

BACK ON CENTER STAGE

BY MICHAEL MÜLLER, GOVERNING MAYOR OF BERLIN

Berlin was an eminent spot in the world of academia in the Roaring Twenties and is again becoming the place to be for young talent and top-notch scientists. One in three newly enrolled students at our universities and colleges comes from abroad, and the percentage of international faculty in the city is on the rise. From artificial intelligence and cutting-edge medicine to the worlds of literature and ancient civilizations – few other locations can offer such a wide range of leading expertise and state-of-the-art research. You wouldn't expect the city's mayor to say anything else, of course, so I'll let the facts speak for themselves.

Berlin? A global top-ten destination, says the UK-based QS Best Student City listing. The city boasts a unique density of excellent universities, according to the Times Higher Education international ranking, on a level with the likes of Boston, London, Paris, Hong Kong and Los Angeles. Berlin's newest flagship enterprise, the Berlin University Alliance, formed by the Freie, Humboldt, and Technische universities, was recently distinguished for its excellence in a tough national competition, together with the Charité, which itself was just named Europe's best university hospital, scoring fifth worldwide in the Newsweek's recent evaluation of a thousand university hospitals around the globe.



Governing Mayor of Berlin: Michael Müller

This time-honored institution is now an acclaimed TV star, too, with its three centuries of history and an audience of millions on all continents. Check out the first two seasons of *Charité* on Netflix, if you haven't seen it yet. No doubt about it, 30 years after the fall of the Berlin Wall, higher education and research are playing a key role in the German capital and enjoying high priority for its government. They are back on center stage.

"Brain City Berlin," as it's known in an information campaign, is now home to a quarter-million students, researchers and staff employed by the 30 academic institutions and over 70 research institutes across the entire city. And with the bright minds come the companies, making Berlin one of the world's most attractive locations for tech-savvy entrepreneurs and investors on the lookout for the next big thing.

A true boomtown for young startups and the ideal foundation for established multinationals like Siemens seeking to reinvent themselves in the digital age. This unique environment is the key to Berlin's positive economic development of the past few years, with tens of thousands of new jobs, continuously shrinking unemployment rates and steady budget surpluses in a city formerly dubbed "sexy, but poor."

But it's not just its size and the sheer numbers that do the trick. One of Berlin's most attractive features is its distinct culture of cooperation, both among the institutions within the city and even more so with the world surrounding it. Oxford University's decision to form a strategic alliance with our universities and its plans to establish a presence here is just one recent example. Likewise, international funding heavyweights such as the Bill and Melinda Gates Foundation, the Wellcome Trust and George Soros' Open Society Foundations are moving to the city to be part of its dynamic environment, and not least for the promise of a place that breathes freedom and stays true to the ideals of openness and tolerance.

It is important that we keep our doors open wide and welcome people from all over the world with joy and hospitality, whether they are Nobel Prize winners or people seeking refuge from oppression. Any calls for limiting the number of people who move to Berlin are absurd and harmful. Berlin is and will remain a place of openness, a place where borders are overcome and walls are broken down. The German capital is a center of intellectual life and a modern marketplace of ideas, guided by international dialogue and exchange, and with the ambition to contribute to solving the challenges that face our societies, be it climate change, the impact of the digital transformation, questions of social cohesion or global health.

The very week in which we celebrate the 30th anniversary of the crumbling of the Berlin Wall will also feature the Berlin Science Week and the Falling Walls Conference. Both annual international events offer a stage for young talent and top-notch scientists – and myriad opportunities for Berliners to dive into the world of research and innovation. I look forward to seeing you there.

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Publisher and liable for editorial content:
Detlef Prinz

Printed in Berlin by Dogan Media GmbH
An der Brücke 20-22, 64546 Mörfelden-Walldorf

© Times Media GmbH, Tempelhofer Ufer 23–24,
10963 Berlin, Germany

www.times-media.de

Can't we just stay poor?

Berlin is – famously – poor but sexy, yet the city is now booming. Its tens of thousands of new arrivals could renew the German capital, but Berlin's older established residents see it all as a plague

BY JAN-PHILIPP HEIN

There are few places in Berlin where one can simultaneously experience prosperity and misery better than around the Schönleinstraße subway station. Anyone exiting a subway train at this stop on the German capital's most notorious U-Bahn line – at any time of day or night – has a good chance of seeing a junkie working his or her needle. Then, by climbing the south staircase and walking a few steps to the right, the contrast could hardly be greater. Diefenbachstraße is now considered one of Berlin's most beautiful streets, lined on both sides with crisply restored turn-of-the-century façades and rows of sycamores providing shade.

It's the happy few who can live here, as it now requires either a generous income, substantial savings or a big inheritance. For €12 per square meter, it could be yours. That might sound like a steal for residents of Paris or London, but the Berliner's perspective is a different one. Since 2009, rents on Diefenbachstraße have nearly doubled. And this leafy lane in Kreuzberg is far from an exception.

In no other German city – let alone the countryside – have real estate prices risen as drastically as in Berlin. The reason is simple: The city's population grows by 40,000 every year, with nearly all new arrivals coming from abroad. Berlin has a global reputation for being particularly authentic and raw. A cynic might say that only the German capital still has junkies in its finest neighborhoods.

