Towards undivided cities in Western Europe
New challenges for urban policy
Part 5 Frankfurt

M. de Winter
S. Musterd

Delft University Press
TOWARDS UNDIVIDED CITIES IN WESTERN EUROPE
New challenges for urban policy

PART 5 FRANKFURT
Ministry of Housing, Spatial Planning and the Environment

The city of the Hague

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Amsterdam Study Centre for the Metropolitan Environment
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TABLE OF CONTENTS

1 INTRODUCTION .................................................. 1
   1.1 Segregation problematic and research objectives ............ 1
   1.2 The Frankfurt case ........................................ 2

2 THE INSTITUTIONAL CONTEXT .................................... 5

3 SPATIAL SEGREGATION IN FRANKFURT AND THE LARGER URBAN REGION ........................................... 9
   3.1 Introduction ............................................... 9
   3.2 Socio-economic segregation ................................ 11
      3.2.1 Indices of social risk ................................... 11
      3.2.2 Unemployment in the region ............................. 16
      3.2.3 Socio-economic position and ethnicity ................ 18
   3.3 Ethnic segregation .......................................... 18
      3.3.1 Ethnic segregation in Frankfurt .......................... 18
      3.3.2 The development of ethnic segregation: Frankfurt and the UVF ... 20
      3.3.3 Indices of segregation ................................... 21
   3.4 Profile of the housing supply ................................ 23
   3.5 Conclusion .................................................. 25

4 IMPENDING SEGREGATION IN FRANKFURT AND THE UVF .................................................. 27
   4.1 Introduction ............................................... 27
   4.2 The historical context ...................................... 27
   4.3 The changing demographic structure: suburbanisation and immigration .................. 29
   4.4 Economic restructuring ...................................... 30
   4.5 Welfare state restructuring ................................. 31
   4.6 Conclusion .................................................. 33

5 NATIONAL AND LOCAL POLICY AIMED AT THE UNDIVIDED CITY ........................................... 35
   5.1 Introduction ............................................... 35
   5.2 Immigrant policy ............................................ 35
5.3 Desegregation policy: the Frankfurter Vertrag ...................... 36
5.4 National and local policy aimed at the undivided city ............. 38
5.4.1 A comprehensive approach? .................................... 38
5.4.2 Compensating measures ....................................... 39
5.5 Housing policy aimed at the undivided city: urban restructuring 41

6 CONCLUSIONS .................................................. 43

REFERENCES ..................................................... 47

LIST OF ABBREVIATIONS ......................................... 49
INTRODUCTION

1.1 Segregation problematic and research objectives

For several years, the prevention and abatement of (spatial) segregation on the basis of income and ethnic identity have been high on the Dutch political agenda. Local authorities and the larger cities have been combating physical and socio-economic decline in certain districts with varying degrees of success. The national government has become convinced of the need to tackle segregation in many urban areas. Besides mounting an offensive against the causes of social marginalisation, housing policies are also considered key. Yet the possibilities and limitations of using housing to combat segregation have not been demonstrated.

The problems of deprived areas are certainly not unique to the Netherlands. Other cities in Europe and elsewhere have encountered these problems, many to a larger degree. Most often policy is geared to prevent the differences between neighbourhoods and among population groups from growing.

The local authority of The Hague and the Ministry of Housing (VROM - Housing, Spatial Planning, and the Environment) met to explore the options. They have taken the initiative to set up an international exchange of experiences with regard to the opportunities and limitations of policy—particularly housing policy—as an instrument to prevent or reduce spatial segregation in the city and region.

The objective of this study is to find out what the experiences of the Netherlands and other countries can teach us about this problem. Two research institutes—AME (Amsterdam study centre for the Metropolitan Environment, at the University of Amsterdam) and OTB (Research Institute for Housing, Urban and Mobility Studies, at Delft University of Technology)—conducted a comparative study of this problem. The study covers six European cities and their agglomerations: The Hague, Barcelona, Birmingham, Brussels, Frankfurt, and Lille. The investigators asked several key informants in those European cities for information that could shed light on the following questions:

1. What general economic and demographic trends are involved in the emergence and the abatement of segregation? How is the welfare state structured? To what extent has that structure been undergoing change recently?

2. To what extent is segregation seen as a problem by policy-makers at the
national, regional, and local level? In what direction is the perception of segregation as a problem developing?

3. To what extent does segregation on the grounds of socio-economic position and ethnic identity occur within the city and between the city and its hinterland? How does the phenomenon of segregation develop at the local and the regional level?

4. What kind of policy is implemented at the national, regional, and local level to combat segregation? To what extent are instruments used to buttress the economic structure, to offer training, to promote employment, to carry out physical planning, and to revitalise the cities? What are the effects of those policies?

5. What specific instruments of housing policy are implemented to combat segregation? What are the (expected) effects?

This case-study focuses on the city of Frankfurt-am-Main and its surrounding region, the ‘Umlandverband Frankfurt’ (UVF). The case studies on the other five European cities will be reported in other issues of this book series.

We take segregation to mean the occurrence of spatial dividing lines separating areas in which there are large differences in the proportion of underprivileged groups in the population. Key variables in this case are the acceptance of social assistance (in place of the income variable used in other case studies), unemployment, and ethnic background. In principle, we distinguish two levels of scale: the first level is the district (the Dutch term is ‘wijk’; in the Hague the average population of a ‘wijk’ is about 13,500). The second is the level of the central city relative to the agglomeration.

1.2 The Frankfurt case

The city of Frankfurt has a population of 660,000 and is the centre of a metropolitan region of 1.5 million people in 43 municipalities (the UVF), and of the larger Rhein-Main conurbation with a population of 3.5 million. Though always a prosperous merchant city, the international significance of Frankfurt has risen since the second World War. With the establishment of the ‘Deutsche Bundesbank’, and more recently the European Central Bank in Frankfurt, the city has established itself as the economic capital of Germany and one of the main financial centres of Europe. The city is often considered to be the third global city in Europe after London and Paris (Lang & Wegener, 1994).

The city’s economy has also thrived from a large manufacturing industry, based in particular on automobile, chemical, and pharmaceutical production. This has attracted large numbers of non-German migrants to the city. Initially these migrants were expected to return to their home country, but hesitantly their permanence has been accepted. More recent immigration into Germany relates to the changing geopolitical position of Eastern Europe. Since the fall of the iron curtain, many political migrants from eastern Europe have arrived in Frankfurt. Ex-Yugoslavians,
many of whom are refugees, presently make up the largest foreign population. From 1989 until 1995, Frankfurt was led by the Social-Democrats and the Green Party. This red-green coalition believed that a prospering urban economy, ignited by the financial sector, would trickle down to help achieve social equity among Frankfurt’s residents. Though the financial sector was little affected when recession hit Frankfurt in the beginning of the nineties, the rest of the economy suffered, hurting the city’s tax base. This problem became exacerbated by the exodus of affluent households and businesses to the suburbs, paying their income tax in the surrounding municipalities. At the same time, the city was forced to spend on expensive central facilities and welfare payments for a growing number of unemployed (Lang & Wegener, 1994).

Today, Frankfurt experiences a new boom of office construction. However, the need for new (affordable) housing is more urgent. Because of a lack of new residential land (according to policy-makers), the city tries to meet new housing demand within the boundaries of the central city. Several housing projects along the Main river front have been developed. Those flats and condominiums will be too expensive, however, for low and average incomes. The result is a polarisation between rich and poor sections of the population. The spatial expression of this socio-economic polarisation, however, has not become more pronounced over the past decade. It remains to be seen how segregation patterns will develop in the future.

A similar conclusion can be drawn for the development of spatial segregation on the regional level. The region has developed a poly-nuclear structure with a growing interconnectedness between the different centres. While visible from increasingly complex commuting patterns, its effect on the spatial distribution of population groups is difficult to predict.

German policy since World War II has been preoccupied with the prevention of segregation. Several legal clauses at the federal and the state level provided the legal framework for an explicit dispersion policy in the city of Frankfurt, known as the ‘Frankfurter Vertrag’. In this series of case-cities, this policy instrument is unique. Yet the absence of an effective political body on the regional level hinders implementation of a supra-municipal desegregation policy.

Chapter 2 describes the institutional context as the framework of desegregation and regeneration policies. Chapter 3 illustrates the spatial patterns of socio-economic and ethnic segregation in Frankfurt and the UVF. The factors contributing to the development of socio-economic (spatial) polarisation are discussed in chapter 4. Chapter 5 describes the policies aimed at reducing socio-spatial polarisation in the urban region of Frankfurt. Some final conclusions are drawn in chapter 6.
With the administrative reconstruction of Germany in 1945, the government tried to shorten the distance between authority and the citizens by giving preference to a federal administrative system. Today, Germany is made up of 16 states or 'Länder', all of which have relatively large autonomy. The Rhine-Main area is located in the federal state of Hessen. With responsibilities such as housing, urban and regional development, and urban renewal, the power and influence of Länder far exceeds that of the Dutch 'equivalents', the provinces.

