housing territories of the GDR on the eastern periphery of the city have not undergone the rapid depreciation predicted by many experts in the year 1990. Investments in renovation, modernization, and improvement in the residential environment, all financed with public funds, have contributed to this. Nonetheless, mobility processes are occurring that are putting at least some of these areas into a very difficult situation.

The housing estates brought about by social housing construction in West Berlin were neighborhoods of the German middle class in the 1980s. The number of foreigners was low, and poor sections of the population lived not so much in the housing estates but in the inner city areas full of older buildings. This changed in the 1990s; through the greater supply of housing in Berlin and the surrounding area, which was strongly subsidized by tax breaks, middle class households had new options. If they had to pay an inappropriate occupancy charge as a result of their income level, then rent plus utilities reached a level that was hardly below that of nearby new buildings. There was a great incentive to give up social housing in a high-rise housing estate and move to a small house with a yard a few kilometers outside of the city.

In the following, we present the social and structural development of the social housing stock in West Berlin and the large estates of East Berlin in the 1990s using in each case a concrete example for illustrative purposes.

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**1** | Source: Chapter 6 of Häußermann, H. and Kapphan, A. (1990) *Berlin: von der geteilten zur gespaltenen Stadt? Sozialräumlicher Wandel seit 1990*. Leske + Budrich, Opladen.

## THE SOCIAL HOUSING ESTATES IN WEST BERLIN

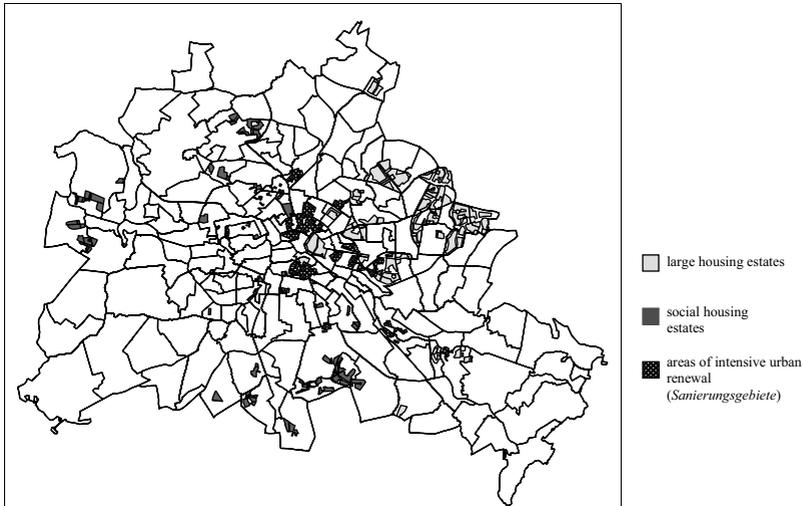
In the western part of the city, ca. 30 percent of the entire housing stock is comprised of social housing. A considerable part of it lies in territories in which large settlements were built in the 1960s and 1970s. Gropiusstadt, Märkisches Viertel, and Falkenhagener Feld are the largest. The largest share of social housing stock in 1997 in West Berlin was thus located in the boroughs of Neukölln, Reinickendorf, Spandau, and Tempelhof. 55.4 percent of social housing was concentrated there, and constituted almost 40 percent of all housing in these boroughs (cf. IfS/S.T.E.R.N. 1998 and Figure 1).

Rent control and occupancy rights of the boroughs are tied to the duration of so-called social obligations of property ownership. The housing construction activity of pre-1990 West Berlin is reflected in the spatial distribution of these obligations. The newer the housing stock, the more frequently is it located on the periphery of the city, since new housing construction spread outward. The newest of these are also the largest settlements. That could give rise to a special problematic in the future: if the social housing stock as a whole decreases in the city, but the demand for state subsidizing of needy households remains the same or increases again, a concentration of low-income and poor households in the housing of the outer boroughs will be the result.

This is already the situation in some social housing complexes in the inner city today. The Senate Administration for Construction, Housing, and Transportation examined the large estates and social housing complexes for “problematic” developments in November of 1997. Turnover, the percentage of foreigners, and the percentage of inappropriate occupants served as the base data. Characteristics for a problematic situation were defined as high turnover (greater than 9 percent in 1996), a high percentage of foreigners (greater than 26 percent), as well as a low percentage of inappropriate occupants (less than 19 or 15 percent, with an income 50 percent over the income limit). A growing percentage of foreigners is an indicator that such areas are hardly in demand anymore among the German population.

