

Berlin's elections**The cost of cool****To stay sexy, must the German capital remain poor?**

Sep 17th 2011 | BERLIN | from the print edition

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CLOUD clamps on to the rooftops in October and stays until April. The language seems equally forbidding to many. Berlin's streetscapes and restaurants dazzle less than those of Paris or London. Apart from that, it is hard to find fault with the city. Berlin has music, art and nightlife to rival Europe's more established capitals, but not their high costs and hellish commutes. It is a metropolis with the lazy charm of the countryside.



Still on the edge

It took a while for people to notice. After the brief euphoria of unification in 1990, the West's subsidised industry and the East's socialist enterprise collapsed alongside each other. On measures like employment, public debt and school performance, Berlin ranks at or near the bottom among Germany's 16 states (it is one of three city-states). Klaus Wowereit, who hopes to be re-elected to a third term as mayor on September 18th, memorably branded the city "poor but sexy".

That is its magnetism. The federal government's move to Berlin from Bonn in 1999 was a political decision. "Creative" folk are drawn from across Europe and America by cheap studios and frontier-like freedoms. Berlin's centre still has voids to be built on and argued about. "Easyjetsetters" infest clubs and bars at weekends. More than 1m newcomers have replaced Berliners who have died or left the city since the 1990s.

Effervescence pulls in investors. Google plans an "institute for the internet and society". Industrial clusters have formed in health, transport and green technology. Parts of the media have relocated from Hamburg. Germany will never be as centralised as Britain or France, but if people have something to say to a national audience they tend increasingly to say it in Berlin.

Since 2004 Berlin has created jobs at a faster pace than the German average. It leads the country in business start-ups. But the city is defined as much by its inertia as by its energy. A fifth of Berliners live off social transfers. Unemployment is still close to double the national rate because the workforce has recently expanded almost as quickly as the number of jobs. In Berlin "aspiration can be a negative word," says Philipp Rode of the London School of Economics. Much of its energy comes from outsiders. Even the aspiring are often thwarted: 29% of social scientists and 40% of artists are jobless, according to DIW, a Berlin think-tank.

Mr Wowereit, a Social Democrat, strives to channel the city's edginess while reassuring Berliners weary of change. That is one reason why he is likely to win re-election. (The main suspense involves the Greens, which could replace the ex-communist Left Party as Mr Wowereit's coalition partner, and the open-source-inspired Pirate Party, which might enter a German state legislature for the first time.) But the straddle is becoming harder. Rents, although still low, have jumped by 30% since 1999. The Swabian yuppie, with multiple offspring and a fondness for coffee bars, is a widely despised figure. "Berlin's drama", wrote *Berliner Zeitung*, a local newspaper, is that its "creative richness is inseparable from its economic poverty." That will be Mr Wowereit's puzzle, if he wins.

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