Another administrative tier is the ‘County’ or ‘District’ (Kreis): an administration which co-ordinates several municipalities on tasks and responsibilities for which the municipalities themselves are too small. If the municipality is large enough to support all the functions of local administration, there exists another form of local government: the autonomous city (Kreisfreie Stadt). The municipality of Frankfurt is an autonomous city. The German municipalities are financially more independent than their Dutch counterparts. Their main income is a 15 percent share of revenues from wage and income-tax. While the property tax is too low to contribute significantly to the local budget, 'Gewerbesteuer' (industrial/trade tax) brings in additional money. A second source of local income are grants from the respective state and (to a lesser extent) the Federal Government. These can be freely dispensable, or are earmarked for specific purposes. A third important source of municipal income are fees and contributions (van den Berg et al., 1997). The consolidated local tax revenue for Frankfurt (net tax revenue plus 'Zuweisungen'--grants-- from tax revenue of the Land) amounts to 47.5 percent of the total municipal revenue.

An important authority in the field of spatial planning in the urban region of Frankfurt is the ‘Umlandverband Frankfurt’ (UVF). The UVF is a partnership between Frankfurt as an autonomous city and the surrounding municipalities. The jurisdiction of the UVF encompasses the cities of Frankfurt and Offenbach and the surrounding Kreise: Main-Taunuskreis, Hochtaunuskreis, and Landkreis Offenbach. Figure 2.1 illustrates the relative size and location of the different administrative units of the UVF. The area accommodates a total of some 1.5 million people on an area of approximately 1,400 square kilometres (Van den Berg et al., 1994).
UVF is financed by all of the municipalities. The installation of the UVF in 1975 was the result of a five year discussion between the federal state of Hessen, the city of Frankfurt, and its surrounding communities. The discussion was initiated by Frankfurt in its proposal for the creation of one administrative metropolis. The city felt constrained in its ambition to develop into a metropolis by lack of space for expansion and an absence of co-operation between the surrounding municipalities. The installation of the UVF, after a five year debating period, seemed to be the least unfavourable solution for all the parties involved.

In the context of this research it is important to mention the planning task which is entrusted to the UVF. The UVF created a zoning scheme (equivalent to the Dutch zoning plans) in 1985 outlining the use of land in the area of the UVF. The ‘municipal chamber’ (Gemeindekammer), a special board on which each of the 43 municipalities of the UVF are represented, is responsible for the installation of this scheme. In this way all of the municipalities remain directly involved with the drawing up of zoning schemes.

The UVF has been critiqued as a puppet in the hands of the municipalities, defending their standpoints and stakes, without paying sufficient attention to the partnership liaison. This, in spite of the fact that the city of Frankfurt is the main

Figure 2.1 Jurisdiction of the UVF and local administrative units (Kreise and kreisfreie municipalities)
financial contributor to the UVFs budget. The UVF has not been able to solve conflicts over the location of undesirable land uses, for instance large residential settlements (Van den Berg et al., 1994). It can designate the locations for new housing but it cannot pursue an active housing policy, nor can it enforce the dispersal of low-income housing to prevent poverty-concentrations.

Waste disposal has been the most problematic topic, over which numerous inter-communal conflicts have occurred. The last solid waste disposal site within Frankfurt’s city limits was closed in 1989. Since then, the city’s waste has been incinerated or dumped on remote deposits throughout the region. This practice has met a mounting local opposition. Another point of critique refers to the size of the UVF region which, on the basis of functional criteria, is believed to be too small.

Because of all the deficiencies of the UVF, there is no real understanding if, and how much longer, this partnership liaison will be maintained.
3 SPATIAL SEGREGATION IN FRANKFURT AND THE LARGER URBAN REGION

3.1 Introduction

This chapter illustrates the pattern of disadvantage and the development of this pattern in Frankfurt and the UVF-region. The municipality of Frankfurt (and Germany generally), makes use of two different area units for the presentation of statistical data. The first one is the city boroughs (Ortsteile). Frankfurt is divided into 46 Ortsteile with an average population size of 14,640, but these vary greatly in size and population. The second and more detailed area unit is the statistical district (Stadtbezirke). Frankfurt is divided into 118 Stadtbezirke with an average population size of 5,779. Figure 3.1 illustrates the relative size and location of Frankfurt’s Ortsteile.

A problem with statistical segregation analysis in Frankfurt and its larger urban region is a mismatch in the scale of spatial data. For instance, the data on nationality are not published at the level of the ‘Bezirke’ and therefore the representation of this variable will only go down to the level of the ‘Ortsteile’. The regional data on income are very poor: for Hessen, they are only available on the level of the ‘Kreise’ and the ‘Kreisfreie Städte’. They appear every three year, the last time in 1992, but with a considerable time lag. Unemployment data have been presented by the Federal Employment Agency since 1992, but only at the level of the cities (Kreisfreie Städte) and counties (Kreise). Census unemployment data are available at the lower level of the Ortsteile and the Stadtbezirke, but 1987 is the most recent census year. Recently, unemployment data were published for Frankfurt by postal code areas which do not correspond to the Ortsteile or the Bezirke. The postal code areas are larger than the Ortsteile and therewith too large in size to be very useful.

To overcome the difficulties with data availability, we have chosen to use an alternative index for the presentation of socio-economic segregation. The index of ‘social risk’ has been constructed at the Goethe university, using ‘social assistance recipients’ as the prime indicator of social disadvantage (Bartelheimer, 1997).

The Index of Social Risk marks the first attempt in Germany that is made to analyse segregation, both as a situation and as a development. For this reason it should be seen as a useful tool, but one that still needs to be improved.
Figure 3.1 Frankfurt am Main boroughs (Ortsteile)

1 Altstadt 19 Griesheim 38 Sindlingen
2 Innenstadt 20 Rödelheim 39 Zeilsheim
3 Bahnhofsviertel 21 Hausen 40 Unterliederbach
4 Westend-Süd 22* Praunheim 41 Sossenheim
5 Westend-Nord 24 Hedderheim 42 Nieder-Erlenbach
6 Nordend-West 25 Niederursel 43 Kalbach
7 Nordend-Ost 26 Ginheim 44 Harheim
8 Ostend 27 Dornbusch 45 Nieder-Eschbach
9 Bornheim 28 Eschersheim 46 Bergen-Enkheim
10 Gutleutviertel 29 Eckenheim
11 Gallusviertel 30 Preungesheim
12 Bockenheim 31 Bonames
13 Sachsenhausen-Nord 32 Berkersheim
14 Sachsenhausen-Süd 33 Riederwald
15 Flughafen 34 Seckbach
16 Oberrad 35 Fechenheim
17 Niederrad 36 Höchst
18 Schwanheim 37 Nied

* Including 23
3.2 Socio-economic segregation

3.2.1 Indices of social risk
The ‘Social Report on Frankfurt’ (Risiken für die soziale Stadt, Erster Frankfurter Sozialbericht, Bartelheimer, 1997) includes an analysis of socio-spatial segregation in Frankfurt, which is based on the prime indicator of ‘social assistance recipients’ (HLU --Hilfe zum Lebensunterhalt-- Empfänger). The advantage of the methodology, as applied in this study, is that it looks at the existence of segregation both as a situation and as a process. Therefore two different indices have been created. The first index of ‘Risikobelastung’ (risk), looks at segregation as a situation and is calculated on the basis of nine different variables. The second index of ‘Risikoentwicklung’ (risk development), looks at the development of segregation between 1987 and 1993 and is based on seven variables.

The index of social risk (Risikobelastung)
In order to analyse the socio-spatial structure of Frankfurt, an index of ‘social risk’ was calculated on the level of the statistical districts, or ‘Stadtbezirke’. The aggregation of the districts with the lowest population density led to a reduction of the original 118 to 111 districts. Only nine of the 111 districts have a high HLU-density amongst both the German and the non-German population. For this reason the HLU-density of the German and of the non-German populations are used as separate indicators in the analysis.

The selection of the other variables of ‘social risk’ is made on the basis of the Spearman correlation index for a list of variables compared to the main variable of HLU recipients. On the basis of their high correlation scores, the following nine variables (including the two main variables) are used:

1. Social assistance recipients (HLU) among the German population.
2. Social assistance recipients (HLU) among the non-German population.
3. The number of people who have received the ‘Frankfurt Paß’, which is a means tested municipal benefit, granting its holders a discount on public transport and on public utilities. Data on pass holders are available by district.
4. The number of people who receive ‘Hilfen in besonderen Lebenslagen’ (HBL), which is for instance provided to disabled and handicapped people.
5. The proportion of unemployed (erwerbslosen), 1987.
7. The average floor space per person, 1994.

The index score of ‘social risk’ is calculated for each of the districts, by using all of these variables, after which the districts are ranked on their value score. On the basis of their rank order and the indicator values, the districts are clustered into six different groups.

Group 1 (Häufung sozialer Risiken: accumulated risks) represents the districts ranked 1 to 30 on their index score. At least three out of the nine values indicate a
high level of 'social risk'. Twenty of the Stadtbezirke in this group have five values which indicate a very high level of 'social risk'. Most of the districts in this group are characterised by very high social assistance dependency among the German population, whereas only one of the districts shows a high dependency among the non-German population.