Of the 34 housing complexes examined, 11 were designated as “problematic residential areas.” These areas lie – with the exception of the housing complex on Schlangenbader Straße, which has its own problematic as a result of its bizarre architecture and situation directly over a freeway – in the West Berlin inner city, in which surroundings areas of older buildings also exhibit problematic developments. Three areas had, according to the Senate Administration, had “reached the critical threshold” as a result of high turnover: Wedding-Brunnenstraße, Kreuzberg-Mehringplatz, and Wilmersdorf-Schlangenbader Straße. The settlements described as “problematic living areas” comprise over 18 percent of the dwellings in the 34 areas examined. All other settlements, whose development is regarded as less problematic or unproblematic, lie outside of the West Berlin inner city.

Figure 1: Large Complex Housing Estates, Social Housing Complexes, and Urban Renewal Areas



Source: Senatsverwaltung für Bauen und Wohnen, November 20, 1997

The spatial concentration of social housing is a current and future problem, since the current high turnover is leading to social segregation. In moves to Berlin, foreign immigrants predominate. Since, in the last few years, this group of people was comprised exclusively of family migrants, refugees, or immigrants who obtain German citizenship, they have the right to a priority certificate to publicly-subsidized housing. So, they have the right to move into empty social housing; in most cases, the rent is then covered by state benefit payments. For households with a low enough income to remain entitled to social housing, but not low enough to receive dole payments, rent in social housing is too expensive. To put it bluntly: these households are not poor enough to live in such an expensive apartment.

For every household with a higher income that vacates such an apartment, a poor household takes its place – and these poor households are increasingly of foreign origin. In many cases, this brings friction and conflicts, since the living habits of “foreigners” and natives strongly differ (cf. Neuhöfer 1997; GdW 1998), which, in badly soundproofed high-rises, is an unsolvable problem. Attempts to attend to the transformation of such neighborhoods by community intervention have been hitherto too weak and often too late. The flight of higher-income groups and the influx of households with low incomes have thus led to a social situation that has further increased the selective fluctuation. That public housing could become such a “problem asset” is due to a systemic contradiction rooted in planning decisions of the 1960s and 1970s and political decisions of the 1980s.

*Table 1: Selected Data on Problematic Residential Areas of Social Housing Construction in West Berlin*

Borough	Area name	Social housing apartments	Fluctuation 1996 in %	Number of foreigners, in %	Payers of a false occupancy charge	
					total in %	More than 50% over the income limit in %
Schöneberg	Bülowstraße	2,489	9.7	40.3	15.1	10.3
Kreuzberg	Neues Kreuzberger Zentrum (NKZ)	295	10.5	54.1	9.9	7.5
Neukölln	Rollbergsiedlung	2,023	9.9	26.9	16.1	11.8
Tiergarten	Heinrich Zille-Siedlung	858	9.6	26.0	14.2	10.3
Wedding	Wollankstraße	402	10.7	37.8	18.9	11.3
Wilmerdorf	Schlangenhader Straße	1,182	9.6	13.7	21.8	13.7
Wedding	Brunnenstraße	4,595	10.3	22.4	20.9	15.6
Kreuzberg	Wassertorplatz	2,975	8.8	29.7	14.9	11.6
Kreuzberg	Mariannenplatz	1,030	7.9	46.3	12.3	8.4
Schöneberg	WAK Sozialpalast	514	9.1	51.2	8.8	8.0
Kreuzberg	Mehringplatz	1,026	9.9	25.0	20.8	17.9

Source: Senatsverwaltung für Bauen und Wohnen, November 20, 1997

The “false subsidizing” of households that, during the period of residency in social housing, actually experienced income growth and thus were above the income limit, is a problem that has long been well-known. However, as long as the public budgets were willing and able to extend the supply of publicly subsidized housing with further subsidies, it was tolerated. This bonus is revoked, however, when these households have to pay a higher rent (“inappropriate occupancy charge”) as a result of their higher income – to which they then react by moving away. The low income limits valid for the right to social housing

turn it into “welfare housing,” a refuge for the poor and immigrants without means. The spatial concentration of social housing and its occupation primarily by households with problems clashes with the intention of the welfare state to provide integrative accommodation to those who cannot provide for themselves on the “free” housing market. “Housing for marginal social groups,” which social housing is increasingly turning into at the national level due to political decisions, should have never been built in such a spatially concentrated manner consisting of such large estates.

## LARGE ESTATES ON THE PERIPHERY OF EAST BERLIN

In many respects, the problems and developmental tendencies in the large estates of East Berlin are similar to those of social housing in West Berlin. Nonetheless, there are numerous differences resulting from the specific history of these estates and that lead in part to different situations.

