Chapter 7
Urban Economy

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7.1 Introduction

The limitations of our resources and the effects of economic growth were first brought to a wider public consciousness in the 1970s report of "Limitations of Growth". Since then, a broader discussion has started about how to save resources and how to reduce the negative ecological impacts of economic activities. In 2010, the BP oil-drilling catastrophe in the Gulf of Mexico showed us once again the fragility of eco-systems; the unappeasable hunger for cheap oil as the blood of our economic corpus continually leads to highly problematic events. And, our daily behaviour of using fossil fuels not only reduces the richness of resources but also leads to permanent pollution of the environment; global warming is only just one catchword which highlights these problems.

On the macro-level, more and more attempts are made to reduce the conflicts between economy and ecology. The most important approach is the "internalisation of external effects", which means that all kinds of human activities, and especially economic activities, have to pay for the removal or compensation of the negative environmental effects they have induced. Pollution certificates, environmental standards, eco-labels, or legal frameworks are private or public elements of a

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more sustainable economy. Most advanced economies have today developed several laws to reduce the negative environmental effects of economic activities. In Germany, the "Bundes-Immissionsschutzgesetz" or the "Lärmschutzverordnung" are only just some examples of this legal framework.

While there is an intensive macro-discussion with attempts to a certain kind of standardisation of the approaches, there is still a heterogeneous situation on the local level – which means land use and spatial development on the micro-scale. In Germany, all new developments of land use have to undergo an evaluation concerning the environmental impact ("Umweltverträglichkeitsprüfung"). This has contributed to the reduction of land consumption, to the development of ecological compensation spaces, and to the reuse of older built-up areas (e.g. brownfield sites, vacant buildings). In urban agglomerations and in built-up areas, the leading models of the "compact and mixed city" or of the "city of short distances" are now influencing the planners' and politicians' decisions of urban development. The limitations and perspectives of these models have delivered guiding ideas for the subprojects of urban economy in the graduate school of urban ecology. In general, these subprojects have analysed possibilities of economic development in built-up areas of the urban agglomeration of Berlin in the context of business development, consumer behaviour, planners' policies, and ecological impact.

The following article will first draw a picture of important recent changes of structures and locations of the urban economy. In the second part, the research design and the most important results of the subprojects will be characterised. Finally, some remarks will highlight some general findings.

7.2 Changes in the Urban Economy

Urban agglomerations in advanced economies are strongly influenced by the general trends of structural change of the economy and of growing international linkages connected with the globalisation process (Kulke 2010). The industrial society, which was dominant in the middle of the twentieth century, has now changed to a service society (Fig. 7.1). In advanced economies, more than two thirds of the labour force is working in the service sector; in urban agglomerations, the service sector has an employment share of more than 75%. There is still important industrial production, but the manufacturing sector shows a high labour productivity and an orientation towards knowledge-intensive products. Industrial production and manufacturing industries show a tendency to close their activities in the high-density urban agglomerations; sometimes, they are moving either to suburban locations or even to other countries. These trends are opening spaces for new kinds of use. In economically strong agglomerations, new activities will immediately reuse these locations; if there is a less dynamic development, it might be interesting to find temporary forms of use; sometimes, the out-movement is so strong that tendencies of a shrinking city might appear.

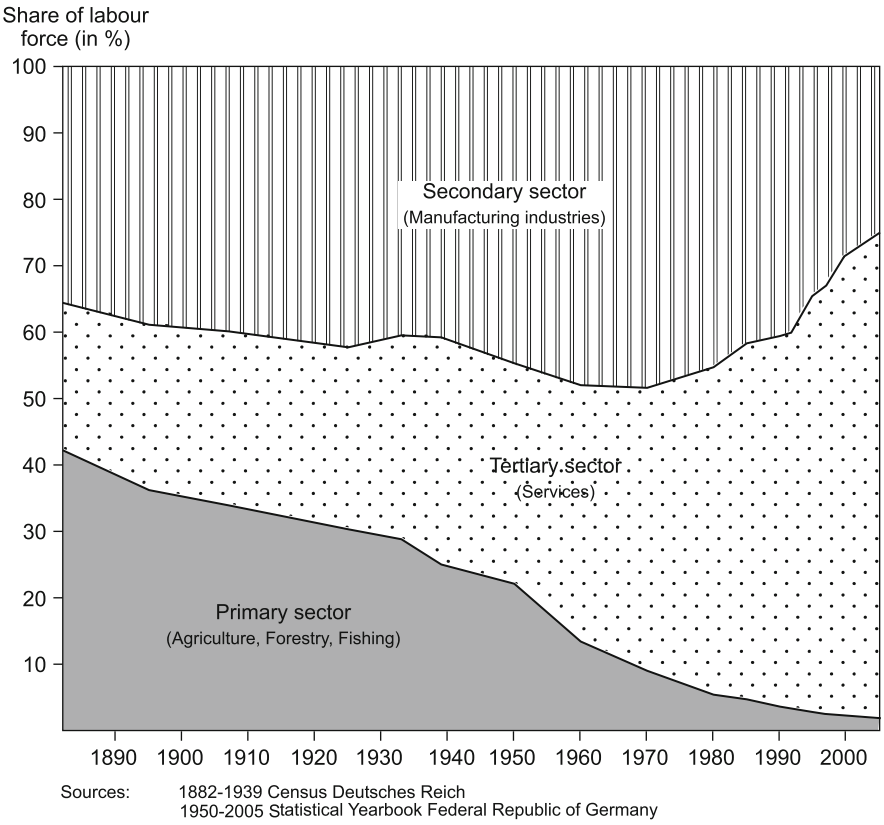

Fig. 7.1 Sectoral change in Germany
Source: Kulke 2009

During the last decades, a much diversified service sector was developing in most of the agglomerations (Fig. 7.2). For a long time, urban agglomerations already possessed all parts of the classical consumer-oriented service sector (e.g. retailing, personal services), of the distribution service sector (e.g. transport, wholesale, public traffic), of public services (e.g. administration, government, theatres, museums), and of the finance sector. With these services, the agglomerations fulfilled functions as central places for a wider area. The developments of the last decades – in terms of employment and turnover – were dominated by modern services. In particular, high-ranking enterprise-oriented services (defined by a high human-capital intensity; e.g. research and development, consultants, advertising, marketing), the so-called FIRE-sector (finance, insurance, real estate), and the cultural economy (production and distribution of media products like arts, music, movies, and television) were expanding very fast (Kinder 2010; Krätke 2002; Mossig 2010).

The growth of these sectors can be explained not only by the classical reasons for sectoral change, which are the different increase of labour-productivity in the sectors and the income increase which leads to a stronger demand for services.

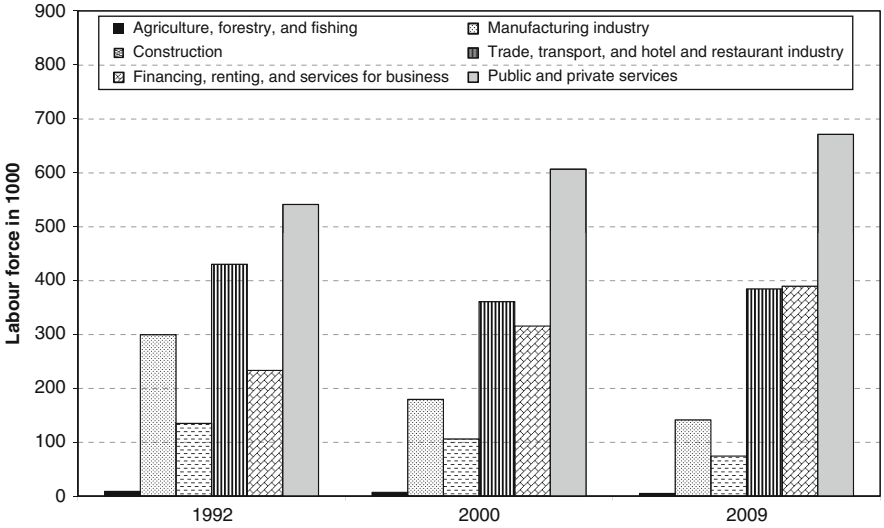

Fig. 7.2 Sectoral change in Berlin
Source: State Statistical Institute Berlin-Brandenburg. Own draft and layout

Some new factors – externalisation-, interaction-, and innovation-hypothesis – are explaining in more detail these new developments (Kulke 2009). According to the externalisation-hypothesis, services, which were before done by production-enterprises themselves, are now given to specialised service enterprises; they are either able to provide these services cheaper or are more flexible in delivering them or possess a higher competence. The interaction-hypothesis describes that in general, the demand for enterprise-oriented services is increasing; shorter product life cycles, international interactions, global location systems, and stronger competition are increasing the demand for research/development, transport/logistics, advertising/marketing, or consultant work. The innovation-hypothesis explains that new kinds of services are developing and are generating with their supply new demand (e.g. mobile-phone provider, sun studios, media industries/cultural economy).