The ten districts of group 2 (mehrere hohe soziale Risiken: several high risks) are ranked between 30 and 82, and three or four of the nine indicator values indicate a high level of social risk. The values of the HLU-density for both the German and the non-German populations in the districts of this group are moderate. Thus, their high rank order is caused by the other indicators. Characteristic for the districts in this second group is the combination of a high non-German proportion, a bad housing stock, a small amount of floor space per person, and a low level of education of the population.

The ten districts of the third group (einzelnne hohe HLU-Risiken: high social assistance risk) have a rank order of at least 30. Unlike the districts of group 2, the districts of this group owe their high rank order to the high value on 'social assistance recipients' whereas the values of most of the other indicators indicate a better position.

The fourth group (Einzelne hohe Risiken: 'high risk' values) assembles the nine districts with a rank order of 30 or higher, in which only one or two of the nine indicators score badly.

Group 5 ((k)ein hohes Risiko: one or no high risk) consists of the 28 districts with a rank order of 30 or higher. At the most one of the indicator values is high.

The 24 districts of group 6 (geringes soziale Risiko: a low social risk level) are the least disadvantaged: they are ranked above 82 and all of the indicator values indicate a low level of 'social risk'. Among these are some inner city districts (gentrified neighbourhoods) as well as districts in the outer rings of the city. But in both their residential and physical structure, they resemble the suburban municipalities.

Figure 3.2 illustrates the dispersal of these different groups over the city. The most disadvantaged districts (Group 1) are predominantly situated along the east-west axis of the city. The districts of the second group are also located along this belt. The districts with a more positive profile, i.e. these with very few social risks (groups 5 and 6), are dispersed over the city.

The development of social risk (Risikoentwicklung)

Because not all of the data used for calculating the social risk index are available for both 1987 and 1993, the risk-development index is based on seven indicators:

1. The share of the non-German population.
2. The average floor space per person.
3. Social assistance recipients total (HLU + HBL).
4. HLU, German population.
5. HLU, non-German population.
6. HLU, children younger than 15, German.
7. HLU, children younger than 15, non-German.
Some of the indicators which have been selected weigh double in the construction of the index. For instance, the indicators 4 until 7 are all included in the third indicator. In addition, the sixth and seventh indicator are also included in respectively the fourth and the fifth indicator. The flaws in the index are more obvious in this section of the analysis.
From 1987 until 1994, four different development types are distinguished:

Type 1: Risikoverdichtung: 'accumulating risk'
The six districts of this first type have a high social risk value, and this value has increased by a higher than average rate between 1987 and 1993.

Type 2: Risikobelastung: 'stable risk load'
The risk value is high, but experienced an average or less than average increase between 1987 and 1993. The 32 districts of this type are still holding a relatively high position in terms of their 'social risk' value, but their rank order has improved between 1987 and 1993.

Type 3: Risikoentwicklung: 'risk development'
The indicator values of the 17 districts of this type indicated a low or average 'social risk' level in 1987. However, some of the indicators experienced a high value increase, which has resulted in a much higher index value in 1994.

Type 4: Risikoentlastung: 'risk decline'
The 25 districts of the fourth type have a low social risk score, and this score stabilised or declined between 1987 and 1994.

Type 5: Uneinheitliche Entwicklung: 'non-uniform development'
The 13 districts of the fifth group type experienced changing values on most indicators. However, they do not point into a uniform direction. One indicator might show an improvement, while another indicator shows a deterioration of the 'social-risk' value.

Type 6: Keine auffällige Risikoentwicklung: 'No risk-development'
Eighteen districts belong to this last type, which is characterised by a stabilisation in the middle ranges of the rank order.

The last section of the analysis of 'social risk' segregation looks at the combination of the index of 'social risk' and the index of 'social risk development'. This leads to the following classification:
1. Group 1, Type 1: Accumulation and increase of social risks: 6 districts.
2. Groups 1,2,3, Type 2: High risks, stable or declining: 28 districts.
3. Groups 1,2,3, Type 5: High risks, non uniform development: 9 districts.
4. Group 4,5,6, Type 3: A low risk level, increasing: 14 districts.
5. Group 4,5,6, Type 4: A low risk level, declining: 23 districts.
6. Group 3,4,5, Type 4: No segregation development: 17 districts.
7. Rest districts.

The spatial distribution of these different categories is illustrated in figure 3.3. The fifty districts in which a concentration of social risks occur (groups 1, 2, and 3) are mainly situated in two axes along the Main river--one north and one south of the
Figure 3.3 Social risk and risk development (1987-1994), Frankfurt am Main

The six districts with a build-up and an increase of social risks are situated in the 'Bahnhofsviertel', a small section of 'Sachsenhausen-Süd', in the 'Gallusviertel', and in the north-eastern section of city centre-- and to the north-west of Höchst.

Source: Frankfurter Büro für Armutsberichterstattung.
Höchst. The remaining 44 districts of group 1 and 3 did not experience a deterioration of their socio-economic profile. One third of the 61 districts with a low to moderate social risk profile (groups 4, 5, and 6) experienced an improvement between 1987 and 1993. Fourteen districts of this group experienced a deterioration of their social risk profile. However since they started of positively in 1987, this declining shift points at a development of decreasing segregation and a wider social mix (Bartelheimer, 1997).

Conclusions
Some general conclusions can be drawn at the end of this exercise about the occurrence of socio-economic segregation in Frankfurt. Between 1987 and 1993 the patterns of socio-spatial inequality remained relatively stable. Only six of the districts with a high social risk in 1993 experienced increasing social risks since 1987, whereas the composition of the population in the remaining 'high social-risk' areas remained more heterogeneous. Instead of an increasing concentration of high social risks in certain areas, the development indicates that larger sections of the city are experiencing a socio-economic decline. The only signal of a process of segregation is that one-fourth of all districts (the well-to-do neighbourhoods) are not taking part in the overall decline.

3.2.2 Unemployment in the region
At the end of 1996, and for the first time since World War II, the number of unemployed in the city of Frankfurt exceeded 30,000. In a regional comparison, the cities of Frankfurt and Offenbach have the highest unemployment levels (table 3.1). However, the development over a longer period of ten years indicates that the difference between these two cities and the surrounding counties did not increase. The counties of Offenbach and Main-Taunus experienced the highest relative increases in the number of unemployed (55% and 45% respectively) whereas the cities of Frankfurt and Offenbach experienced the lowest relative increases (23% and 31% respectively). Thus, unemployment still reaches the highest levels in the cities, but the surrounding communities of the region are slowly catching up. Regional spatial polarisation is declining as far as the indicator 'unemployment' is considered. The proportions of unemployed in table 3.1 are based on the total labour force of each individual municipality.

The unemployment shares are calculated on the basis of the 'Wohnortprinzip', which uses the residential labour force as the denominator in unemployment shares. It is, however, possible to calculate unemployment on the basis of the labour force working in the city or district (Arbeitsortprinzip). Table 3.2 distinguishes between unemployment on the basis of the labour force working in the cities and 'Kreise' of the UVF, and on the basis of the labour force residing in the cities and 'Kreise' of the UVF. Instead of the overall labour force, the sample consists of the population of wage earners covered by social insurance. The self-employed, people with a small part-time job, and with very high incomes are therefore excluded from this population.

<table>
<thead>
<tr>
<th>City/District</th>
<th>30-9-1986 (%)</th>
<th>30-9-1991 (%)</th>
<th>30-9-1995 (%)</th>
<th>30-6-1996 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frankfurt</td>
<td>8.3</td>
<td>5.8</td>
<td>9.7</td>
<td>10.2</td>
</tr>
<tr>
<td>Offenbach</td>
<td>8.0</td>
<td>5.4</td>
<td>9.7</td>
<td>10.5</td>
</tr>
<tr>
<td>Hochtaunuskreis</td>
<td>4.3</td>
<td>3.5</td>
<td>5.6</td>
<td>5.8</td>
</tr>
<tr>
<td>Main-Taunus-Kreis</td>
<td>4.2</td>
<td>2.6</td>
<td>5.9</td>
<td>6.3</td>
</tr>
<tr>
<td>Landkreis Offenbach</td>
<td>4.7</td>
<td>3.2</td>
<td>6.7</td>
<td>7.3</td>
</tr>
<tr>
<td>Hessen</td>
<td>6.3</td>
<td>4.9</td>
<td>8.2</td>
<td>8.9</td>
</tr>
<tr>
<td>West-Germany</td>
<td>6.3</td>
<td>6.3</td>
<td>9.3</td>
<td>10.1</td>
</tr>
</tbody>
</table>


Table 3.2 Regional unemployment\(^2\), 1995

<table>
<thead>
<tr>
<th>City/District</th>
<th>On the basis of the working population(^3), 1995 (Arbeitsortprinzip)</th>
<th>On the basis of the residential population(^3), 1995 (Wohnortprinzip)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frankfurt</td>
<td>5.5</td>
<td>10.5</td>
</tr>
<tr>
<td>Offenbach</td>
<td>9.8</td>
<td>10.8</td>
</tr>
<tr>
<td>Hochtaunuskreis</td>
<td>7.2</td>
<td>6.4</td>
</tr>
<tr>
<td>Main-Taunus-Kreis</td>
<td>7.7</td>
<td>6.6</td>
</tr>
<tr>
<td>Landkreis Offenbach</td>
<td>8.7</td>
<td>7.4</td>
</tr>
<tr>
<td>Hessen</td>
<td>8.5</td>
<td>9.0</td>
</tr>
</tbody>
</table>


10.5 percent of those residing in Frankfurt were unemployed in 1995. Including all the people working in the city lowers this percentage to 5.5 percent. The difference is in the large number of commuters in the city’s labour market. For the city of Offenbach the difference is very small but also in favour of the population working on this city’s job market. Unemployment is one percent higher when based on the residential population.