In these areas, which are primarily managed by municipal non-profit housing associations (*Wohnungsbaugesellschaften*), the population was relatively young in 1989 and reflected the socialist middle class of skilled laborers and salaried employees. For the last few years, the population numbers – in contrast to the trend in other areas of the outer boroughs – are declining. The flight of households with an above-average income (often families with children) to the suburbs and surrounding hinterlands is unanimously lamented by the housing associations. Due to the occupancy requirements of the housing stock – 45 percent of the apartments of the housing associations and 30 percent of the co-op apartments are rented according to the social housing criteria – primarily poor households move into the vacant apartments. The losses due to moving out have been enormous in the large estates, they amount to 1 percent of the population each year, and the share of employed among those moving away is considerably higher than among those moving in. Data concerning the migratory movements of the employed show an extremely strong selectivity of population exchange which will alter the character of the large estates in the east considerably in the future.

Although the apartment houses in the large estates were first built in the 1980s, considerable “shortcomings” became noticeable after the *Wende*. The necessity of renovating the buildings – above all else the hot water supplies and thermal insulation, in order to reduce the extremely high utilities costs – and of targeted measures to improve the living environment was quickly recognized by the housing associations, the federal government, and the state of Berlin. Corresponding measures were supported with considerable additional subsidies. These stabilized the situation in the large estates, but could not prevent the flight of households with higher incomes. The rent levels of the large estates

appear to be too high to compete with privately financed housing construction. Furthermore, the quality of the buildings, the low number of rooms, the size of the apartments, and well as the standardized layouts also induce households with higher incomes to move away (cf. Hannemann 1996 and 2000).

An additional problem arose due to the method used to rent out apartments in the tower-block areas, which led to a homogeneous age structure among residents. In the newly provided areas, it was primarily young families that were admitted, who then aged together. As a consequence, this led to a situation where first daycare centers were scarce, then elementary schools, and then youth centers. Social infrastructure facilities are now empty and there is no money to convert them, maintain them, or tear them down.

A constant problem is the mono-functional structure of the large estates. Usually the tower blocks were situated near large industrial areas, but in the areas themselves there are few jobs. Complete big cities in terms of their number of residents, the large estates have functionally remained “bedroom communities.” In socialist society, this might have been less problematic, since all the residents – women, men, and children – all either went to work, school, or daycare during the day and only experienced their neighborhood after quitting time. Time on the weekends was passed in “datschas,” weekend cottages located in the countryside (GdW 1998: 181). With a decline in the employment of women and increasing unemployment, however, the large estates are increasingly inadequate to the needs of their residents.

## **MARZAHN-NORTH/WEST**

The borough of Marzahn was founded in 1979; between 1976 and 1989, 65,000 apartments were industrially constructed. Construction work in northern Marzahn was first concluded at the end of the 1980s. The overwhelming majority of buildings have 11 stories. In 1991, Marzahn had 166,000 residents; in 1998 the number was only 142,000. With a 22 percent decline in the number of residents, northern Marzahn lost a large part of its population: in 1998 only 29,000 people still lived there. In the GDR, the apartments were rented out primarily to young families. Today, 40 percent of the population is still under 25 years of age and only 5 percent have reached retirement age. The moving away of households with above-average incomes to other boroughs and the surrounding hinterlands has led since 1994 to a considerable change in the population structure. Those moving away have made a decision in preference of larger apartments or for their own homes; the small-size of apartments was the most important reason for the termination of rental contracts (IfS 1995: 1997).

Vacancy in Marzahn has in the meantime become considerable; the official number given by the housing association amounted to 6 percent, while the

press has even given the figure of 12 percent. Large apartments have proven to be especially difficult to rent out. Ethnic German repatriates from Eastern Europe have been moving into these since 1993, since they have registered a considerable demand in this segment. Their share of the population in northern Marzahn is at about 15 percent, while the share of foreigners – primarily Vietnamese – is merely 3.6 percent. In the case of the ethnic German repatriates, they constitute a group that hardly has access to jobs in the current Berlin labor market. Furthermore, their poor knowledge of German is usually a hindrance to become more highly-qualified workers. The domestic population considers them to be “Russians” and shun them.

In Marzahn, there is a strong radical right-wing youth scene, which repeatedly clashes primarily with ethnic German repatriates. This leads to a situation where repatriate youths are able to construct few points of contact with other youths in the district. Cultural and ethnic segregation are strengthened in this conflict situation and lead to ethnically segregated youth milieus. The lack of leisure facilities and cultural opportunities also makes the situation more acute, since fights for dominance occur over the few existing facilities (cf. Dorsch et al. 2000).