One additional factor is that in advanced economies, more and more former state-run services are privatised and several suppliers are now serving the market. Communication services, transport infrastructure (e.g. ports, airports), transport services (e.g. railways), or medical care (e.g. large hospitals) were former often run by the state and are now opened to private competition.

Different services are showing different spatial distributions (Fig. 7.3). Classical consumer-oriented services (e.g. grocery stores, hairdresser) and public services (e.g. elementary school) are more or less in every settlement available; these services are showing a spatial distribution which is similar to a grid or net pattern. Services of the same kind but with differences in the quality are forming an hierarchical system; in the catchment area of a higher ranking service unit (e.g. a high-school), several service units of the same kind but with simpler supply (e.g. an

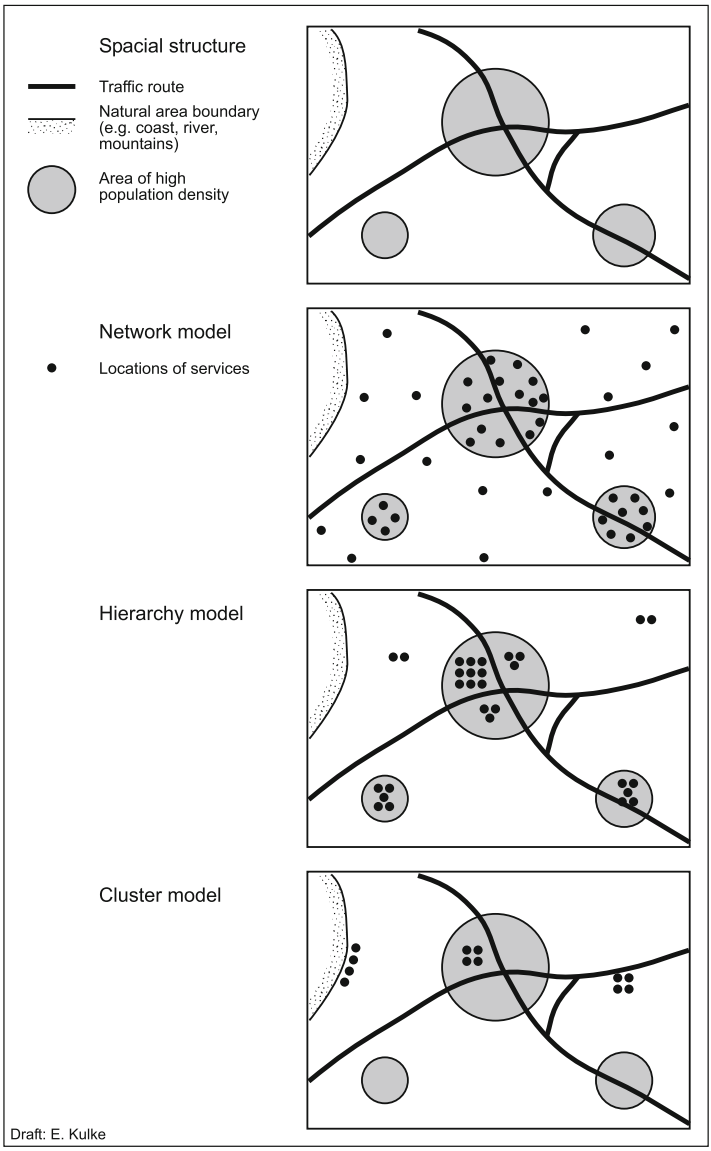

Fig. 7.3 Locational systems of services
Source: Kulke 2009

elementary school) can be found. This locational system of services contributes strongly to the hierarchical system of settlements and towns and was the major study object of Christaller's theory of central places.

The modern services show a different spatial distribution; they have a strong tendency to concentrate in few places, especially in the large agglomerations.

Due to their large marketing areas, they are able to serve clients from these places, because they are usually offering good transportation links. And, they gain advantages from proximity to other services. On the one hand, it is often favourable that places with concentrations of a certain kind of services are then well known by clients and consumers. On the other hand, services often co-operate and are forming clusters. In particular, "project co-operation" is important for the spatial concentration of services. Project co-operation means that for a certain project, independent services enterprises are working together and are contributing to the project with their special skills or knowledge. During the project, they develop routines and trust between each other. If after some time a similar project is started, those enterprises with good experience in co-operation will work together once again; this reduces the transaction costs for co-operation.

The described spatial distributions are not only found between settlements/towns but also in the agglomeration areas (Kulke 2009). And, the sectoral change strongly effects locational developments in the agglomerations. The moving out of manufacturing industries opens disposition spaces for new forms of land use, often for the development of modern services. Older areas for larger manufacturing units were very often located in central parts of the towns; during the foundation of these enterprises, they showed an orientation towards classical transportation infrastructure – mainly railway and water-ways – which were at that time the most important means of transportation. Now, these areas are available for new uses. Smaller manufacturing and handicraft enterprises were often found in mixed land use with housing; they either used ground floors or backyards of condominiums or manufacturing buildings with several storeys. Both locational types, railway/water-way manufacturing areas and ground-floor handicraft use, are very typical for Berlin especially in the so-called "Wilhelminian Circle". And, in this area during the last two decades, many units were closed, opening disposition spaces for new (service) activities.

7.3 Results of the Subprojects

All subprojects of the research on urban economy tried to identify interrelations between the changes in the urban economic landscape (sectoral and spatial developments) and the possibilities of finding new more environmentally friendly forms of (re-)using available locations. Taking the sectoral structures and sectoral developments into consideration, the subprojects of the urban economy were primarily analysing recent developments in the service sector. All projects were considering the influence of different actors on the structural and spatial development; actors are coming from the major groups of enterprises (supply), consumers/users (demand), and planners/politicians (planning).

In the first phase, changes in the retail sector and on the consumer side towards more ecological products were studied, taking the interrelation between available supply and consumer behaviour into consideration. In the following phases, the availability of brownfields, empty spaces, and vacant buildings was the focus of the

studies. The general observation in Berlin – and other agglomerations – is that due to the sectoral change – with the out-movement of manufacturing industries – and due to the general tendencies of shrinking, spaces are available for new forms of use. The behaviours of planners/politicians, of owners, and of enterprises concerning possibilities and strategies of the re-use of these spaces were analysed. Of special interest were possibilities to use it for the strongly expanding sector of enterprise-oriented activities and of the cultural economy.

7.3.1 Subproject: "Environmental Friendly Shopping Behaviour" (Julika Weiß)

The influence of nearby shopping opportunities for environmentally friendly food on the shopping behaviour was the topic of this study (Weiß 2006). Thereby, a contribution was made to a closer characterization of spatial differences regarding opportunities and purchase, as well as the connection between both. The environmental impacts considered exceed the choice of products and include shopping mobility behaviour and the choice of shops. Regarding environmental impacts, the question in how far shops further away will be visited by consumers if nearby opportunities are missing is of special interest.

The study inquires these questions using food shopping in six residential areas of Berlin as an example. The study is based on qualitative methods (interviews) and quantitative methods (mapping, inquiry). The results demonstrate considerable distinctions between the shopping opportunities for eco-friendly food in different survey areas. The supply situation in the inner-city areas with tenement houses from the Wilhelminian time generally surpass the supply in the areas with high blocks of flats and detached family houses in the outskirts. In particular, natural food stores – concentrating in the inner-city areas – are of importance for these differences, as the supply of environmentally friendly food in the conventional food retail stores is rather limited and little known.

Differences between the survey areas were also identified for the purchase of eco-friendly food, shopping behaviour of the areas with tenement houses from the Wilhelminian time being most environmentally friendly. This discrepancy is strongest for organic food. Nearby supply has been shown to have an important impact on the purchase of eco-friendly food. Besides, socio-demographic characteristics and attitudes of the interviewees also showed relevance of their shopping behaviour. As an obstacle to the purchase of environmentally friendly food, poor knowledge of consumers could be identified by the study. Knowledge gaps have been found especially concerning the relevance of environmental impacts of different product characteristics, as well as shopping opportunities for eco-friendly products.

Several types of "environmental shoppers" were generated, demonstrating the relevance of different shopping orientations for their shopping behaviour. In how far further distances are travelled if nearby supply is absent also differs depending on major shopping orientations. Normally, shopping opportunities further away are

not visited to buy environmentally friendly food. On the contrary, persons who buy eco-friendly food to a high degree behave particularly environmentally friendly in the field of shopping mobility as well. Thus, the present study reveals positive interrelations between environmental behaviour in the different fields of food shopping: choice of product, shopping mobility, and choice of shop.