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1 Figures for West Germany represent the yearly average unemployment.

2 Unemployment numbers are calculated by the National Employment Office and are based on 'sozialversicherungsplichtige Beschäftigte und Arbeitslose': wage dependents covered by social insurance and unemployed.

3 The figures are based on the following calculations:
   Unemployed (year t) × 100 / Wage dependents covered by social insurance of residential population (Year t - 1) + unemployed (year t - 1).
The unemployment shares are higher when based on the working population for the remaining districts of the region. This reflects the large number of commuters amongst their residential population.

3.2.3 Socio-economic position and ethnicity
Of all large cities in West Germany in 1994, Frankfurt had the highest proportion of HLU recipients with a non-German background (43.8%). The percentage of people receiving social assistance (HLU) amongst the non-German population was over twice as high as among the German population (10.8% versus 5%).

Similarly the non-German population is overrepresented in the city’s unemployed population. In 1996, 15.4 percent of the non-German population versus 9.8 percent of the German population did not have a job. Over thirty-seven percent of the city’s unemployed is non-German in background (the majority of these being from the Mediterranean). The proportional over-representation of non-Germans amongst the city’s unemployed and social-assistance recipients, is related to the difficulty in finding a job in one of the growth sectors of the economy.

Contrary to current political discourse, there is no straightforward relation between the geographic concentration of non-German population and the incidence of social risks in Frankfurt. Social deprivation occurs both in districts with a large non-German population but also in districts where the German population dominates.

3.3 Ethnic segregation

3.3.1 Ethnic segregation in Frankfurt
Germany’s foreign population made up 8.1 percent (6,500,000) of a total population of almost 80 million. The data of the ‘Statistische Bundesamt’, indicate that 12.9 percent of the 5.7 million inhabitants of Frankfurt’s state of Hessen, are of a non-German nationality. Of all German cities, Frankfurt houses the largest share of

Table 3.3 Main nationalities in Frankfurt: 1-1-1994

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
<th>% of total population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turks</td>
<td>35,399</td>
<td>5.4</td>
</tr>
<tr>
<td>Moroccans</td>
<td>9,527</td>
<td>1.5</td>
</tr>
<tr>
<td>Spanish</td>
<td>6,655</td>
<td>1.0</td>
</tr>
<tr>
<td>Italians</td>
<td>16,433</td>
<td>2.5</td>
</tr>
<tr>
<td>Greeks</td>
<td>8,825</td>
<td>1.3</td>
</tr>
<tr>
<td>Former Yugoslavian</td>
<td>48,816</td>
<td>7.4</td>
</tr>
<tr>
<td>Other Nationalities</td>
<td>65,098</td>
<td>9.2</td>
</tr>
<tr>
<td>Non-German total</td>
<td>186,429</td>
<td>28.3</td>
</tr>
<tr>
<td>Population total</td>
<td>658,815</td>
<td>100.0</td>
</tr>
</tbody>
</table>

foreign migrants (28.3%). Table 3.3 illustrates the background of Frankfurt’s foreign population. The information on the geographical distribution of the various nationality groups over the city (figure 3.4) has been derived from a previous study ‘Ethnic segregation and policy’ (Breebaart et al., 1996).

In 1993, one-third of all the ‘Ortsteile’ had a proportion of non-Germans which exceeded the urban average of 28.3 percent. The highest concentrations of non-Germans are situated in the inner city, in close vicinity to the main train station. The borough ‘Bahnhofviertel’, represents the largest foreigner proportion (81%), followed by ‘Flughafen’ (73.2%). The last number is less significant, since the Flughafen borough has only 380 inhabitants.

**Figure 3.4 Foreigners** in Frankfurt am Main (1993)

Source: Amt für Statistik, Wahlen und Einwohnerwesen, Stadt Frankfurt.

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4 ‘Foreigners’ are people who do not have the German nationality.
In the study ‘Ethnic segregation and policy’, both the distribution of north Mediterranean (Italian, Spanish, Greek, and former Yugoslavian) and of Turkish and Moroccan people are also illustrated in separate figures. People of south Mediterranean origin are living more dispersed over the city compared to the total foreigner population: 42 percent of the ‘Ortsteile’ have a proportion of south Mediterraneans, which exceeds the urban average. The values of the ‘Ortsteile’ with the lowest and the highest share of south Mediterraneans are less extreme as for the total non-German population. The highest borough value for all foreigners is 2.9 times the urban average, whereas the highest rate of south Mediterraneans in a borough is only 2.2 times the urban average. Most of the south Mediterraneans are living along the axis stretching out from the east to the west of the city. In the case of the north Mediterranean population, the highest borough value is 2.1 times the urban average (12.3%). This implies that this population group is more evenly distributed over the city boroughs than the total foreigner population overall.

The ‘Ortsteile’ which are characterised by a high concentration of foreigners, house a wide mix of people with regards to nationality. No large concentrations of one single ethnic/national group exist on the level of the Ortsteile. Therefore high foreigner proportions in the boroughs ‘Bahnhofsviertel’, ‘Flughafen’ and ‘Gutleutviertel’ can only be made up of several different ethnicities. This finding is supported by Hennig (1995) in his ‘Social Area Analysis’, in which he draws the conclusion that the ‘multi-problem zone’ (which he identifies as three boroughs around the main station), with 64 percent of non-Germans in 1993, plays a much smaller role when we look at the proportional relations all over the city. Only one smaller group of non-Germans, the Greeks, are segregated mostly living in the ‘Bahnhofsviertel’. Thirty percent of all Greeks live in four districts, a concentration which is quite unique: “It is not comparable with the distribution of all foreigners as a whole or even with that of people coming from Turkey or Morocco. The multi-problem zone...is not a homogeneous ghetto” (Hennig, 1995).

3.3.2 The development of ethnic segregation: Frankfurt and the UVF
The ‘Amt für kommunale Gesamtentwicklung und Stadtplanung’ from the city of Frankfurt examined the development of ethnic segregation in the period 1987-1991 and compared this to the development of ethnic segregation between 1976 and 1980 (Hausmann 1993).

The conclusion for the earlier period (1976-1980), during which the number of foreigners increased by 3.4 percent (18,600 people), was a clear tendency towards the development of segregation. Half of the foreigners who arrived in the city during this period had settled in one of the 44 districts (of a total of 118) or Stadsbezirke with the highest foreigner shares (between 28.9 and 97.7 percent) in 1980. The non-German share in the 22 districts with the lowest proportion of non-Germans in 1980, increased with only 1.1 percent, whereas the non-German share in the 44 districts with the highest non-German proportions increased with an average of 7.4 percent. The UVF experienced a similar development over the same period. The absolute increase in the number of foreign immigrants in the city of Frankfurt was 30 percent higher than in the surrounding communities of the region. The proportional non-
Table 3.4 Changes in the population 1987-1991 in percentage

<table>
<thead>
<tr>
<th>Area-type</th>
<th>Total population (%)</th>
<th>German (%)</th>
<th>Non-German (%)</th>
<th>Non-German share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2.2</td>
<td>-1.9</td>
<td>35.2</td>
<td>3.6</td>
</tr>
<tr>
<td>2</td>
<td>3.1</td>
<td>-2.7</td>
<td>36.5</td>
<td>4.7</td>
</tr>
<tr>
<td>3</td>
<td>4.4</td>
<td>-2.7</td>
<td>35.2</td>
<td>5.5</td>
</tr>
<tr>
<td>4</td>
<td>5.6</td>
<td>-1.7</td>
<td>30.9</td>
<td>5.4</td>
</tr>
<tr>
<td>5</td>
<td>8.9</td>
<td>-2.2</td>
<td>29.6</td>
<td>6.6</td>
</tr>
<tr>
<td>Frankfurt</td>
<td>4.8</td>
<td>-2.2</td>
<td>32.5</td>
<td>5.4</td>
</tr>
<tr>
<td>Umland</td>
<td>6.2</td>
<td>2.1</td>
<td>38.8</td>
<td>3.5</td>
</tr>
<tr>
<td>UVF</td>
<td>5.6</td>
<td>0.4</td>
<td>35.3</td>
<td>4.2</td>
</tr>
</tbody>
</table>


Explanation area-types (based on 1991 data):
Type 1: 23 'Bezirke' with a non-German proportion between 8.4% - 17.2%
Type 2: 18 'Bezirke' with a non-German proportion between 17.3% - 21.4%
Type 3: 20 'Bezirke' with a non-German proportion between 21.5% - 26.4%
Type 4: 18 'Bezirke' with a non-German proportion between 26.5% - 29.0%
Type 5: 32 'Bezirke' with a non-German proportion between 29.1% - 81.0%

German increase in Frankfurt and the UVF (excluding Frankfurt) was 3.4 percent versus 1.3 percent. Frankfurt experienced a decline of the German population; whereas the UVF experienced a growth of the German population.