The entire borough has an unemployment rate that is average for Berlin (Sept. 1999: 15.4 percent), but a low concentration of those receiving welfare (Dec. 1998: 6.1 percent, Dec. 1997: 5.6 percent). Northern Marzahn, however, exhibits a higher unemployment rate and a higher share of welfare recipients, which was about 8.7 percent in 1997 (cf. AG SPAS 1999: 22). It is primarily children, youths, and young adults who are affected by poverty. As a result of the high rate of participation in the labor market by women, most families dispose of at least one wage-based income despite the high rate of unemployment, and hence potentially of unemployment insurance, so that it is not necessary to receive lower-tier entitlements like welfare. However, in the last few years, the number of welfare recipients in Marzahn-North/West has strongly risen, which is a sign of how precarious the social situation is. Since the *Wende*, the total number of employed people in the borough has declined, and since 1994, the number of employed people with a mid-level income has declined – signs of an income polarization in the borough.

The public presentation of social problems has led to the borough being defended against “unjust accusations.” Nonetheless, at the end of 1998, in Marzahn-North/West – as the only territory within the borough – a *Quartiersmanagement*<sup>2</sup> was established in order to prevent the growth of social problems in the area. The biggest problem is the flight of middle- and higher- income groups, whereas those moving in tend to be those pushed out of the inner city

**2** | Translator’s note: roughly “neighborhood management,” institutions intended to aid planning and development in “problem” neighborhoods.

by urban renewal and ethnic German repatriates. Up until now, this selective population exchange could be understood as the “normalization” of the social structure of a large public housing estate. When exactly the population exchange has come to an end and a new stabilization has been reached cannot, however, be determined at the moment. The example of the West Berlin large housing estates shows rather that new segregation processes can also set in when a quarter had already seemed to have already found a social profile over a long period time.

These examples have shown how sensitively large housing estates react to changes in demographic development as well as fluctuations in the labor and real estate markets. In the competition for tenants, the large estates seem to be losing out to the new construction areas of the 1990s; they supply the potential tenants of the newer settlements. In both examples – in Marzahn-North and in the Gropiusstadt – immigrants provide consumer demand for apartments to a considerable extent, but their presence is considered to be a social deterioration by the current residents. The structural conditions of social housing construction – occupancy requirements and false occupancy charges – strengthen this process.

### **IS THE INNER CITY BECOMING A SLUM?<sup>3</sup>**

In Chapter 5, using the example of migration between different parts of the city, we demonstrated that particularly drastic changes for the inner city are becoming apparent. In almost all inner city areas, the frequency of moves is very high and a large part of the population has been living in their respective neighborhoods for a short period of time. Above all, families and those with jobs have been moving to the surrounding hinterlands or the suburbs. A concentration of a poor (domestic and foreign) population was ascertained, expressed in a high rate of unemployment and a higher concentration of welfare dependency. As a result of a strong fluctuation in the population, long-term and sustainable social relationships that could stabilize the situation from inside are difficult to construct. Unstable family situations also lead to conflicts having effects in the neighborhood.

In the following, we will examine more closely the current tendencies of development for two areas of the inner city. Our example for the Western part of the city will be the northern part of Neukölln, and our example from the Eastern part will be the older building area of Prenzlauer Berg.

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**3** | Source: Chapter 7 of Häußermann, H. and Kapphan, A. (1990) *Berlin: von der geteilten zur gespaltenen Stadt? Sozialräumlicher Wandel seit 1990*. Leske + Budrich, Opladen.

## THE WESTERN INNER CITY

The inner city areas of West Berlin exhibit a large share of young people, single households, and immigrants. Only a few seniors live in the older buildings; however, their numbers will increase considerably in the next 20 years, especially due to the aging of immigrant residents. The western inner city boroughs don't just have the highest percentages of workers and unemployed, but also the largest percentage of low-wage workers. There are also many student households.

The moving away of German families from the western part of the city is always regarded as cause for alarm, since it is considered a reaction to manifestations of dilapidation in public space and to the situation in the daycare centers and schools, where the overwhelming majority of children have not grown up speaking the German language (cf. IfS/S.T.E.R.N. 1998). Since in the case of such high mobility there are less employed people among those moving into the inner city neighborhoods, the concentration of beneficiaries of state transfer payments and poor people increases steadily. In the case of those with an income, a rise in the percentage of those belonging to the lowest-income segment is evident. In Chapter 4, table 10, we already showed that low-income groups are increasing strongly primarily in the boroughs of Wedding and Tiergarten, but also in Neukölln (see the excerpts in the table below). For Kreuzberg, in contrast, there are signs that the segment of those with mid-level incomes is rising. Income polarization concomitant with a decline in employment is a consequence of the flight of the middle-class from inner city neighborhoods.