7.3.2 *Subproject: "Services as After Use on Urban Potential Sites in Shrinking Cities: The Example Berlin" (Daniela Schüler)*

This project deals with the subject of the re-use of potential sites with services. Due to structural economic changes, an increasing number of inner-urban potential sites develop within the city. Simultaneously, a shift of emphasis within the urban economy takes place towards the service sector. The study investigates the re-use of inner-urban potential sites with services, using the example of Berlin. With regard to the demand for potential sites with services, ten types of potential sites could be identified using a statistical cluster analysis. As a result of the distinction in knowledge-, commercial-, and technology-based services, the respective location factors and spatial patterns could be considered. The data revealed a consistency between the patterns based on the theory assumed and the actual spatial patterns. Using the case study of Spree-area Friedrichshain-Kreuzberg, an in-depth analysis was made to identify the influencing factors on the location of knowledge-based services at potential sites. Some of the characteristics of the potential sites are crucial for the location of knowledge-based services at potential sites. The consideration of the micro-level and specifically potential sites was disregarded for a long time in empirical location research. Finally, the findings were integrated into an evaluation instrument, which indicates the suitability of a potential site for a re-use with services. This approach provides the basis for a development of potential sites, which is adjusted to the need of the demand.

7.3.3 *Subproject: "Challenges for Urban Planning and Ecology: Analyses on, and Strategies for, the Shrinking Urban Fringe" (Betka Zakirova)*

The main research topics of this study are suburban shrinkage and regeneration strategies in respect of urban studies and urban ecology. Shrinkage is discussed as being a major social problem only at levels above the local, and only in areas which are *not* expected to grow, such as outside suburbs. During shrinkage,

- Formerly used land is abandoned
- Tax bases and incomes shrink

- And this decline adversely affects social services, city sustainability (for example infrastructure maintenance), and the economy at the national and city levels.

At local levels, almost every social group has interests that are affected by city shrinkage:

- Politicians are afraid to lose votes.
- Communities experience declining tax bases and incomes which makes communities less attractive from citizens' points of view.
- Urban planners seldom discuss negative growth – shrinkage is usually regarded as a failure although it can open up new options.
- Residents have a lower quality of life, fewer jobs, and infrastructure problems – hence they will seek to out-migrate.
- Businesses head for an outright failure and get a smaller customer base.
- Although shrinkage is an interesting subject, social and physical scientists state that there is a lack of studies on this subject.
- Environmentalists see an opportunity for restructuring land and policies.

Research on urban shrinkage is multidimensional and significant (1) from different stakeholders' viewpoints (such as communities, urban management, real estate/city marketing, and joint regional planning) and (2) in the field of urban planning, urban sociology, urban studies, as well as human geography.

Most of the general research has been focussed on shrinking processes and redevelopment in the inner cities and cities' cores, rather than in the suburbs in general. The paucity of work about shrinkage in suburbia probably reflects the difficulties in studying urban shrinkage because it is driven by a complex mixture of processes, and in addition to this, there are many variables within a spatial parameter "suburbia" (cf. Howe et al. 1998). Consequently, no clear-cut strategies have been proposed or implemented to deal with the problem (or advantage) of shrinkage (in suburbia).

No studies of shrinking suburbs have been conducted on Berlin and its metropolitan area. Worldwide, most studies on shrinking suburbs focus on only the first (=inner ring) suburbs,[1] meaning the city's older or mature surrounding region directly beyond the city boundary. Such research usually consists of case studies of suburban areas in the USA.

The goals of my study on the communities in Berlin's suburbs were to determine (1) whether there are underlying general principles governing when, how, and why these communities shrink and (2) if and how they recover. My third and final goal was to find out which development and planning strategies are most suitable for particular shrinking areas on the urban fringe. Appropriate strategies for the fringe are probably quite different from those most suitable for the core city (more exactly, for the "inner city").

[1]The older suburbs can be found as outer city's area in Berlin, which begins approximately beyond the encircling surface railway route and ends at the city boundary. Some of the city's districts, such as those with prevailing large housing estates, have been subject to shrinkage after 1990.

In the initial phase of shrinkage, shrinkage is *actively overlooked* by almost all urban designers, urban planners and local officials. Most of the personnel who must recognise and then deal with shrinkage have never been trained to do so. Generally, planners and designers learn how to cope with growth only – there is a significant deficiency of applied and theoretical knowledge (and training) to handle shrinkage. When shrinkage *is* acknowledged, it is seen as an illness to be cured, either by taking actions or by inaction (that is by allowing the illness to run its course). The significance is that by ignoring or misunderstanding city shrinkage, (1) governmental actions are taken (often at great expense) that are either useless or actively counterproductive; (2) cities miss opportunities to turn an apparent problem into assets for the longer-term functioning of the cities, such as using brownfields as a resource to increase green space and ecological liveability of the city.

7.3.3.1 Suburban Shrinkage and Urban Ecology

Defining city shrinkage is a difficult task because the term comprehends multi-dimensional and complex processes. I will measure it by including decline in population, decrease of economic dynamics (indicators: decline of employment and gross domestic product – GDP), and deterioration of urban functions (indicator: areas – their use and potentials to be developed).

The research area considered in this paper will be the *urban fringe*, defined as that edge of developed land which begins beyond the city boundary and "ends" as it blends into open space or landscape (Evert 2001: 577; Fachhochschule Nordhausen 2004: 1). The centrepiece of my research will be the former "Brandenburg's part of the sphere of mutual influence of Berlin and State Brandenburg[2]" – the Berlin suburbs – which was defined in 1998 and comprises 0.8 million inhabitants on 4,480 km^2 (MLUR's Development Plan).

One of the major sustainability goals of European Spatial Planning has been efficient land use (European Council 2006). This particular goal is a big challenge in suburban areas because (1) there are numerous potential and undeveloped/greenfield areas and (2) inner cities have higher chances of achieving redevelopment since the demand for land and pressure for redevelopment are higher than in suburban areas. Even declining core cities have better assets than suburbs do (Swanstrom et al. 2006: 161). For example, the former include central business districts (CBDs), tourist attractions, and urban amenities (such as parks, museums, and universities); they also have professional staff and greater policy attention. Furthermore, the distances within the core city might be short in contrast to the long distances from suburbs to core city and within the suburbs, and hence, the use of energy and resources required for transport might be lower in core city than in suburbs.

[2]This is a translation of the German term "engerer Verflechtungsraum (abbr.: eV)" therefore an apostrophe is used here.

Suburban land is relatively low-value, and local development regulations in suburban areas are usually less restrictive than those in the core city; thus, suburban land is often seen as not worth the cost of redevelopment. In fact, if there is a serious problem with suburban areas (such as contamination or pollution), the costs of clean up may be higher than the value of the land, making the land "negative" in value for redevelopment. This negative balance seldom pertains in inner or core city areas where land is at a premium and value is high and the added expense of clean up can be absorbed into the value of the finished project. Recent studies (Difu 2007) found that even new developments of commercial and light industry, as well as housing areas, on the urban fringe in German growing regions do not bring increased tax incomes. Thus, the perspectives for redevelopment and the economics thereof depend on the position of the sites in the suburbs, suburbs in the metropolitan region, or the region in the (inter-)national territory.

Research on brownfields in East Germany and Berlin shows that there are more potential sites in suburban areas than in the core cities [see BBR (2004) research on brownfields in East Germany and Berlin]. This phenomenon could explain the ever-increasing land development in Germany despite shrinking processes (2006: 20), a situation which also occurs in other countries (cf. van den Berg et al.'s 1982 phase of deurbanisation). The changes in the built-up area on the urban fringe affect many parameters of urban ecology, such as soil, water quantity and quality, biodiversity, city climate, traffic flows, air quality, and ultimately health and living conditions of the local inhabitants (Graduate Research Programme [GRK] 780/II 2005). Direct ecological consequences of suburbanisation are increased land consumption and ecological footprint on the soil, air, plants, and animals, and influencing (usually disturbing) of the water cycle. Indirect consequences of suburbanisation present the correlation between land consumption and material or energy cycles (e.g. change of city climate, increased danger of natural hazards or disasters such as floods).

Suburbanised areas have lower environmental pressure – at the local level – than do densely urbanised areas (Breheny 1992). Surprisingly, biological diversity is higher in urban areas with moderate densities than in agricultural areas, because urban environments (with moderate building densities) are much more heterogeneous (Kowarik 1992). Yet, a lot of domestic animals are disturbed or displaced by the invasive foreign sorts, since the corridors and their environments are built-up, disconnected, or demolished (Theobald et al. 1997). Among all human influences on soil, building-up causes the most radical ecological effects (SRU 2000) for soil's natural functions are permanently lost.

Investment in existing built-up land and accompanying infrastructure (land recycling) might be appropriate for (1) avoiding new developments beyond the existing settlement fringe and (2) efficiency (particularly cost efficiency). Investing in existing infrastructure/developed sites compared to developments on greenfield sites is more efficient because there is "existing infrastructure, a large working force, proximity to city core, local entrepreneurs, and advantage of moderate density" (Wiewel and Persky 1994: 473). Furthermore, once an area is built-up, this is a permanent condition and many resources are needed to renaturalise it; even if renaturalisation does take place, this makes the development inefficient from an

ecological perspective. If one is aiming for sustainability, the resources that might go into new developments should rather be redirected into existing developed sites or districts. Lee and Leigh (2005) discuss suburban decline through the lens of the "smart growth" concept, which includes setting a high priority on reusing existing resources in already built-up areas. Hence, the importance of reuse not only of inner cities' areas but also of areas in the (first) suburbs is demonstrated.