During the more recent period (1987-1991), the development of segregation has taken a different turn in spite of the larger increase in the number of immigrants over this time-period (40,700 or 5.4 percent). The new immigrants show less tendency to concentrate in a few areas. This time, only one-third of the non-Germans arriving in the city during this period settled in the districts with the highest non-German shares in 1991 (between 29% and 89%). The decline of the German population is no longer related to the non-German population share of a district. The districts with low to average foreigner-shares in 1991 have experienced the highest increase of the non-German population. Finally, there is a smaller difference between the growth of the non-German share in the districts with the lowest foreigner shares in 1991 (3.6%) and those with the highest foreigner shares in 1991 (6.6%). A similar development was also noticed for the larger region. The absolute foreigner increase in the city of Frankfurt was only slightly higher than in the remaining communities of the UVF: 40,700 versus 38,800. The regional proportional foreigner increase (38.8%) even exceeded that of the city of Frankfurt (32.5%). In short, regional ethnic segregation is declining.

3.3.3 Indices of segregation
In 'Ethnic Segregation and Policy' (Breebaart et al., 1996), the segregation of the main national groups in Frankfurt is calculated by using the index of segregation and
the index of dissimilarity. The index of segregation compares one population category with the rest of the population. The index-score should be interpreted as the proportion of the population category that has to move in order to achieve an equal distribution over the selected geographical units. The highest score of 100 indicates a complete segregation.

The index of dissimilarity compares two population categories with each other. The results of these calculations are presented in table 3.5 and 3.6.

With a highest index value of 31, the segregation scores in Frankfurt are low in comparison to American cities and other European cities. It should be noted that the boroughs vary widely in size. For instance the ‘Gallusviertel’ is distorting, since this borough has a large population of 29,000 and a foreigner proportion of almost 50 percent.

Table 3.5 Segregation-indices for selected nationalities (1/1/94), Ortsteile

<table>
<thead>
<tr>
<th>Nationalities</th>
<th>Index of segregation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Germans vs. Germans</td>
<td>17</td>
</tr>
<tr>
<td>Turks vs. Rest of the population</td>
<td>19</td>
</tr>
<tr>
<td>Moroccans vs. Rest of the population</td>
<td>22</td>
</tr>
<tr>
<td>Southern Mediterranean’s vs. rest of the population</td>
<td>19</td>
</tr>
<tr>
<td>Yugoslavians vs. Rest of the population</td>
<td>23</td>
</tr>
<tr>
<td>Italians vs. Rest of the population</td>
<td>14</td>
</tr>
<tr>
<td>Greeks vs. Rest of the population</td>
<td>31</td>
</tr>
<tr>
<td>Spanish vs. Rest of the population</td>
<td>21</td>
</tr>
<tr>
<td>Northern Mediterranean vs. rest of the population.</td>
<td>21</td>
</tr>
</tbody>
</table>

Source: Breiebaart et al., 1996.

Table 3.6 Indices of dissimilarity for selected nationalities (1/1/94), Ortsteile

<table>
<thead>
<tr>
<th>Nationalities</th>
<th>Index of dissimilarity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turks vs. Germans</td>
<td>27</td>
</tr>
<tr>
<td>Turks vs. Moroccans</td>
<td>15</td>
</tr>
<tr>
<td>Turks vs. Greeks</td>
<td>24</td>
</tr>
<tr>
<td>Turks vs. Italians</td>
<td>12</td>
</tr>
<tr>
<td>Southern Mediterranean vs. Germans</td>
<td>22</td>
</tr>
<tr>
<td>Southern Mediterranean vs. Northern Mediterranean</td>
<td>14</td>
</tr>
<tr>
<td>Northern Mediterranean vs. Germans</td>
<td>23</td>
</tr>
<tr>
<td>Yugoslavians vs. Germans</td>
<td>26</td>
</tr>
<tr>
<td>Yugoslavians vs. Italians</td>
<td>18</td>
</tr>
<tr>
<td>Yugoslavians vs. Moroccans</td>
<td>24</td>
</tr>
<tr>
<td>Yugoslavians vs. Greeks</td>
<td>24</td>
</tr>
</tbody>
</table>

Source: Breiebaart et al., 1996.
Also the dissimilarity scores indicated in table 3.6 are relatively low: the highest index score is 27 (Turks vs. Germans). Both the segregation and the dissimilarity scores are calculated at the level of the boroughs (Ortsteile) and possibly hide smaller concentrations of foreigners. In fact, segregation often starts on a small scale of a few blocks, streets, or housing projects.

3.4 Profile of the housing supply

This section focuses on the characteristics of the housing supply in the most disadvantaged residential areas. The information is derived from a statistical report from the city of Frankfurt ‘Gebäude und Wohnungen in Frankfurt am Main’ (1992), which makes use of the latest housing census from May 1987. The social housing stock (das öffentlich geförderte Wohnungsbestand), has declined over the past decade, since the houses for which the loans have been paid off, are no longer covered by social housing regulations. How much of the social housing stock is ‘lost’ varies per city borough, depending on the period of construction of the social dwellings. We will devote attention to the consequences of this phenomenon for the disadvantaged boroughs of Gallusviertel, Gutleutviertel, and Bahnhofsviertel. The area that is covered by the three boroughs, is called by Hennig (1995) “the multi-problem zone”. In the analysis of Bartelheimer, they are grouped under types 1 and 2: risk accumulation and risk pressure. A substantial share of the neighbourhoods in these boroughs have experienced a deterioration of their socio-economic position over the past decade. In addition, they have the highest percentage of non-German residents (§ 3.3).

Ownership and tenure structure
Table 3.7 and 3.8 illustrate some characteristics—the ownership and tenure structure—of the housing stock in the three boroughs. Table 3.7 refers to (multi-family) apartment buildings, whereas table 3.8 refers to apartments. Half of all apartment buildings in the city of Frankfurt is privately owned by individual households. In the districts Bahnhofsviertel and Gutleutviertel this share is much higher (78.6% and 67.5% respectively).

The total share of rented apartments (either public or privately rented) is 87.7 percent in 1987 (table 3.8). This implies that many home owners sublet their property. The home-occupation sector is underrepresented in each of the three disadvantaged boroughs, even when the private-ownership sector is high: almost the entire housing stock in the Bahnhofsviertel, Gallus, and Gutleut areas consists of rented dwellings. The home-occupancy sector is negligible. Considering the high rental shares and the distribution of housing amongst the different ownership categories the majority of the housing stock in the Bahnhofsviertel and to a lesser extent

5 The label ‘multiproblem zone’ according to Hennig, should not be read as a diagnosis but more as an idea.
Table 3.7 Ownership, May 1987

<table>
<thead>
<tr>
<th></th>
<th>Bahnhofsviertel</th>
<th>Gutleutviertel</th>
<th>Gallusviertel</th>
<th>Frankfurt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Privately owned (%)</td>
<td>78.6</td>
<td>67.5</td>
<td>36.6</td>
<td>50.1</td>
</tr>
<tr>
<td>Home-owners associations (%)</td>
<td>0.6</td>
<td>0.9</td>
<td>1.0</td>
<td>5.7</td>
</tr>
<tr>
<td>Public housing corporations (%)</td>
<td>0.1</td>
<td>16.8</td>
<td>50.5</td>
<td>33.5</td>
</tr>
<tr>
<td>Private housing enterprises (%)</td>
<td>20.8</td>
<td>14.8</td>
<td>11.9</td>
<td>10.8</td>
</tr>
<tr>
<td>Total (%)</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>


Table 3.8 Tenure, May 1987

<table>
<thead>
<tr>
<th></th>
<th>Bahnhofsviertel</th>
<th>Gutleutviertel</th>
<th>Gallusviertel</th>
<th>Frankfurt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner-occupation (%)</td>
<td>1.5</td>
<td>2.6</td>
<td>2.2</td>
<td>12.2</td>
</tr>
<tr>
<td>Rented dwellings (%)</td>
<td>98.5</td>
<td>97.4</td>
<td>97.8</td>
<td>87.8</td>
</tr>
</tbody>
</table>


In the boroughs Gutleut and Gallus are privately rented dwellings. In addition, many of the houses are rented from private housing enterprises. The Gallusviertel was dominated by social rented housing in 1987.

The 'decline' of the social rented sector

The social rented sector is an important housing provider for people on low incomes (amongst whom many non-Germans) in the Gallus and to a lesser extent in the Gutleutviertel. The decline of the social rented sector is largely dependent on the period in which the houses were constructed. The oldest social housing areas, which are located in the central city boroughs, experience the first reduction of their social housing stock since their loans will be the first to be paid off. In the Bahnhofsviertel, as we saw, the social housing sector did not play an important role in the housing provision and will therefore not be affected by social housing conversions. The areas with social housing built in the 1960s and 1970s--districts such as Nied, Hausen, Sossenheim and Schwanheim--will only experience a reduction of their social housing stock after the turn of the century.