Berlin is taking a rather passive approach to the influx. Twice in a row, the number of newly approved apartment development projects has fallen. Any investor with ambitious plans can expect protests from the start. Wherever construction machinery is visible, a citizens' initiative is sure to follow. Berlin wants to stay as it is, damn the consequences.

Keep in mind that the exploding rents chiefly affect those who want to move in but haven't yet; those who have lived for decades in Kreuzberg's old leftist "36" neighborhood, on the more upscale streets around Bergmannstraße or any of the other hyper-cool prewar neighborhoods pays a couple hundred euros for a few rooms with creaky floorboards, ornate stucco and French doors and has no wish to see their neighborhood change, thank you very much.

Most native Berliners and those who assimilated here long ago thus experience the city's current boom as a kind of plague. The surrounding misery, meanwhile, is for them a kind of romanticized urban backdrop that should just be left the way it is, free of private sector interference and – worst of all – modern apartment buildings.

This attitude is not subversive. In Berlin, it is canonized as official policy. Some months ago, Kreuzberg's commissioner for construction, Florian Schmidt, publicly celebrated having successfully fended off the establishment of a Google campus in his district. Schmidt, a Green Party member, knows well the reactionary instincts of his constituents. A citizens' initiative had been

warning tirelessly that the mere presence of the California-based tech giant would instantly turn the hood into a turbo-capitalist antechamber of hell.

In other words, at the moment, an investor run on the city is cohabiting with the old established Berliners' concrete resolve to keep everything as is. The trouble with emotions, though, is that they rarely allow for second thoughts.

The city needs the new arrivals and their new ideas. They hold the key to restoring the economic backbone Berlin lost after World War II and has been unable to re-grow ever since.

Not one corporation on Germany's blue-chip DAX stock index

One can assume that a man like Michael Hüther would be an unwelcome guest at most homes in the former Cold War poster child. The professor of economics and director of the German Economic Institute, which is frequently labeled "employer-friendly" – an insult almost as grave as "investor" – certifies that Berlin has the "stamina of an island." Its "conservationist structures" are substantial, he writes, and he means more than just the district of Kreuzberg.

Those reflexes work just as well in parts of the city's former east. While much of the Prenzlauer Berg district has become a world of its own and, through inattentive urban planning, has irrevocably

become a postmodern Green bubble of prosperity, Friedrichshagen, like Kreuzberg, is a hotbed of urban conservation – and also under the authority of construction commissioner Schmidt.

At some point, however, Berlin is going to have to finally grow up. And Hüther, an economist, says the conditions for that upcoming spurt of maturity are not at all bad. "The fact that it has next to no industry makes Berlin less dependent on economic cycles," he writes. That a city that happens to be the nation's capital also sports a big administrative sector is hardly surprising. Berlin dynamic culture, including oodles of restaurants and hotels, Hüther says. But especially important and an essential part of the current boom is the startup sector. And this, he stressed, is where problems need to be solved.

These problems extend beyond the capital; they affect the entire country, Hüther says. Entrepreneurs receive support only at the outset. Subsequent rounds of financing for startups are a taboo in the land of Benz and Daim-

ler, he regrets. Good ideas can be hatched in Berlin but not carried forth to the point that they become real money-spinners and underpin new global players. Mail-order giant Zalando's status as a veritable force in the city is the exception that proves the rule.

Of course, Germany can do little to stimulate the country's venture capitalists. But the signals emanating from the capital point in the opposite direction and serve only to reinforce the already extremely risk-averse – that is, innovation-averse – stance of this city's idea financiers.

Instead of encouraging the many people and ideas that flock to Berlin, the city prefers to curl



Sellout: Tenants in Berlin's hip district of Kreuzberg protest against the sale of their building to a real-estate financier.

is based in the capital. Siemens, for example, fled to Munich after the war. Unlike other European capitals, Berlin is like a boarder living off the rest of the country's wealth. Every year, Berlin is subsidized to the tune of billions of euros through Germany's state compensation scheme. The city's biggest companies are the state-owned Deutsche Bahn, the state-owned Charité hospital, the publicly owned Vivantes healthcare group and the BVG transit authority, which indeed also belongs to Berlin.

Of course, unleashed construction and private sector growth would not directly help the junkies in the subway. But the city's disastrous school system and its snail-paced administrative structure – one that can hardly keep up with its duties, including the issuance of construction permits – are the result of Berlin's economic weakness, which in turn has much to do with the mentality of its people. The city could do much more to care for its neediest if it were not a welfare case itself.

up into a ball and tolerate these people only as long as they are not too successful. If this dynamic ever changes, the possibility that the city, too, will change is sure to trigger a fresh wave of citizens' initiatives.

According to Hüther, Berlin has a "backward-facing cultural substrate" that prevents the city from growing beyond its current guise. The potential that this city deliberately wastes has practically no comparison, he writes. People here even seem proud of this fact. One day, the boom will end. When several generations of successful entrepreneurs experience Berlin as a city with forcibly imposed restrictions, they will say so. And when that happens, the residents of Kreuzberg will again find themselves completely undisturbed in their habitat, with a bit of misery as decoration – after all, it's authentic, right?

Jan-Philipp Hein is a Berlin-based freelance journalist and founder of the writers' platform Salonkolumnisten.