7.3.3.2 Methods

Underlying questions in my research are

1. How and why do shrinking processes occur on the urban fringe?
2. Do the communities in the suburbs deal with shrinkage at all, and if so, how and to what extent?

In order to answer these questions, the first step was to choose, as case studies, communities and towns which are affected most by shrinking of population (1992–2008) and of employment (1994–2007). To determine these case studies, statistical and geographical spatial analyses of socio-economic and demographic indicators were assessed using SPSS, MS Excel, and ArcGIS/ArcView. The criteria for choosing case studies were declining size according to one or both of the variables from 1994 to 2005 and having a small or middle-sized industry as a significant sector before 1990.

My analysis and interpretations of the reasons for shrinking, major factors of redevelopment, planning strategies, and measures for further development will be mainly based on the results of personal guided qualitative interviews I conducted with experts and with people closely (often professionally) involved in planning and development. Qualitative research based on interviews is commonly used in the human geography and planning sections. To choose people to interview, I began with the heads or comparable experts in communal planning offices, sometimes supplemented by staff in private planning companies. After that, I continued by interviewing relevant stakeholders from companies managing state or private real estate, other users, registered associations, research institutes, investors, and project developers, as well as other initiators of redevelopment (see Fig. 7.4). The interviews were interpreted using Mayring's method (2007) for qualitative content analyses.

7.3.3.3 Results

The suburbanisation of Berlin is unique and therefore not comparable with "typical" western patterns of development. The conditions in which Berlin's suburbanisation happens are very different from other cities, e.g. the Wall and political regulations about home ownership in the GDR until 1989, increased migration flows after "the Wende", existing demographic change, population and economic stagnation (Herfert 2006), large subsidies by the state for the industrial development before 1990, and the

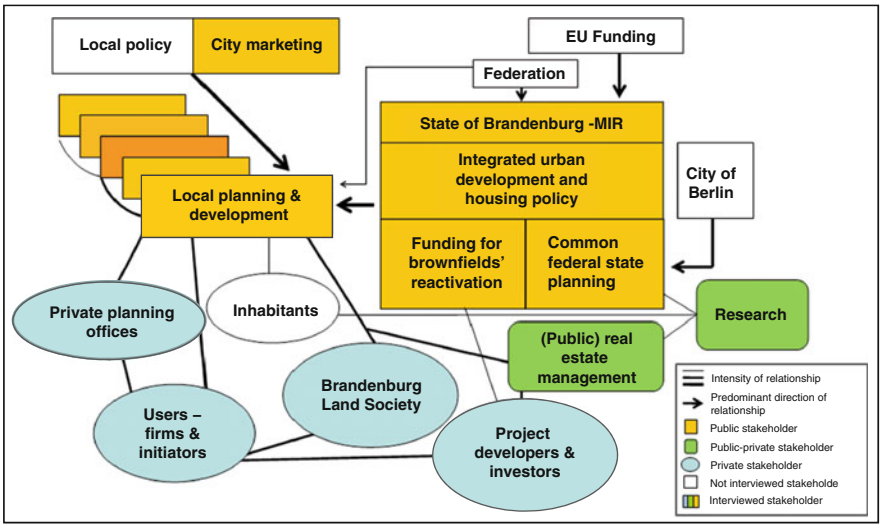

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Fig. 7.4 Stakeholders and their correlation
Source: Zakirova, original figure

significant importance of the military until 1994. The initial lack of regulations in the 1990s, state grants for purchasing homes, low land prices, and rather rural, low-density areas were beneficial for housing and economic developments in the suburbs.

Yet, after 1998, these driving forces decreased, and suburbanisation slowed down abruptly without achieving a mature stage in the terms of the centrality and urbanity of suburbia. The Berlin suburbanisation slowed down due to many reasons – e.g. decelerated or shrinking economy; increase of empty-nesters; improved attractiveness of inner cities for students; young professionals and DINK (double-income, no kids) households; change of life style from suburban to urban; and the often expensive, exhausting, and complicated suburban life style/living standards due to increased energy costs – which stands in contrast to the popular view of life in suburbia. Predictions are that the shrinking processes will speed up and spread in the Berlin suburbs (BBR 2005; PFE 2006).

One interesting phenomenon is that in Berlin's urban region (as in Germany as a whole), shrinkage and growth are taking place next to each other simultaneously, revealing a fragmented and patchwork pattern of developments. Due to this differentiated distribution of growth and decline, I agree with Matthiesen (2002) that the region surrounding Berlin is not 'a continuously suburbanised commuter belt' ("Speckgürtel"), but rather a space characterised by 'suburbanised patches' (own translation, "Speckwürfel"), not all of which are identical.

Eight shrinking communities in the Berlin suburbs (1994–2007) were chosen for study here: they are situated in the semicircle from north to south-east (see Fig. 7.5).

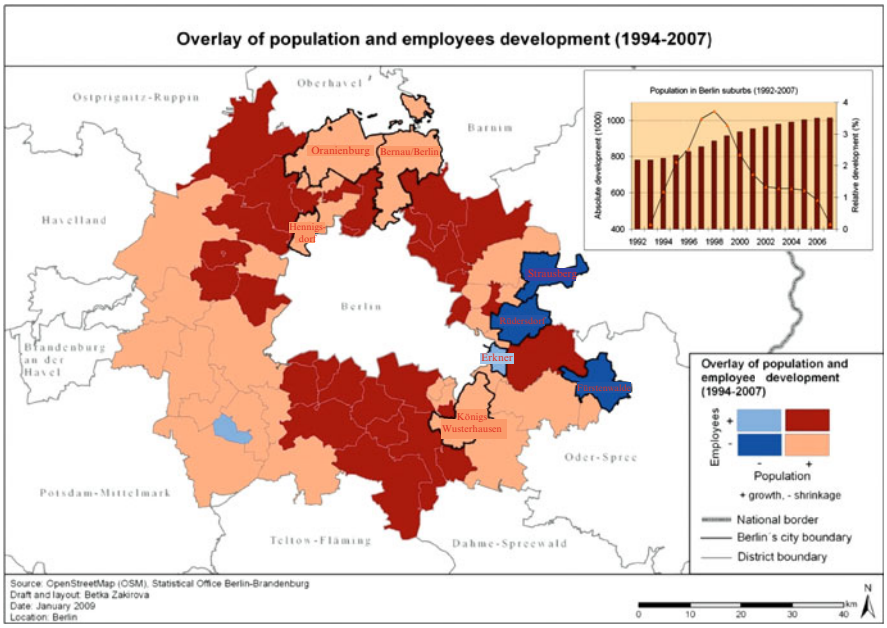

Fig. 7.5 Development in Berlin suburbs (1994–2007)
Source: OpenStreetMap (OSM), State Statistical Institute Berlin-Brandenburg. Draft and layout: Zakirova

Only a small fraction of communities (that is, 10%, $N = 6$) shrank in population by as much as 10% from 1992 to 2008 – but more than two thirds of them experienced a decline in jobs between 1994 and 2006. Most of the communities have experienced demographic changes. Note – we did not have data for the first years after "the Wende" when the population and the job decline in the suburbs were very significant. Apart from the population or the employment decline, another factor for choosing the case studies was the importance of the old manufacturing industry to the community before 1990. The reason for choosing this indicator has been that the decline of jobs happened mainly due to decline in the manufacturing industry after the Wende and that we expected to find sufficient supply of potential sites.

Causes of shrinkage were contrary to invisible forces such as lack of investments, increased costs of energy and transport, change in people's housing preferences, and selective population in- and out-migration. Not only that shrinking suburbs experience a significant lack of demand, but they can also decline because of scarcity of the open space for new developments. The transformation processes[3] such as loss of industrial, military, and agricultural land uses and accompanying jobs have been specific in the Berlin suburbs. The problems of shrinkage have been

[3]There are no overall theoretical explanations for transformation processes due to their spatial parameter.

closely related to the general transformation and globalisation processes which happened very rapidly and disrupted some sectors and places. These were not fast enough in adapting to the new political, economic, social, and spatial realities. Hence, it seems increasingly important to consider the influence of global forces on regional and local developments (Pallagst et al. 2009).

"Negative images" of the shrinking communities and disadvantageous locations (e.g. uniform housing structure, bad transport connections, and access) relative to modern social needs have often been a serious disincentive for the investigated communities. A strong negative image about the shrinking communities (e.g. industrial or military use in the past) exists, which is very tenacious (i.e. persistent through the time) and sometimes significantly removed from reality (changeable situation through processes in time). The negative public images of shrinking communities are in strong contradiction to the (pre)dominant positive perception of local stakeholders inside the researched communities. Scientists argue that the cause for shrinkage is not a negative outside image but having no image at all. Shrinking areas appear as empty grey places in human perception.