The majority of the social housing stock in the boroughs Gutleut and Gallus was built between 1950 and 1960 (60 and 80 percent of the social housing stock respectively). Gutleut and Gallus will experience reductions of respectively 61 and 81 percent of their social housing stock (Körner, 1995). In both boroughs this will have considerable implications for the concentration of poor (German and non-German) households. Low-income households increasingly rely on dwellings in the private rental sector, which generally have a worse price-quality ratio.
3.5 Conclusion

Segregation in the Rhein-Main region occurs at two different levels: first, between the city and the peripheral counties and communities on the regional scale; and second, between inner-city areas on the city-level.

The regional development shows an overall deterioration in the number of unemployed. However, the proportional increase has been lower in the cities than in the smaller communities of the region. This points to a decreasing socio-economic segregation at this higher level.

At the lower level within the city, the only sign of developing socio-economic segregation is the unhitching of several well-to-do districts from an overall development of socio-economic decline.

The variable ‘nationality’, similarly indicates low levels of segregation. The population of the districts with the highest non-German population share is made up of different ethnic groups. Also the rapid increase in the number of non-Germans between 1987 and 1991 did not lead to increasing segregation, at least not at the level of the districts (Stadtbezirke).

The immigrant population is disadvantaged from the German population as far as their position on the labour market is concerned. Unemployment levels and social assistance dependency are especially high amongst the non-German population. This is related to a mismatch in the demand and supply of highly qualified labour. In short, the non-German population is disadvantaged, but not highly segregated.

The social map of the city indicates that the prestigious residential areas are located just north and south of the city centre whereas the lower-income, working class areas stretch out along two south-east axes; one to the north and one to the south of the city centre. At the intersection of the axes are the most deprived residential areas (the Bahnhofs- Gallus- and Gutleutviertel, Griesheim, and Sossenheim) There, the high proportions of welfare recipients and immigrants, combine with poor housing conditions, an unattractive urban environment and lack of social services (Lang & Wegener, 1994).
4

IMPEENDING SEGREGATION IN FRANKFURT AND THE UVF

4.1 Introduction

In this section, an overview of the different factors leading to socio-economic (spatial) polarisation is described. As in other cities in capitalist welfare states, economic restructuring, demographic shifts, and the organisation of the state and the city account for increasing income disparities between different sections of the metropolitan region.

Unlike many other industrial cities the region of Frankfurt did not experience a rapid and strong economic decline. Frankfurt became known as the 'miraculous growth city' (Lang & Wegener, 1994) after the war. After the economic recession of 1992, the city and the larger region are again experiencing a boom in office construction.

In spite of its relative economic success, many people in Frankfurt are living in poverty. The recent immigration wave from eastern Europe is an important contributor to this development. Because of declining tax revenues and rising welfare expenditure the city is in a serious financial crisis. At the same time the federal government is withdrawing its support in combating urban poverty.

This section will start with a brief history of residential segregation in Frankfurt, after which a more detailed explanation of the factors underlying spatial polarisation will be given.

4.2 The historical context

The physical separation of different groups of people is not a recent phenomenon, but dates back to the middle ages. In this era, residential segregation was directly based on professional status: people of similar professional backgrounds were united in craft guilds. Street names such as “Leineweberstraße” (Weaver street) or “Färberstraße” (Painter street) are reminiscent of this period and indicate the residential and workplace areas of the craftsmen in the city of Frankfurt.

Another, more recent step in the historical development of segregation in Germany is the development of worker’s estates during the industrial revolution. In Frankfurt, however, the industrial era did not influence the socio-spatial pattern in the same
way as in many other German cities. In other cities (mainly) Polish workers were housed in 'colonies', separated from the middle and higher classes. In Frankfurt the delineation was not very strong. This is most probably due to a late industrialisation and to the fact that most industries were set up in the communities outside of the city's boundaries (Asemann, 1995).

After World War II, many German cities suffered a severe housing shortage. The prime objective of housing policy during this period was the rapid reconstruction of the housing stock. This resulted in a large social housing stock, of which distribution is based on objective criteria. As a result, different household categories were dispersed over the city. This prevented the development of homogenous social environments. Only after the quantitative housing shortage in Frankfurt was solved did the spatial separation of different household categories begin to take place. The relaxation of the housing market has triggered a process of sorting out, in which income has become the main determinant for a citizen's residential area. Rich households are privileged in their selection of a house and residential environment, whereas poor residents have to consent to the low quality and less desired segments of the housing market. However, because of the traditionally large social housing sector in Frankfurt--constituting one third of the housing stock in 1987--and in Germany generally, the relationship between low incomes and low housing standards still is weaker than in countries with a traditionally liberal housing market, such as the USA.

Traditional worker's estates, the 'Siedlungen', built from the fifties until the seventies, constitute a large share of the social housing sector in Germany. As a result of the erosion of the productive sector, these traditional worker's estates have become estates of urban poor in most German cities. In Frankfurt, the experience is slightly different. The first generation of tenants in the 'Siedlungen' shared in the city's economic growth and experienced an improvement of their socio-economic position. In addition, their children benefit from a regulation which allows them to take over the lease after their parents' death. § 569 and 569a of the 'Bürgerliches Gesetzbuch' (BGB) state that a rent contract does not automatically expire with the death of a tenant. Consequently, many dwellings do not become vacant for a very long time. Thus, this section of the affordable housing stock has become inaccessible for new low-income arrivals. These immigrants increasingly have to rely on the more expensive, but low-quality private rental dwellings surrounding the estates.

A study of 63 of Frankfurt's Siedlungen, mainly located in the centre and the surrounding boroughs, indicated that only 18 housed a non-German proportion exceeding the urban average of 27.8 percent. In 24 boroughs, the foreigner share was more than 10 percent higher than the average foreigner share. The foreigner share in 17 boroughs was below the average borough share (Schröpfer, 1994).

Two areas in Frankfurt traditionally characterised by a large manufacturing sector (i.e. the chemical industry) and the prevalence of large public-housing estates are Höchst in the east and Fechenheim in the west. Other traditional working-class neighbourhoods are situated along the east west axis, which runs between Höchst and Fechenheim (Hennig 1995).

The north-south axis shows the traditional residential areas of high-income
households living close to the city centre. At the intersection of the north-east and the south-west axis we find what is labelled by Hennig in his ‘Social Area Analysis’ as the ‘multi-problem’ zone (Hennig, 1995). It comprises three boroughs, located around the main station in near vicinity to the CBD.

4.3 The changing demographic structure: suburbanisation and immigration

Frankfurt, with its relatively small spatial territory, has traditionally been confined for space to accommodate new housing developments. As a result, the city has a severe affordable housing shortage exacerbated by the retreat of the Federal government from social housing, a growing immigrant population, the green-belt policy of past administrators, and by the invasion of residential areas by offices and gentrification.

Residential land has become very scarce and extremely expensive. This is reflected in the rents and purchasing prices of the houses, excluding many people as potential residents. Between 1987 and 1994, there has been a 50 to 100 percent rent increase. The rents in the attractive sections of the older housing stock, built prior to 1984, have doubled in seven years time. As a result, most citizens who are working in the city are forced to live far away from their job and commute over long distances (Lang & Wegener, 1995). The urban population consists of a growing non-German share which is overrepresented in the low-quality and cheap segments of the housing market.

The immigrant population can be divided into a few different categories. The first category comprises the group of immigrants who came to fill up the demand for labour in the thriving manufacturing industry in the 1960s. Prior to the construction of the Berlin wall in 1961, guest workers were recruited from eastern Europe. Later workers arrived from the Mediterranean countries. In comparison to the other west-European countries, Germany has received the largest number of economic immigrants (Breebaart et al., 1996). Because of the availability of work in the manufacturing industry, the urban regions of Germany experienced the largest foreigner influx. Initially, the immigrants were expected to return to their home countries once their work was no longer needed. In 1973, when immigration was halted due to the oil crisis, 12 percent of the German population was of foreign background. Instead of returning to their country of origin, a process of family reunification led to an even larger influx of immigrants into Germany. Currently, this population comprises first, second, and third-generation immigrants.

The composition of the foreigner population changed at the end of the 1980s. This is related to the changed geopolitical situation. In 1989 alone, 850,000 ‘ethnic’ Germans, or ‘Aussiedler’, arrived from eastern Europe into Germany, and have been granted their lawful right to German citizenship. Their number rose to approximately 2 million by 1996 (Doomernik, 1997). The ‘Aussiedler’ are not registered as immigrants, so they have not been counted in section 3.3. Germany has also received an increasing number of refugees from eastern Europe and the Third World. Altogether, about 3.5 million refugees and resettlers have come to Germany
over the past five years. Another 2.2 million immigrants are expected until the year 2000, with increasing and new demands on housing provision and the social infrastructure. Frankfurt’s Rhein-Main airport has become the gateway to Germany for many of these new immigrants. About 18,000 people from former Yugoslavia have already arrived in Frankfurt.

One category which has not been mentioned so far is the unknown number of illegal immigrants. This group of foreigners risks to become marginalised, since they are working in jobs without social security protection (Lang & Wegener, 1994).