*Table 2: Income Groups as a Percentage of all Employed Individuals in the West Berlin Inner City Boroughs 1991-1998*

Borough	1991		1994		1998	
	below 1,400 DM	over 3,000 DM	below 1,400 DM	over 3,000 DM	below 1,400 DM	over 3,000 DM
Kreuzberg	23.6	11.7	23.6	21.2	21.7	20.7
Tiergarten	18.3	20.8	17.2	24.6	22.9	25.6
Wedding	17.5	14.6	15.9	17.6	20.5	18.8
Neukölln	18.5	21.6	17.0	23.8	18.0	25.3

Source: Statistisches Landesamt Berlin: Mikrozensus

In general, public spaces in these areas are more highly populated by children and youth groups than in other parts of the city. At first glance, that might appear to be a positive fact, especially when one keeps in mind that in the other parts of the city which are home to a more well-off population, there are hardly any children or youths to be seen in public. However, their presence in public space is often simply the consequence of apartments that are too small, as well as a lack of apprenticeship and work opportunities. Particularly with regard to youths, unemployment leads to a lack of orientation and perspective, and thus because a cause of anti-social behavior. Consequently, rival youth groups frequently clash with one another in public spaces, carry out power struggles, and create a menacing and frightening climate through their behavior. This is intensified by violent conflicts and the display of the willingness to resort to violence by corresponding insignia: particularly favored in this regard are attack dogs. Illegal activities, such as drug dealing and prostitution, also contribute to this negative image (Landeskommission Berlin gegen Gewalt 2000).

Open areas and playgrounds pose a particular problem, as conflicts often arise here, since they are frequented due to a lack of other places. Children no longer feel safe at playgrounds, since they are harassed by alcoholics and threatened by attack dogs. Frequently, youth welfare offices report that – just imagine! – children themselves requests opportunities and spaces to play under protective supervision. Often, however, it is the deterioration of public space in general that repels and disturbs residents. Bulky refuse is thrown away in courtyards, sidewalks, and open spaces, without anybody feeling responsible for it (cf. IfS/S.T.E.R.N. 1998). Along with roaming or loitering groups of youth, who obviously don't have any steady work or attend school, a feeling of alienation arises that gives rise to the desire to move away and further drives the spiral of cumulative causes.

The share of foreigners exceeds 30 percent in almost all selected statistical areas belonging to the inner city; among foreign children and youths the figure is almost 50 percent. Alongside the precarious social situation and selective emigration, these problem-ridden areas also exhibit the lowest electoral participation in West Berlin. Alongside the foreign residents, 40 percent of the eligible voters among Germans did not participate in the elections to the Berlin City Parliament in 1999. Over half of adult residents thus had either no interest or no right to participate in the election of their political representatives. Formal political institutions are dramatically losing their legitimacy, and hence their integrative potential, in these neighborhoods.

## NORTHERN NEUKÖLLN

In the northern part of the borough of Neukölln, there is an extensive area of older buildings, directly abutting the borough of Kreuzberg. Half of Neukölln's 300,000 residents live in this northern part, which consists of a concentration of Wilhelminian-era buildings of one- and two-room apartments as well as two social housing quarters: the so-called High Deck and the Rollberg housing estate. The share of foreigners in northern Neukölln is somewhat more than 30 percent. Since the 1970s, immigrants who had previously been concentrated in the urban renewal area of Kreuzberg moved into Neukölln in increasing numbers. Since 36.5 percent of its employed population is comprised of workers, in 1998 Neukölln was, after Wedding, the borough with the highest share of working-class residents. In the 1990s, the number of employed declined by 22 percent, and it is not at all certain whether the trend of layoffs and job losses has reached an end. It was primarily poorly-qualified and unskilled workers who became unemployed, among them many immigrants. Many youths have not even found an entry into working life. The unemployment rate has risen dramatically: if it was still 16.6 percent in 1995, by 1999 it had risen to 24 percent. Neukölln also exhibits above average figures for youth unemployment and unemployment among foreigners, with the northern part of the borough being the most affected.

In terms of the concentration of dole recipients, there are only figures for the entire borough. In the year 1991, 8.5 percent of Neukölln's residents received social assistance (*Sozialhilfe*), the lowest-tier welfare benefit available in Germany. In 1998 the figure had already reached 13.5 percent. This particularly strong increase of transfer payment recipients can be explained by the traditionally high number of industrial workers who have lost their jobs. The number of foreigners among dole recipients is very high at 36 percent (foreigners are 20 percent of the total number of residents), and as indicated, these live primarily in the northern part of the borough. Children and youths are particularly affected: one-third of welfare recipients are under 18 years of age, and they are primarily the children of single parents. In every sixth household that receives welfare (16.5 percent), there is only one parent. The share of two-parent families receiving welfare is lower, at 13.8 percent. The overwhelming majority of welfare recipients is comprised of single men (30 percent) and single women (24 percent), an indication of a lack of support networks. It is precisely in the northern part of the borough that the at-risk groups for welfare are concentrated: single-parents, foreigners, and singles households. There, between 25 and 30 percent of residents receive benefits from the social assistance office.