Surprisingly, shrinkage is not acknowledged at the local level in Berlin's shrinking suburbs. The common attitude by local governor officials and planners is "This cannot be happening, not in my town!" With such a view, the problem of shrinkage might escalate and lead to devastating results for planning. By neglecting shrinkage, local stakeholders formulate plans and measures which may work during growth but fail during shrinkage. For this reason, they are incapable of improving the situation in their shrinking community. A proposed shift of paradigm from "perpetual growth" to "cycles that normally include periods of shrinkage" is essential. The future goal is to study how a shift of paradigms can be implemented so that such accurate thinking is acceptable (or required) at every level.

The formation of suburbs and city shrinkage have both been viewed as some kind of temporary "diseases/ailments" for which urban scientists and experts have been trying to discover "remedies". However, to a large degree, these processes are constant forces of urbanisation and should be considered as "normal" (Hesse 2008) – they are not necessarily indicative of "problems", "illnesses", or other "malfunctions".

7.3.3.4 Conclusions and Outlook

The phenomenon of shrinking suburbs is unlikely to disappear but will remain a consistent part of urban regions. One might argue that if the shrinking of suburbs continued for a long time, the medieval idea of the so-called "European compact city" might be realised. However, that is unrealistic, since growth and shrinkage, suburbanisation, deurbanisation, and reurbanisation are taking place simultaneously. These forces are constant in the formation of a polycentric heterogeneous urban region – which seems to be an advantageous condition regarding ecological parameters and quality of life, such as living conditions.

The shrinkage in Berlin's suburbs is unique and different from that in Western mature suburbs where decline happens due to the spill-over affect from the core city

and from on-going urban sprawl and decentralisation (Orfield 2002; Hudnut 2003; Puentes and Warren 2006). In contrast, suburbs of many East German cities (Köppen 2005) and Berlin do not extend and grow in the above sense. Existing explanations for shrinkage are inadequate. Berlin's suburbanisation happened very rapidly and selectively. Without reaching a mature stage [van den Berg's phase of deurbanisation (1982)] and independent functional status, partial shrinkage is emerging in the suburbs.

We do not know how long the phase of urban shrinkage will last, but it is certainly a temporary feature of the cities' general life cycle. Since linear growth in future seems improbable, the shift of paradigms from growth to shrinking is essential. We do not know how to make that shift. The new non-linear understanding of urban development might help communities to comprehend other dimensions of development. Urban history gives clear evidence that neither too vigorous growth nor strong shrinkage is good for cities – both present powerful problems for urban planning and the cities' balance.

There has been a range of attempts to stop shrinkage, e.g. to keep declining urban areas functioning by means of artificial support (e.g. external aid) but all present attempts are failing in the long term (cf. Gatzweiler and Milbert 2009). The aim of external artificial support is not only to stimulate activity by local stakeholders, i.e. the bare certainty that communities deal with shrinkage at all, but rather that grants help cities to develop their potentials, positive/productive ideas, concepts, and approaches which might have strategic middle- and long-term effects and enable the cities to remain (or return to being) self-supporting. External funding and subsidies are limited, temporary, and sometimes inefficient resources: they make cities dependent – not strong enough to take care of themselves.

The studied Brandenburg communities mainly lack an active and aggressive approach – there is an obvious shortage of initiative because they simply neglect shrinkage. Instead of "waiting for better times" and for more external support, they need to learn to actively cope with shrinkage by recognising and implementing their potentials (e.g. human capital, quality of nature and environment, available space, and ecological quality). The top-down measures are not efficient if the bottom-up initiatives are not sufficient. The public grants are used best and most efficiently by helping the shrinking areas survive shrinkage in the middle term and thus become independent of external help in the long term.

Since competition on the market and between communities is taking place and both the decline of fiscal and the lack of demand emerge at the same time, the local officials in shrinking communities act under pressure – they feel they must accept any investment or development that is offered, regardless of consequences. There is not only competition between communities, but also between suburbia and the core city and between Berlin-Brandenburg and other regions: all these leads to an ongoing over-supply of sites and to the co-existence of growth and shrinkage on small scales. This finding agrees with Nuissl and Rink (2005) who argue that shrinking communities in suburbs will act in a rather unsustainable way by extending beyond the settlement's fringe (they call this "urban sprawl"). Thus, preferring

new developments to redevelopments makes the national goal of reducing land consumption to 30 ha per day until 2020 a Utopian dream.

Despite increasing competition among communities during shrinkage, some co-operation between them has been established, due to demands made by the federal state and European Union. Some communities realise that collaboration with their neighbouring communities can improve redevelopment and save costs on infrastructure. It seems clear that it is better to keep the potential taxpayers nearby (that is, next-door) rather than losing them entirely to a distant location. Once communities realise such things, they can cooperate, for instance, by marketing their potential sites together and develop common inter-communal strategic plans.

Growth occurred in those suburban communities which could deal quickly with problems of restructuring, i.e. turning "problems" into alluring developments. During transformation processes, both extremes – growth and shrinkage – are evident in the Berlin outskirts since the systems are unstable and changing rapidly. But strong, fast growth often leads to problems in the communities (like lack of social services, poor public transport). If the growing communities do not deal effectively with these problems, they might shrink in the future. In contrast, the shrinking communities that I studied have plenty of developed land, social services, and amenities, plus good transport access. Hence, the *first* scenario for future development of shrinking suburbs is that they might grow since the growing communities experience disadvantageous conditions owing to too vigorous growth.

The *second* scenario might be the trend of decreasing rates of suburbanisation and smaller growth rates in single communities after 1998 continues: back-to-the city movements may grow further, while parallel, the in-flow capacity from the periphery to the suburbs may decrease. If so, then suburban shrinkage might become widespread. Although the studied shrinking communities do not perceive their development as "a problem", outside experts disagree – in the future, shrinking processes will expand all over the Berlin suburbs, which seems obvious from the slow-down of growth since 1998.

The *third* scenario is that the patterns of developments will be even more differentiated in the future and the gap between growth and shrinkage will become larger – hence, the patchwork pattern of development will become even more 'variegated'.

The future focus in urban studies should be to propose efficient strategies for shrinking suburban communities. Here, I chose three recommended strategies for helping research communities to deal with shrinkage. If shrinking communities recognise the reality of decline, first, they might deal with shrinkage by preferring redevelopment before a site becomes vacant. Since any land use is better than none, the local planners need a great variety of flexible and informal instruments to enhance reuse of potential sites. Hence, to concentrate development with preferable moderate densities or implement developments in the gaps speaks for modern social and housing needs. These tendencies were seen on examples of Fürstenwalde or Strausberg.

The second strategy of shrinking suburbs might be that they use their vacancies or brownfields for producing renewable energy. This would not only ensure the

self-supply of costly energy for local manufacturing industry (such as steel work in Hennigsdorf) but also mean to converge function with the core city. After all, an advantage of shrinking suburbs is having land and vacant areas. On the contrary, having no land can cause shrinkage. Aiming to increase competiveness of shrinking communities, they might network with their neighbouring communities and establish so-called strategic inter-communal alliances with a motto "together we are stronger". A good example is a community Rüdersdorf with prevailing industrial land use. This community lacks space and conditions for residential land use. Lack of areas for new developments could cause shrinkage in the future; that is why housing land use has been preferably shifted in the neighbouring community (In exchange, the neighbouring community could send new industrial investors in Rüdersdorf. "It is better to keep potential user near-by than lose an opportunity of investment completely").

In conclusion, we refer to Clapson (2004) who says that it does not matter whether core city or suburbs (or both) will provide good housing conditions, social opportunities and job supply, and freedom from any decay, overcrowding, and despair – being a main reason for suburbanisation. The shrinking suburbs have two great opportunities: (1) space where they can realise new ideas and develop population densities adjusted to human needs and can provide direct access to green or even waterfront surroundings, and (2) improved environmental parameters (water and air quality, fauna and flora diversity, etc.). The latter factors offer good quality of life and might also provide opportunities for future development (residential, tourism, and recreation). These resources are scarce on the global level; hence, their value will increase in future.

7.3.4 Subproject: An Urban Ecology Perspective on Micro-enterprises in the Cultural and Creative Industry in Berlin (Maike Brammer)

7.3.4.1 Introduction

In Germany, Berlin is one of the international centres of creative and cultural production. The cultural and creative industries have grown enormously in the past decades; therefore, they received growing attention in the scientific community. The concept of cultural and creative industries has been transformed in the last decade with scores of new definitions. The statistical definition of the term is interpreted in many different studies. In Germany, the discussion recently reached an agreement to combine economies of being valued as cultural and creative industries. This research is based on the definition of the European commission for cultural and creative research in which the field of cultural and creative industry encompasses an industry complex of eleven sub-markets. The essential criterion of definition is the profit-character of the company. Nine of the eleven sub-markets are

subsumed under the term "cultural industries". These are *music and book market, art market, film industry, broadcasting industry, performing arts, design, marketing, architecture market,* and *press market*.

