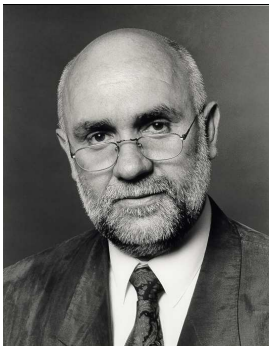


Editorial



Prof Dr Rolf-Dieter Postlep,
Head of the Department of Regional
and Transportation Research, states:

'Berlin at the turning point.'

The change in the seat of German central government from Bonn to Berlin is virtually complete. The foreign consulates, trade missions and international organisations will soon follow suit. For Berlin the change of capital marks the most important shift in its external parameters since unification. And, from a regional perspective, it was absolutely vital, because the economic upheaval that followed unification has left deep scars on the regional economy. Berlin was the state with the slowest rate of economic growth in Germany, unemployment rose to east German dimensions and has remained at such a high level since. But now the turning point appears to have been reached, and the future seems brighter. The general mood has begun to improve – and it is well known that economic prosperity has something to do with such collective moods. The newly arrived central-government politicians are increasingly formulating not merely national, but also regional-policy goals. Many firms in Berlin see the change in the seat of government as an important stimulating factor, one that will intensify the positive effects of the fundamental structural change within the Berlin economy towards becoming a services centre. The composition of forums and discussions circles in the capital will increasingly be supra-regional and international – and that is a good thing. Berlin and the city's politics have for too long lived on the basis of its insular view; politically, rent-seeking from central government was often a more promising strategy than independent and innovative behaviour. The internationalisation of economic activity has served to substantially intensify competition, not least at regional level. Since reunification the Berlin region has increasingly had to face up to such competition on its own responsibility. This has meant, firstly, close cooperation with the state of Brandenburg, which surrounds the city, ideally leading to fusion of the two states. Secondly – if proximity to eastern Europe is seen rather as a long-term option – Berlin must exploit its two most important current endowments: its unique public research infrastructure and the fact that it is now the seat of government and the capital of the country. Politicians in Berlin and Brandenburg will have to upgrade their skills significantly if they want to take advantage of the synergies that may result, as it were as a by-product, from the international linkages in which central government participates. It is not only private, but also public institutions that are required to undergo internal change.