In the following, we will more closely examine the example of the area around Reuterplatz, which is far to the north, bordering Kreuzberg. The area

around Reuterplatz corresponds to a large extent to other parts of northern Neukölln; the percentage of foreigners and unemployed is even a little bit lower. Between 1974 and 1982, the number of foreigners increased from 3,000 to 6,500, remained stable until the end of the 1980s, and rose again in the 1990s to 10,000. The increase in the number of foreigners in this area is due to the fact that German households are increasingly moving out while non-Germans are taking their place.

The number of those employed in Neukölln is declining drastically, purchasing power is declining and the supply of goods has become limited to supermarkets with discount offers and greengroceries that are often run by foreigners. Vacancies of apartments and retail spaces have increased. In the year 1998, 16.4 percent of the labor force was unemployed, corresponding to a rate of around 30 percent of the working population. 31.5 percent of the unemployed are foreigners, which corresponds roughly to the number of foreigners. That means that unemployment in the area is not high because there are so many foreigners, but rather that a high number of foreigners in the area accompanies a high share of poor and unemployed Germans. Over a third of those unemployed (35 percent) have been unemployed for more than year (cf. Dorsch et al. 2000).

The flight of middle-class families since 1994 contributes to the highly problematic social situation in the north of Neukölln. Between 1994 and 1997, 5.8 percent of the population on balance has left the area, above all employed people with children. The share of employed people among those moving in is considerably lower than among those moving away. One family with two children that we interviewed explained their decision for a new apartment in the following words: “smaller, more expensive, but it’s in Wilmersdorf,” referring thus to the social milieu of the neighborhood. The fluctuations in northern Neukölln amounted to 18 percent each year in the years 1994-1997. That means that over 1/6th of residents move away each year, with the tendency increasing in that period of time. Employed people and families with small children are the groups that more commonly leave the area, the loss among the population amounting to 4.4 and 5.0 percent respectively. This selective flight, alongside increasing unemployment among the remaining population, is a growing problem in northern Neukölln.

The supply of apartments appears to have become unattractive for apartment-seekers in the 1990s. The neighborhood was not able to compete with offers in the suburbs and the hinterlands. Many of the apartments are small, and renovation and modernization measures were only first significantly implemented in the 1990s. According to the census of 1987, the area around Reuterplatz has 18,800 apartments in mostly five-story buildings. 3/5ths of the buildings were constructed before the Second World War. After that, social housing construction filled the holes left by the aerial bombing during the war.

The average size of the apartments is 2.2 rooms or 62 square meters. In 1987, 63 percent of households were single-person households; the average size of a household was 1.6 people. The share of larger households is extremely small, and already in 1987 the majority was foreign families.

Due to the bad condition of the buildings, part of the area was designated a renewal area at the beginning of the 1990s. In 1992 a preparatory investigation was conducted that ascertained considerable deficits in the degree of amenities in the apartments, infrastructure services, and green spaces. However, only a few “postage-stamp sized” properties were marked for renovation. Since the 1990s, public means for renewal areas have been flowing almost exclusively to the eastern half of Berlin. Even today, rents in Neukölln are considered particularly low, so that primarily those households move in that cannot afford a more expensive dwelling in another borough. However, not all apartments find new tenants, and even in northern Neukölln vacancy is high. Around 10 percent of apartments are empty.

In Neukölln, resignation reigns and conflicts are increasing. In the summer of 2000, the social assistance council publicly discussed the possibility of hiring private security services to protect employees of the social welfare office from physical attacks by its clientele. Electoral participation is low, and declined between the elections of 1995 to 1999 to under 60 percent. Many residents feel let down by politics and don't see any chance of influencing things by means of elections. The northern part of Neukölln is also counted among the areas with a relatively high percentage of voters of radical right-wing political parties.

## THE EASTERN INNER CITY QUARTERS

The development in the inner city areas with older buildings of East Berlin is similar in some respects to the developments in the West Berlin inner city. Fluctuation is high and the population is changing rapidly. The composition of the population is however still socially heterogeneous; nonetheless, migration is more selective than in the inner city areas of West Berlin.