Additionally, the two sub-markets *advertising market* as well as *software/games industry* as so-called "creative industries" are included in the definition (Söndermann et al. 2009). In the following paper, the term cultural and creative economy is used synonymous for the term cultural and creative industry.

About 75% of the cultural and creative economies in Germany are small and micro businesses. Some observers find evidence for a closer local integration of small firms than large firms (Koschatzky and Zenker 1999), because these firms tend to locate in spatial proximity and influence the neighbourhoods in which they settle. This paper is going to evaluate the externalities which micro businesses contribute to the local development in a deprived area of Berlin. I argue that the different markets and branches of the cultural and creative economy have diverse ecological, social-cultural, and economical effects on the local neighbourhood development. Based on the concept of embeddedness in a spatial perspective, the central element of this paper is to reveal the various effects of the different markets in cultural and creative economies in relation to their level of spatial embeddedness and whether there are differences depending on the locations on micro scale levels such as a store front level or upper level.

To discuss the impact of cultural and creative industries on neighbourhood development, my research questions are

What effects do the different markets of the cultural and creative industry generate within the local neighbourhood development? Does it matter where the firm is located (store front level or upper level)?

What interactions occur between creative neighbourhood development and the embeddedness of the cultural and creative industry to the local environment?

In my dissertation, I will furthermore examine new evidences in economic geography by discussing the relationship between network behaviour and micro location. The approach emphasises also the concept of project organisation. The temporary character of project-based inter-firm relations of micro businesses is going to be characterised for the design, art, and film markets. Projects have become typical in the cultural and creative economies. Grabher described the work of the creative scene as project ecologies and emphasised the temporality and network-based work of the "cultural and creative economy" (Grabher 2004). Therefore, my research questions are

What impact does the spatial concentration have on project organisation and the network interactions?

Where are the differences between the markets of the cultural and creative industry addressing the network behaviour? And how does that differ from the micro scale where they locate?

This paper focuses on the first research question which emphasises the impact on neighbourhood development of cultural and creative economies. The second research questions are not going to be discussed furthermore in this paper.

7.3.4.2 Spatial Concentration, Network Approaches, and Drivers of Urban Restructuring

Micro businesses and self-employed freelancers tend to locate and concentrate in undeveloped areas of the city centre not just for the simple reason of space and money. Florida argues that they concentrate in cities or in particular districts where they like to live. Such places embody a place-based environment that is open, diverse, and tolerant (Florida 2002).

In the literature, several theoretical concepts are discussed that describe different forms of spatial concentration of economic activity. To name a few concepts which underline the fundamental issue of this work, I want to mention the notions about positive externalities of spatial concentrated economic production developed by Alfred Marshall in his work "Principles of Economics" in 1890. Marshall emphasised that the spatial proximity between firms creates an "industrial atmosphere" that generates gains in productivity (Schätzl 2001). Industrial districts are characterised by mostly locally owned small and medium-sized companies which have minimal linkages to firms outside the district (Schamp 2000; Markusen 1996).

The GREMI group (Group de Recherche Européenne sur les Milieux Innovateurs), introduced in 1980 the concept of the "innovative" or "creative" milieu. They have defined a creative milieu as "the set, or the complex network of mainly informal social relationships on a limited geographical area, often determining a specific external 'image' and a specific internal 'representation' and sense of belonging, which enhance the local innovative capability through synergetic and collective learning processes" (Camagni 1991).

The term cluster was popularised by Porter's studies of national competitive advantage. Porter defines a cluster of economic activity as a "geographically proximate group of inter-connected companies and associate institutions in a particular field, linked by communalities and complementarities" (Porter 1991).

Personal and organisational agglomeration approaches have received as "networks" growing attention. Constitutive elements of networks are spatial proximity, cultural proximity, as well as institutional and organisational proximity (Kulke 2009). For the development of a regional or project-orientated network the embeddedness in a corporate human, cultural, social, or political environment can be important for the formation of the network. With Mark Granovetter's notion of embeddedness, the network concept opened up a relational view of the social context of economic action. 'By embeddedness I mean that economic action, outcomes, and institutions are affected by actors' personal relations, and by the structure of the overall network of relations. I refer to these respectively as the relational and the structural aspects of embeddedness' (Granovetter 1990). Granovetter's idea of embeddedness catalysed a numerous body of research on economic networks.

The industrial district stresses the intense co-operation of firms along the same value-added chain while the creative milieu approach describes the institutional embeddedness of firms in similar and related industries. Porter's cluster approach emphasises the generation of competitive advantages through competition as well

as co-operation among co-located firms. The concept of embeddedness emphasises the importance of relations and the structure of relations.

As spatial concentration and network configurations can bring positive effects as drivers of innovation, growth, jobs, and urban restructuring for regional development, there has been growing political interest. In particular, the cultural and creative economy has become prominent in reference to revitalise urban districts. The re-urbanisation and the Renaissance of the inner city districts are recognised all over the world, and are often related to the growth of the "cultural and creative economy", especially in districts where working and living can be combined (Ebert and Kunzmann 2007). Scott even argues that cultural and creative economies tend (though not always) to be environmentally friendly and generate positive externalities. They contribute to the quality of life in places where they locate and improve the image of the local area (Scott 2004). Besides the influence exerted by the creatives as an economic factor, they make a major contribution to local development by local bonding, as a location factor, and with an impact on tourism, real estate, and social integration (Heider 2007).

7.3.4.3 Methodology

The analysis is based on a quantitative and qualitative case study. To examine the research area, I took the characteristics of creative economies into account by analysing deprived inner city districts of Berlin, which tend to be potential locations for the creative and cultural economy. For the area of research, I chose the deprived district Reuterquartier in the northern part of the borough Neukölln. To provide a complete picture of the cultural and creative economy of the Reuterquartier, I conducted a standardised survey of creative micro-entrepreneurs. The quantitative case study is based on a statistical census of the cultural and creative economy of the Reuterquartier. A total of 165 companies were identified from the creative core. Overall, 83 questionnaires for the evaluation are considered. This represents a response rate of 50.3%. The data collection was completed in August 2009.

To provide further useful elements that help to characterise the nature of Neukölln's creative economy agglomeration, network behaviour and effects on the local neighbourhood development, an explorative, qualitative case study has been done. The qualitative approach had been focused on the three dominant markets in the cultural and creative industries of the research area Reuterquartier: the design, film, and art markets. For the qualitative case study, a semi-standardised interview has been conducted, primarily using the technique of face-to-face dialogues. Within the design, art, and film markets, 18 firms have been interviewed. In addition, 12 experts from planning institutions, government, and scientists have been interviewed.

7.3.4.4 Preliminary Results

The local embeddedness of firms relates to the impact of culture and creative industries. Particularly social and cultural impacts are related to the level of local embeddedness, although ecological and economical impacts can be characterized and differ by branches and by the micro scale of location. The impacts of cultural and creative industries on neighbourhood development are classified in ecological, social-cultural, and economical impacts. These three major impacts are characterised as follows (see Fig. 7.6).

Ecological impact: City of short distances and neighbourhood greening

The quantitative analysis reveals that 60.1% of the interviewees live in the neighbourhood (Reuterquartier) of their workplace, 17% live in the borough where they work, and just 22% reside in other parts of Berlin. There has been no difference in branches or according the location of a firm; all interviewees in the qualitative analysis said that they use their bike or go by foot to work and run their errands mostly in the neighbourhood. This finding stresses the argument of Scott, in which he argues that the creatives tend to be environmental friendly as they get to work by bike or by foot.

> 'I have to pass the kitchen to get to my studio. But Thomas gets here by bike. And if we have a big order we do "car sharing". We do not have our own car.' Interview ABS 05

The tree collar "Baumscheibe" is an important aspect of "greening the streets" and contributes to the natural development of the districts. It also emphasises the encouraging image of a neighbourhood and has positive externalities to the real

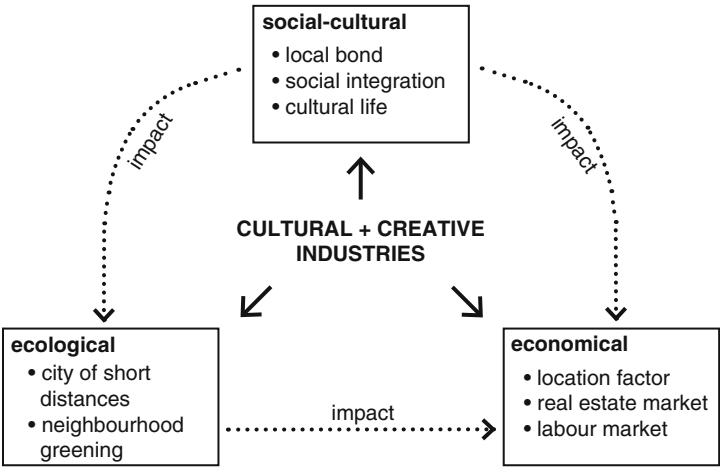

Fig. 7.6 Impacts of cultural and creative on neighbourhood development
Source: Brammer, original figure

estate market. Fostering of the tree collar and greening of streets are clearly linked to the floor where the firm is located. Almost every firm which is located in the store front level is engaged in "greening" the Reuterquartier. In contrast, firms located in upper floors of creative lofts and warehouses in the research area are not typically involved in "greening".