4.4 Economic restructuring

The dominant trend in Frankfurt’s labour market has been the decline of the blue-collar workers and an increase of white-collar workers. This trend is related to the transformation of Frankfurt to a location of service industries, characterised by a high percentage of women, foreigners, and commuter workers. The rate of female employees in Frankfurt and commuters in and outside the city increased, whereas the rate of foreigners employed remained stable between 1980 and 1993 (Hennig, 1995).

The entire urban region experienced an increase in employment and population until the beginning of the 1990s. The communities outside of the central city of Frankfurt have experienced an even more rapid labour market expansion. In spite of the job growth, the number of unemployed people in the city also rose steadily until 1987, followed by stabilisation until 1992. In 1992, the largest employees in the region

Table 4.1 Population and wage-earners in Frankfurt and Rhein-Main region (exc. Frankfurt), (1987 and 1992)

<table>
<thead>
<tr>
<th></th>
<th>Frankfurt</th>
<th>Region⁶</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>621,379</td>
<td>660,492</td>
</tr>
<tr>
<td>Employed</td>
<td>463,387</td>
<td>499,268</td>
</tr>
<tr>
<td>Production</td>
<td>140,085</td>
<td>134,838</td>
</tr>
<tr>
<td></td>
<td>30.2%</td>
<td>27.0%</td>
</tr>
<tr>
<td>Commerce/transport</td>
<td>124,550</td>
<td>136,505</td>
</tr>
<tr>
<td></td>
<td>26.9%</td>
<td>27.3%</td>
</tr>
<tr>
<td>Services</td>
<td>197,790</td>
<td>226,975</td>
</tr>
<tr>
<td></td>
<td>42.8%</td>
<td>45.5%</td>
</tr>
</tbody>
</table>

Source: Lutz in Hennig, 1995

⁶ That region here is comprised of Offenbach city and Offenbach county (kreisfreie stadt) and the counties Hochtaunus, Main-Kinzig, Main-Taunus, and Wetterau.
were the airport (53,000 positions), the Höchst chemical plant (28,000 positions), numerous financial institutions (56,000 positions) and productive sector firms (86,000 positions). The most successful enterprises are in the branches of chemical industries, machinery, construction, electrical engineering, and advertising (Hennig, 1995).

The recession of 1992 initiated a period of declining job perspectives in the region of Frankfurt. A steadily rising number of persons became unemployed and dependent on state support. In 1996 this number has risen to 30,000 people in the city of Frankfurt (10.2% of the total active population). Over one-third of this group has been unemployed for longer than one year (Bartelheimer, 1997). Unemployment is especially high amongst young, low educated, and low-skilled people.

The development of a growing number of people with a fragile economic position runs parallel to an increase in the number of persons who are living in poverty. In 1992, the total of officially registered poverty was 70,000 people (Bartelheimer in Lang & Wegener, 1994). More recent estimates indicate that this number has increased rapidly: 133,000 persons (20% of the population) lived at or below the poverty level in 1994 (Bartelheimer 1997). Apart from the influx of immigrants, this is also related to the growth in the number of people with insufficient income, such as single parents.

The creation of new economic functions in the city of Frankfurt, does not have a large effect on the economic position of disadvantaged households. Between 1970 and 1993, there was a 2.4 percent increase in the number of people working in Frankfurt. In the same period the proportion of people with a job residing in the city declined 6.9 percent. Today, Frankfurt’s residents constitute only 40 percent on the local job market (Bartelheimer, 1996). The remaining 60 percent are commuters living elsewhere. Thus, the majority of the beneficiaries of the growth sectors of the economy are not living in the city.

A question may therefore be raised on the perceived positive effects of new office constructions on the socio-spatial polarisation within the region. Instead of solving the high unemployment in the city, it seems to help people who are living outside the city find a job.

4.5 Welfare state restructuring

Federal policies of restructuring the welfare state follow a pattern of preserving social insurance systems by shifting the burden of fighting poverty and deprivation to cities. However, cities are not secured of a sufficient tax base to implement many social policies. In a city such as Frankfurt, where a large share of average income households have escaped the expensive city and are now contributing to the tax base of peripheral communities, local policy makers have become financially constrained in securing a reasonable living standard for all residents.
Housing

Relatively few dwellings in Germany belong to the state or other public authorities. Housing for lower- and medium-income households is provided by towns and local authorities, trade unions, churches and large employees (for their employees and families), which have established numerous housing enterprises. The social housing construction sector, which is funded by the Federation, the states and the Counties (Kreise and Kreisfreie Städte) contributes to the provision of housing for lower-income groups. The funds provided under the housing construction programme can also be claimed by private persons or firms (Federal Ministry for Regional Planning, 1996). The city of Frankfurt has a relatively large social housing stock: about one-third of the stock consists of social housing, but a reduction is to be expected in the future. Approximately 12 percent of Frankfurt’s households owns a home.

In the 1980s, under the influence of a growing housing supply and increases in vacancy levels, the emphasis of German housing policy shifted towards the stimulation of home-ownership. Subsidies for social housing investment were reduced. The increase in incomes in real terms, the continuing trend towards smaller households, and in particular the dynamic immigration led to an explosion in the demand for new housing at the end of the eighties. The growing immigrant population, lower-income, and single-parent households experienced increasing difficulties in finding good and affordable accommodation.

The federal government once again shifted their emphasis from a consumption-oriented approach toward a supply-oriented housing-market approach. Between 1990 and 1995 the government reserved 19 billion DM to stimulate the construction of more social dwellings. In addition, the German ‘Länder’ and the municipalities invested in the construction of 680,000 new social dwellings between 1990 and 1995, an increase of almost 25 percent (Federal Ministry for Regional Planning, 1996). Currently, the quantitative housing shortage is believed to be solved and federal subsidies are frozen. Attention in housing policy is now increasingly being concentrated on improving the efficiency of assistance schemes.

Since 1989, Frankfurt’s Red-Green administration has spent more than one billion German Mark on housing subsidies and housing allowances (Lang & Wegener, 1994). However, because of the recession at the start of the 1990s, local funds for any large-scale public-housing construction in the city of Frankfurt were also exhausted after 1993.

Recent restructuring of federal housing policies entails that the social functions of housing will be less defined and regulated by law. A new federal Housing Bill (Wohngesetzbuch) creates greater diversity in programmes of subsidised housing construction based on local concepts. Even now, the majority of Frankfurt’s rented social housing is not covered by federal laws regulating social housing construction. The overall mix in housing investment has slowly shifted, mainly for fiscal reasons. Housing for middle-income tenants is cheaper for the city than traditional social housing construction restricted to low-income tenants.
4.6 Conclusion

The developments described in this chapter indicate that the urban region of Frankfurt has potentials similar to most other western industrialised urban agglomerations to develop a highly segregated population structure. Socio-economic differences between sections of the population are increasing due to changes in the urban economy. These changes favour the highly educated and skilled segments of the population.

Demographic changes (the exodus of German households and the growth of the non-German population) have triggered a spatial polarisation between the larger cities of Frankfurt and Offenbach and the smaller communities in their hinterlands. Since the state has shifted the burden of fighting poverty and deprivation to cities, these have become more dependent on their tax-base. The middle-class flight and the resultant tax-base deficiency is therefore the most important issue for the two larger cities. Frankfurt does not have a sufficient tax-base to implement a structural social policy.

As a result of the state’s recent withdrawal from the housing sector and the stimulation of home-ownership through gentrification the socio-economic position of immigrant and low-income households is hurt. But, in spite of this, there is very little evidence of a developing socio-economic and ethnic segregation within the city of Frankfurt during the past decade. It is still an open question how this will develop in the future. Previous international comparative research (Breebaart et al., 1996) has shown that segregation indices are likely to reach higher scores in welfare states which are characterised by a liberal housing market approach. Since German housing policy is showing increasing liberalisation tendencies, the expectation can be raised that segregation will increase in the future.

The distribution of Frankfurt’s deprived areas is related to the location of the traditional working-class areas. These are situated on a belt which runs from the east to the west of the city. Even though the social housing sector prevails in the majority of these areas, this sector does not house the most marginalised sections of the population. As a result of high turnover rent increases, the traditional households who settled in the social housing estates, do not move out. Instead the lease is passed on to their offspring. As a result the estates have become stable ‘bastions’ of the German working class. The inaccessibility and reduction of the social housing stock has forced new arrivals to turn to housing provision in the private rental sector. These generally have a worse price/quality ratio. The largest immigrant categories are nowadays found in this tenure category, especially in the boroughs near the main train station.
5

NATIONAL AND LOCAL POLICY AIMED AT
THE UNDIVIDED CITY

5.1 Introduction

The fear of polarisation between rich and poor urban neighbourhoods worries policy
makers. This has been most clearly expressed in the 1994 Mayors Manifesto 'Save
our cities now!' : “Our cities are in danger... The population is drifting apart. Both
the number of people living in poverty and the number of rich people are increasing.
The number of people receiving social assistance has doubled in ten years time and
the number of unemployed rises steadily”. Given the current socio-economic
conditions, the division between the rich and the poor is likely to widen in the near
future.