In the inner city areas of East Berlin, migratory movements are also characterized by the flight of families with children, a negative balance among the employed, as well as an increasing influx of immigrants. The transformation in the system of distributing apartments and the beginning structural renovation of older buildings has had effects upon social composition. On the one hand, only some residents can or are willing to pay the higher rents for the modernized apartments. On the other hand, a considerable number of dwellings in dire need of renovation have not been reached by investment funds for modernization due to lack of clarity concerning ownership or inactive absent-

tee owners. The accompanying unsatisfactory condition of daycare centers and schools, general defects of social infrastructure, as well as a scarcity of useable open spaces is occasion above all for families with children to move away.

Upgrading and decline occur simultaneously and spatially close to one another. The speed of the transformation process is unusual. The old-building areas of East Berlin exhibit a very high and increasing volume of migratory movement; in 1997 there were already between 400 and 500 arrival and departure registrations for every 1000 residents, versus 300 to 350 in the year 1994. That means that in an apartment building in the year 1997 every fourth or fifth apartment had a new occupant. In a few areas, 40 percent of the residents first moved into the borough in the years between 1993 and 1997.

Flight from the area leads to a sharp decline in the number of residents, and has been increasing in the last few years primarily in the outer boroughs of East Berlin and the hinterlands surrounding Berlin. The losses due to movement compared to the surrounding area doubled between 1994 and 1996, in those three years the loss of population to the surrounding areas amounted to about 2 percent of residents – and those are not the poor households pushed away by urban renewal moving into the newly-built areas of the hinterlands. Of all areas, the older-building areas of Friedrichshain exhibit the greatest loss of children due to movement. The balance of those employed is also negative. For a few areas, the share of those employed among adults moving in is as much as 20 percent lower than among those moving away.

Similar to the inner city areas of the western part of the city, a high percentage of residents are unemployed, although the percentages are lower. With an unemployment rate of 20 percent (September 1999), Prenzlauer Berg is at the top of the East Berlin scale. Even in the Western part of the city, only Kreuzberg, Neukölln, and Wedding have higher rates of unemployment. This numbers point to a problematic development: rising unemployment, selective flight, and the development of a polarized income distribution, there is a danger of a development “toward the bottom” in East Berlin as well, of the emergence of segregated neighborhoods. Alongside this, however, there is a tendency toward an upward valuation of some areas due to the influx of childless households with high-level incomes. Symbolic processes of price appreciation of neighborhood properties via the location of galleries, chic restaurants, and shops for luxury consumption can be observed for example in the area of Berlin-Mitte known as Spandauer Vorstadt, and the area around Kollwitzplatz in Prenzlauer Berg.

## EXAMPLE: PRENZLAUER BERG

The older-building areas of Prenzlauer Berg had largely deteriorated by the end of the GDR. At the beginning of the 1990s, preparatory investigations initially determined in what areas redevelopment statutes were to be issued. The decision by the senate commission for construction and housing affected a total of five areas in the borough that had been decided upon between 1993 and 1995. The goal was on the one hand to renovate the dilapidated old housing stock and modernize the apartments, while on the other hand maintaining the composition of the population and keeping rents affordable. However, maintaining the population structure has proven difficult under the existing conditions. The social mixture that emerged in the older-building areas during the GDR period can hardly be conserved under the new conditions, as well as against the background of the enormous transformations of the social structure in East German society. New living offers and opportunities have opened up for residents, and at the same time new property owners have moved into these areas of the borough who have an interest in the most effective possible valorization of their real estate. The intention to maintain the population structure in the renewal and environmental protection areas thus becomes a tightrope walk between further deterioration of the building material and price appreciation through modernization. Each development drives a particular population group to move away, and this explains the high fluctuation in the neighborhood.

In terms of housing stock, there are two recognizable types that lead to distinct motivations for residents to move out: in the unrenovated houses, which were long affected by unclear ownership and in which for that reason an emergency management without renovation and modernization, measures as well as exclusively simple repairs to secure the house were implemented, initially all those residents moved out who wanted a modern apartment, or at least one with a bath and indoor toilet – an option that became available from the middle of the decade. Poor people and students moved into these houses, who simply wanted to establish themselves for little money and without luxury. The condition of the houses was to some extent catastrophic, so that many were partially vacant: the roofs were leaky, gas lines had to be turned off, external toilets were destroyed and staircases dismantled.