Social-cultural impact: Local Bond, social integration, and cultural life

The theoretical concepts of clusters, industrial districts, and creative milieus stress on co-operation and collaboration among certain firms as a major element of spatial concentration. Many cultural and creative goods are mainly aligned to a local or regional network. In this case study, design and in particular art businesses are more embedded in their local environment and collaborate more with other co-located businesses than film businesses do. About 80% of the art businesses are taking part in temporary neighbourhood events like the art festival "48 Stunden Neukölln or Nacht und Nebel". It is also noticeable that more than 60% of the firms who locate in storefront level are involved in temporary neighbourhood events. They generate cultural attributes and improve the cultural atmosphere in the neighbourhood by also having open studios, art sales, and design markets in the area. The qualitative analysis reveals that design businesses and art businesses located in store front studios often are strongly bonded to their local and regional neighbourhood. That is for the reason of spatial and cultural proximity and social embeddedness. As well as that, their economical development is heavily linked to their direct surrounding.

The quantitative analysis also exposes that around 15% of the art, design, and film businesses are involved in local city development processes by being part of a local committee.

> 'It's is planned that we are focusing on Neukölln' Interview PW 01

> 'For us, spatial proximity is very important. . . . In the future, we like to work together with the company "common works". They are located right around the corner . . . and we know they do fair business and pay fair wages.' Interview TA 06

Only a small fraction of interviewed design and art businesses located in store front studios improve the social integration by offering workshops or other social cultural projects. Culture here is used directly as a social tool to improve the life of the poorest members of the neighbourhood.

> 'I offer "talks" about my job. I also work with school in the neighbourhood' Interview PW 01

7.3.4.5 Economical impact: Location factors, real estate market, and labour

The image of the location is significant as a location factor as well as the creative, social, and cultural atmosphere. This is further stressed by the high significance of proximity to other businesses in creative and cultural industries. Therefore, the

creative business can be seen as a location factor itself. In real estate development, the cultural and creative industries gained growing attention in different perspectives. The rising rental prices and therefore a growing gentrification affect the real estate market. Many creatives put major energy in the renovation of run down store front studios. The rental of store front studio spaces to the creative also has an impact on the rental of an apartment in the house.

> 'We really enhanced the house by a major renovation we did in our studio. Although the landlord of Klaus and Denise (artists) said that he has from now on no problems to rent the apartments in the houses. In the past, he had to do much advertising. Also, he paid the artists to remodel the façade of the house.' Interview LK 12

Even small firms employ staff. Although this employment tends to be on a freelance/project basis, it also contributes to the labour market. The quantitative and qualitative analysis reveals that the design market and particularly the film industry are employing obviously more people than the art market. Also, the film market does offer more internship positions.

7.3.4.6 Conclusions and Outlook

The aim of this paper has been to outline an urban ecology perspective of my work on cultural and creative industries. Therefore, this article answered in general the question what impacts the creative and cultural industries have on the social dimension of urban ecology. This study has demonstrated so far that cultural and creative industries generate particular externalities to the local neighbourhoods and districts. It has shown that ecological, social-cultural, and economical impacts on the neighbourhood are linked to the micro scale of location and to the branch of cultural and creative industries. Spatial and cultural proximities provide a sticky environment with a social-cultural impact like local bond and social integration. In the research area, three sub-markets – design, art and film markets – have been compared. It has shown that particularly art and design businesses which locate in store front studios are more embedded in their local environment. Empirically, these firms generate more social-cultural attributes and improve their neighbourhood. The businesses which are located on the store front level imply more ecological impacts like neighbourhood greening. Therefore, the film industry, which mostly concentrates in warehouses and loft locations, does bring more effects to the labour market.

This paper could not yet address the conclusions for a sustainable local and regional policy with respect to small firms in the art, design, and film industries in deprived areas. But, it made clear that we need detailed analysis to address regional policies. This question will be discussed in the future approach. The forthcoming research will also argue to what extent the findings support or discredit the applicability of spatial agglomeration and embeddedness in relation to utilisation to a local network. Furthermore, the approach will emphasise the concept of project organisation in the art market, the film industry, and the design industry of Berlin. Finally, I will outline the relationship between network

interactions and the impacts of creative and cultural industries on local neighbourhood development.

7.3.5 Subproject: "Planner and Owner Interrelations in Temporary Use of Vacant Spaces" (Benjamin Otto)

7.3.5.1 Introduction

Temporary uses of brownfield sites and vacant buildings have been a topic in urban planning and politics since the beginning of the 1990s. The growing interest in this subject arises from fundamental social changes such as the increasing acceleration and flexibility in urban (and as well in individual) time patterns and the socio-economic transformation from Fordism to Post-Fordism (Breitfuß 2003; Kohoutek and Kamleithner 2006). As a result of industrial decline and arising service society, both the supply of (temporary) brownfields and the demand for these areas have increased. At a theoretical level, temporary uses may be considered as a new form of spatial production and spatial use. At a more applied level, it can be argued that these temporary uses have a high relevance for a sustainable urban development in all dimensions (economical, ecological, and social sustainability) which should not be underestimated (BBR 2008; Urban Catalyst 2007). In the best case, all stakeholders can benefit from temporary uses: The user can rent space for a low amount of money, the landlord can reduce his maintenance costs, and the municipality can avoid the negative effects of extensive vacancy and decay in certain areas.

The research on temporary uses is mainly applied. In particular, legal and economic problems and obstacles with landlords and municipalities in the practical implementation of temporary uses are the focus of attention. Usually, case studies are examined at the local level to derive policy recommendations and best-practice solutions (e.g. Gallenmüller 2004; Heydenreich 2008). There is a lack of more critical approaches and attempts at a theoretical classification. This research project will try to reduce this research deficit. Starting with the motives and objectives of the stakeholders (landlords, users, municipalities, and intermediaries), the phenomenon "temporary use" will be examined in the larger context of social change to obtain a sound theoretical explanation for its growing importance in scientific and political discussion. Special emphasis will be given to the landlords and the municipalities because despite all the advantages temporary use should have for them, these uses are still a niche phenomenon. In particular, the landlord's reservations are often strong, so that only a small fraction of all the unused land is used for temporary activities.

In the following chapter, at the beginning, the term "temporary use" is defined. Then, it will be clarified how these uses can contribute to a sustainable urban development and why there can be advantages for all stakeholders. Following this, the research questions are derived and choice of study area and methodology

are explained. Afterwards, one aspect is discussed in more detail, namely, which obstacles prevent landlords and municipalities from establishing temporary uses.

7.3.5.2 Definition of Temporary Use

Two characteristics of temporary use are particularly important for the distinction between temporary (or interim) and permanent uses: the temporality of a use and the change of a use. Of course, in the long run, all uses are temporary. So, the decisive criterion is that the use is seen as temporary from its beginning and by all involved stakeholders (Haydn and Temel 2006: 17). However, this also applies, e.g. for most commercial leases. Therefore, the second criterion is a change of use: An area or building is temporarily used for another purpose than it was originally intended to when it was erected. The previous use has ended and a new permanent use has not yet started. Normally, the landlord has certain ideas and plans about the future use of his property. But, these plans cannot be implemented yet for various reasons like a lack of funding or prolonged planning procedures. During this time, a temporary use can take place which does not meet the long-term expectations of the landlord's wishful thinking: Mostly, the generated returns are too low, or if the land is owned by public authorities, there is different use planned (Overmeyer 2007: 45).

The most common types of temporary uses are gastronomic uses such as beach bars, green uses such as community gardens, and sport and leisure uses such as beach volleyball fields. Most temporary uses arise in residual and in-between areas in or near the urban centre because a good infrastructure and an attractive locality are necessary for their success (Urban Catalyst 2007: 275).

7.3.5.3 Temporary Uses as Part of a Sustainable Urban Development

Temporary uses are often considered as an important element of sustainable urban development (BBR 2008; Overmeyer 2007) because "they have a capacity to create maximum effect with minimum resources" (Hentilä and Lindborg 2003: 20). Temporary uses per se possess an element of economic and ecological sustainability, as they always recycle previously used land and buildings, save resources, and match the planning principle of internal development instead of exterior development. Through interim use, buildings and areas like former industrial estates, obsolete transport infrastructure, (e.g. harbours, freight depots), and unused offices are maintained, which would otherwise expire. And, temporary uses may offer additional benefits for urban development (BBR 2008; Urban Catalyst 2007): They can generate a new image for disadvantaged neighbourhoods and stimulate economic development there which has a positive impact on the redevelopment of these areas. They offer the possibility of participation to realize the citizen's wishes quick and non-bureaucratically and establish grass-root urban development processes.

Fig. 7.7 Temporary use of an inner-urban brownfield for urban agriculture in Berlin
Source: Photo taken by Katharina Winter

In particular, green temporary uses such as intercultural and neighbourhood gardens have a very sustainable component, since they provide green spaces in often highly compacted areas and achieve in this way both socially and ecologically sustainable effects (Rosol 2008, see Fig. 7.7). Furthermore, a research project showed that wasteland left to itself in the city is often of high ecological value (Strauss and Biedermann 2006). But, such areas are often not accepted in residential neighbourhoods and are uses as dumping area and for dog walking so that the ecological value is reduced (Heydenreich 2008: 236).

For the successful implementation of temporary uses, not only the municipality but all stakeholders must gain benefits through them – especially the landlord. Possible advantages include protection from vandalism and decay, lowering maintenance and security costs, forming a new image for the property, and attracting tenants and/or investors (Hentilä and Lindborg 2003: 17). Finally, temporary uses have also advantages for the users. Normally, the rent is much lower than the market rates for comparable spaces. Due to this and shorter contract terms the risk of failure is reduced for start-ups and small entrepreneurs (BBR 2008: 116).

7.3.5.4 Research Questions, Study Area, and Methods

From the above considerations, the following research questions arise:

- What are the motives of landlords to allow temporary uses on their property? Can certain types of landlords be identified who are more likely willing to establish such uses?
- What are the motives of temporary users and what kind of user types exist?

– How big is the influence of the municipality on temporary uses on privately owned land?
– Has the general acceptance of temporary uses in the context of real estate and urban development processes increased? Is there an institutionalization of temporary uses?

Berlin is chosen as study area because in this city, "the temporary always had a very strong influence on urban development" (Overmeyer 2007: 45), due to many radical changes in the city's history (cf.: Oswalt 2000). As a result, on the one hand, there are a lot of inner-city open spaces which can be used for temporary activities. On the other hand, there are also enough young and creative people who want to use these brownfields. Accordingly, temporary uses are more common in Berlin than in any other German and European city.

Methodologically, a qualitative and exploratory approach is taken to answer the research questions. This is necessary because the research topic is very dynamic and only little scientific literature exists so far. The first step is a registration of the temporary uses in Berlin and creating a map which shows their geographical position. Since there are no statistics on this subject besides one publication (SenStadt 2007), this is done mainly through own primary research on location and desk research in newspapers, existing literature, and the Internet. Furthermore, explorative expert interviews are conducted with people who have studied in theory and practice with the issue temporary use. In the second step, from the recorded temporary uses, case studies are selected. For each case will be sought to speak with the user, the landlord and other key actors involved like municipal authorities, to get a comprehensive picture about the stakeholder's motives and assumptions to answer to the overriding question. In addition, in-depth interviews with the planning offices of the districts and landlords conducted, as little attention was paid to these two groups of stakeholders in previous studies.

7.3.5.5 Obstacles Despite Benefits

Despite the benefits temporary uses have apparently for all stakeholders, the number of unused wastelands and empty buildings exceeds significantly the number of temporarily used areas. This is true even in Berlin, which can be considered a centre of creative, temporary uses. The concerns and barriers to this kind of exploitation appear to be larger than suggested by many authors.

One problem is that an interim use is rarely profitable from a purely business point of view. The rental or lease income is usually low and often does not even cover the administrative and organizational effort – which for a temporary use is the same than for a permanent use and sometimes even higher (Dransfeld and Lehmann 2008; Hentilä and Lindborg 2003). Only in the consideration of additional, usually not precisely quantifiable effects, the landlord can come to the conclusion that such use is worthwhile for him. These "soft" effects include, for example, protection against vandalism or a certain promotional effect by an interim use that facilitates

the marketing of the property. But, even in these cases, there remains another major obstacle: The landlord's fear of an unintentional continuation of the temporary use (BBR 2008: 117). This is especially true for property which the owner expects to be developed or sold short term:

> '... and then I have probably problems to get them [the temporary user] out again. No matter what kind of contract you have, if they sue you, they can stay for the moment. This is too uncertain. [...] No, [one year] is too short and we do not want to have any trouble, so we leave it vacant' (interview with a manager of a medium-sized real estate development firm).

In this question, it also makes no difference whether the landlord is a small landlord, a big real estate fund, or a municipality:

> "[The temporary users] went there as long as the plans of the city were not ready yet. And now, the city has the problem to get rid of them. And that's the biggest fear for many [landlords]: How can I handle the situation that someone with his bar, with his beach volleyball, etc. will not go away, although I progressed in my plans [for the property]" (interview with a manager of the Berlin Senate Department for Urban Development).

Of course, no temporary user is able to occupy permanently a property without the landlord's permission. But, a delayed clearance of a site causes additional costs and any delay can deter potential investors. Thus, a special relationship of trust between a temporary user and the landlord is crucial for a successful temporary use – in addition to a good contract design. Often, the negotiation and cultural behaviour of property owners and temporary users differ so much that intermediary institutions are necessary to achieve an agreement (BBR 2008: 122).

7.3.5.6 Conclusion

Temporary uses will be more common in following decades than today; because of their flexibility, they cope better with the changing social conditions than traditional uses. Furthermore, they have the potential to support the sustainable development of cities in all dimensions. But, if they should be become an integral part of urban development processes and more than a niche phenomenon, landlords and municipalities have to be convinced that temporary uses offer them more advantages than disadvantages. There is a need to take seriously the concerns of the landlords and the local authorities, overcome their prejudices, and establish temporary use as a normal form of land use.

7.4 Final Remarks

The subprojects show that integrating economic development and improvement of the urban ecology is a difficult and heterogeneous project. The simple idea of "internalisation of external effects" is convincing but problematic in its realisation. Especially, if the global approach is transferred to the local level, many obstacles

and factors of influence become obvious. Many actors with different aims, ideas, or approaches are taking influence and have to be integrated. Therefore, it is not really surprising that the subprojects have developed interesting results in detail, but are not yet delivering a general model or strategic approach. But, bringing the analysis and results together, some general observations can be derived:

- All subprojects documented that urban agglomerations are breathing objects; this means that the urban agglomerations do not have a permanent character concerning economy, planning strategies, buildings, and land use. Instead of this, the built-up-areas face a permanent change. And, breathing means that there is no continuous growth; instead of this, the urban landscape shows at the same time parallel trends of expansion – with new built-up areas – of shrinking – with former used and now vacant land – and of change – with transformation of the kind of land use.
- These changes are very much influenced by economic developments or transformations. All large agglomerations in developed economies are facing a sectoral change towards service activities; especially, modern high-ranking services and cultural economy are expanding and are forming new spatial concentrations or clusters. Manufacturing activities are moving out and we are facing a transfer from a Fordist industrial economy to a post-Fordist flexible economy; this tendency is especially strong in Berlin where the post-socialist transformation resulted in a strong de-industrialisation process. The economic change delivers vacant land and buildings in central areas and even at the outskirts, which opens opportunities for new uses, often by establishing service activities.
- These processes of change open the possibility of improving the environmental situation of the landscape of the agglomeration and on the local level. But, to realise these environmental improvements, strong land use planning and management influences are needed. The realisation is quite difficult because of the many actors involved, their differing aims, sometimes lacking consciousness, and limited planning instruments.
- Generalised there are three major groups of actors – the enterprises, the consumer/clients, and the planner/politicians – involved in the developments. But, these groups can be subdivided into many smaller groups in detail. Their different aims and strategies must be integrated for a comprehensive development approach. Interesting for developing new forms of land use in vacant locations is especially the group of land-owners. They – of course – try to maximise their income and land value; this strategy sometimes is in conflict with improving the ecological situation and opening the spaces for temporary forms of land use. And often, enterprises are not really aware that integrating ecological aspects into their locational design can be an element which not only just improves the environment but in addition might be a positive factor in competition. The case study of cultural economy shows that for modern services, this element already possesses a certain kind of importance.

– In general, there is a need for all actors to raise the awareness for ecological elements in their behaviour. Consumers can change their spatial and article behaviours towards more ecological friendly products (see the case study of environmentally friendly shopping), planners/politicians can utilise the land use changes for improving the ecological situation in the agglomerations (see the case study of challenges in planning), and enterprises may design their locations in a more environmentally friendly way (see the case study of cultural economy).
– The case studies show that the instrument of temporary use can be a good tool for improving the landscape development in a breathing agglomeration (see the case study on temporary use of vacant spaces). Up to now, shrinking and change seem to have a negative connotation; but these processes are opening possibilities to improve the urban landscape and temporary use might be a short-term bridge for long-term improvements.

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