In the houses in which ownership was clarified, renovation measures were usually promptly begun. Many households now moved out because they did not wish to remain in the houses during the construction phase lasting an average of one to two years, and sought new apartments according to their standards and possibilities. Many left the borough. A study of motivations for moving away from renovation areas in Prenzlauer Berg arrives at the result that 66 percent of households that had moved away were dissatisfied with the old apartment, while 44 percent were dissatisfied with the area (cf. ARGUS 2000). Of

the barely 500 households surveyed that had moved out of their previous neighborhoods between 1994 and 1999, only every sixth households remained in the borough, while 28 percent moved to other inner city boroughs, and 8 percent to the hinterlands. Over half of all households rented an apartment in the outer boroughs of Berlin. The study also examined the social structure of households moving away: of those surveyed, 45 percent had a college degree, 40 percent had completed vocational training; the overwhelming majority was employed (58 percent), 10 percent unemployed. These results correspond to our analyses of the migration data and show the high percentage of a high-status population among those moving away.

In the borough of Prenzlauer Berg, a striking social transformation occurred in the 1990s. However, it is difficult to evaluate this transformation, since its movements have not been uniform. In contrast to the observations above, which attest to an emigration of families and the employed, political groups in the borough bemoan ‘gentrification’ which pushes out the “traditional” population. There are no empirical studies about the households moving in, but on the basis of the changed social structure of the borough which can be ascertained from the micro-census, a few statements can be made. Tendencies toward price appreciation are recognizable from people’s vocational training and school degrees. The share of people with *Abitur*<sup>4</sup> and college degrees in the borough rose considerably between 1991 and 1998: from 14 to 24 percent and from 25 to 41 percent, respectively. Both groups have increased by about 65 percent. At the same time, the number of inhabitants with a *Hauptschulabschluss*<sup>5</sup> or a vocational apprenticeship has decreased. However, since 1995 their share has declined only slightly.

A similar development can be seen in the case of income. As we showed in Chapter 4, table 10, the share of people with higher incomes (over 3,000 DM a month) in Prenzlauer Berg and Mitte grew between 1991 and 1998, but after 1994 an increase in those with low incomes is observable. So with income, as with educational and vocational degrees, a polarization of the structure of the population in the borough is evident. It is not the poor who are leaving the borough, but rather middle class families. Those moving in, in contrast, are overwhelmingly young households. These are not just single-person households: the number of singles-households declined between 1994 and 1998 according to the micro-census, and the number of large households with at least four people is lightly rising.

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4 | Translator’s note: the secondary school degree permitting its bearer to attend university.

5 | Translator’s note: the lowest level of secondary school degree.

Table 3: Educational and Vocational Degrees in Prenzlauer Berg 1991-1998

	Residents (in 1.000)	Hauptschule Degree	Abitur/ Fachhoch- schulreife	Vocational Training or Apprenticeship	Higher Education Degree
1991	143.6	29.8	14.4	63.5	25.4
1993	147.7	32.2	16.4	64.8	26.5
1995	146.4	24.0	22.3	57.1	35.9
1996	143.9	23.3	24.6	54.0	38.3
1998	136.9	23.5	24.1	54.3	41.3

Source: Statistisches Landesamt Berlin: Mikrozensus

If the “gentrification” of an *area* is by definition the social replace of its residents, then it has not occurred so far in Prenzlauer Berg, since the moving away of middle class families continuously makes apartments available in which – depending upon rent and amenities – either households with high incomes or poor households move into. In houses that have been renovated and modernized, usually different people move in after this work has been concluded, and more that tend to be better situated socially than those who lived there previously. In the case of a conversion to owner-occupied flats, a complete replacement of residents occurs. But in a neighboring house, in which the living standard has not been improved and the rent thus remains low, the “better off” tend to move out: gentrification in one house, but the opposite in the other.

Up until now, around 40 percent of houses in the borough have been comprehensively renovated and modernized, so that there is still a sufficient stock of unrenovated older buildings in which poorer groups have been able to evade modernization. A displacement of the poor will occur when this housing stock is no longer available and there are no other alternatives in the borough. Price appreciation processes and continuing decline exist in a small space alongside one another in Prenzlauer Berg. In the neighborhoods, different milieus are developing, and even on streets adjacent to one another there are different social attributes which in the medium term will develop into an act of coexistence between decline and appreciation within a small space. The behavior of residents with regard to their perception of their rights and interests plays a role in all these processes. We will deal with that in the next chapter.

The tempo of renovation will slow down after the now effective end of the special depreciations. Maybe then the maintenance of the population structure will become a possibility – or, and this is a different scenario, after revenues from tax breaks dry up, property owners will have to demand higher rents to implement renewal and thus induce a stronger upward social trend. That will

only be possible in those quarters that have already experienced a strong symbolic appreciation and which exhibit high architectural quality.

*Translated by Alexander Locascio*

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