In Frankfurt, the fight against spatial segregation has concentrated on the avoidance
of homogeneous neighbourhood structures. The most important tool in this is a
Treaty, the ‘Frankfurter Vertrag’, discussed in section 5.3.

In section 5.4 the compensating measures in the field of employment, education, and
housing policy are discussed. The scarcity of such measures is related to an
economising federal state during a period of economic decline and increasing social
pressures on the local budget.

Before the discussion of general policies to fight segregation and deprivation the next
section (5.2) will concentrate on German immigrant policy and the specific local
measures of immigrant policy taken in the city of Frankfurt. The ‘Frankfurter
Vertrag’, is in fact also an instrument of immigrant policy, but because of the
importance of this Treaty on ethnic and socio-economic segregation, it is discussed
separately. The last section of this chapter (§5.5) examines housing market
restructuring in the city of Frankfurt.

5.2 Immigrant policy

The transient nature of foreigners in Germany was believed for a very long time.
Only at the end of the 1980s did a large influx of immigrants raise questions about
their effect on German society and about the possible necessity to introduce a
priority-policy for (potential) immigrants. Yet, Germany still proclaims it is not a
country of immigration, surprising for a country which houses approximately half of all former ‘guest workers’ and their descendants (Doomernik, 1997). There is no nationally co-ordinated immigrant policy in Germany. Immigrants therefore have to rely on general policy measures in the fields of housing, employment, and education, and on initiatives taken by the communities.

Germany has very stringent naturalisation laws: required conditions are a minimum of ten years residence, German language proficiency, home-ownership, financial independence, no criminal record, and a willingness to give up your previous nationality (Breebaart et al., 1996).

Frankfurt am Main has taken the first step in the introduction of measures for the integration of foreigners, with the installation of the ‘Amt für Multikulturelle Angelegenheiten’ (AMKA: Bureau of Multi-Cultural Affairs) in 1989. The AMKA is an integral part of the city administration and has the same rights and duties as any other department. One task of the AMKA is the stimulation of cultural change in local government. The AMKA has built up a working relationship with other civic and independent agencies and institutions in the city of Frankfurt and in the state of Hessen. The staff of sixteen at the office reflects the cultural diversity of the city’s population. The department is designed to support minority interests, which might also include German groups experiencing discrimination.

Support is given in a wide spectrum of activities relating to accommodation, employment, job-training, and the fighting of discrimination and racism. Representatives of the office have attended numerous meetings with the Housing Department to defend the stakes of the immigrant population in the city’s housing policy. Likewise, the office tries to influence the policies of the city’s Planning Department, for instance on their task to intensify control over the zoning of residential and business accommodations.

The influence of the AMKA should not be overestimated. According to the head of the office, it is extremely difficult to make a change within local government culture. It is not clear to which extent the office’s ideas will actually be translated into official policies. The installation of the AMKA, however, signals a break away from the traditional view on immigrant policy. This is an important achievement.

5.3 Desegregation policy: the Frankfurter Vertrag

Public planning and housing policies since the war have been preoccupied with the prevention of residential areas with a homogeneous population. This has been codified in key legislation: Clause 1 of the Federal Construction and Planning Law (Baugesetzbuch) requires city planning to provide for the housing needs of the population, through the avoidance of “einseitiger Bevölkerungsstrukturen” (one-sided population structures). Clause 7 of the Federal Law on eligibility for housing (Wohnungsbindingsgesetz) mandates municipalities to deviate from the standard procedures of housing attribution, in order to prevent “unbalanced social structures in certain neighbourhoods or districts”.

36
The ‘Frankfurter Vertrag’, is the local key legislation, with a deliberate objective to prevent a ‘ghetto’-problem (Bartelheimer, 1997). Although socio-economic divisions are also expressed on the regional level, the Rhein-Main Region lacks an effective political body that could conceive and implement policies preventing regional segregation.

**The Frankfurter Vertrag**

The Frankfurter Vertrag (Frankfurt Treaty) has existed since 1974. It is an explicit instrument targeted at the prevention of socio-economic and ethnic segregation.

The initial aim of the Treaty-agreement was to enlarge the social dwelling stock (‘die Preisgebundene Wohnungsbestände’). Usually, the social rented dwellings are not subject to the rules of attribution nor covert by public housing regulations when their loan is paid off (a period of approximately 30 years). After that period they lose their social function. This regulation was abolished with the introduction of the Frankfurter Vertrag. Thus it ensured their continuing role as social housing providers.

The signatories of the Frankfurter Vertrag are public housing companies. Since 1994, the treaty has had two major changes. First, companies have been given a larger choice in leasing. Second, a quota regulation aims at the dispersion of different groups over the city. Before 1994, housing companies were given just one applicant whom they had to explicitly refuse to get another proposal. Since 1994, they have a choice amongst three applicants right away. Under the quota regulation, leased dwellings must be allocated with a view to achieve the following population distribution for tenants in each city section: 30 percent immigrants, 10 percent ‘Aussiedler’, and 15 percent recipients of social benefits. In addition, 25 percent of the tenants in each section must be previously local residents. This quota system is an explicit example of a policy of desegregation, making the city of Frankfurt rather unique.

The last amendment to the Vertrag was made in 1996. This caused a reduction in the number of social dwellings, as the ‘nicht-Preisgebundenen’ section of the housing stock is again transferred to the private-market. This is similar as the situation before 1974. The housing companies can lease housing no longer legally subject to the rules of attribution to the applicants of their choice.

The Frankfurter Vertrag has been criticised for several reasons. The main objection relates to the distribution of housing types over the city. The housing stock of many wards does not support the philosophy of mixing the population. Sixty to seventy percent of the population of the wards near the main train station are non-German in origin. Many live in old, bad quality housing. Following the Treaty, non-German households are no longer allocated a home in these districts, even if suitable housing is available. In some of the districts where non-Germans still constitute a small minority, and therefore can still be attributed a dwelling, the characteristics of the housing stock are not attuned to the housing demands of the foreign population. The foreigner-quota in social rental housing is 30 percent. Because the proportion of foreigners in the city is almost as high, and since only 70,000 to 80,000 of the
houses are attributed according to the guidelines of the Treaty, this implies that foreigners should also constitute 30 percent of all people in the private rental and home ownership sectors. Likewise, a growing number of social assistance recipients depend on housing in the private sector. Increasing exploitation and substandard housing conditions are feared.

Another problem is that many Germans do not want to live in stigmatised areas of concentrated poverty. The district ‘Gallusviertel’, with many low-income households and a large non-German population, illustrates the point. In this district, a new housing project—the ‘Galluspark’—consists predominantly of social housing with the addition of some private dwellings. Houses were allocated to achieve a heterogeneous population. However, this objective was disturbed by the reluctance of the German population to move to this neighbourhood. To prevent a long-term vacancy of dwellings, the 30 percent quota for immigrants was withdrawn.

A former US military base illustrates a similar situation in areas with a predominantly German, medium-income population. Following the withdrawal of US troops from the ‘Siedlungen’, the municipal housing service wanted to attribute some of these relatively large and expensive rental houses to low-income and non-German households. The settled population, fearing for the status of their neighbourhood, raised protest.

In short, the professed policy of desegregation described here clashes with the requirement to prevent homelessness or substandard housing conditions for the poor section of the population. In practice, the policy can have the side-effect of keeping immigrants and welfare recipients out of Frankfurt’s social housing, where they are currently underrepresented. The reluctance of households to share their neighbourhoods with people of a different background and social status also undermines the philosophy of mixing the population.

5.4 National and local policy aimed at the undivided city

5.4.1 A comprehensive approach?

In 1995, the German Federal Government phrased its concern for the social exclusion of people in a national monograph on Housing for Socially excluded people: "To avoid and combat social exclusion, the instruments of social policy, labour market policy, housing policy and other measures must be co-ordinated and applied in a well-targeted manner". With this statement the Ministry of Regional Planning and Urban Development opted for an integrated cross-sectoral policy approach to combat social exclusion.

In spite of this viewpoint, however, there exists no example of a nationally co-ordinated, comprehensive policy approach to fight the social exclusion of people. On account of the great need for renewal and development in the new Länder in East Germany, the focus of urban development assistance provided by the Federation, shifted to the towns and counties in the east of the country. Traditional programmes of large scale-urban renewal, which have been operative in the state of Hessen since 1971, are being phased out.
Frankfurt

Emphasis of local policy in Frankfurt-am-Main will shift to strategies of complex decentralised intervention in neighbourhoods. Different and as of yet uncoordinated strategies of decentralised social work in the city of Frankfurt are being discussed by the Department of Welfare and Youth, the City School Department, a social housing corporation, and an ad hoc youth employment commission.

Initiatives of the city’s Welfare Department aim to decrease the complexity of social assistance provisions by setting up an umbrella organisation for youth work and consolidating several social departments into one larger office.

The school department has tried to increase the communication and co-operation between schools and their neighbourhoods. Their initiative aims to reduce the distance between schools and local youth- and welfare institutions.

Another initiative taken by one of the housing enterprises, the ‘Nassauische Heimstätte’, is preparing a management project in the areas of ‘Unterliederbach’ and ‘Höchst‘. In this project, the housing enterprise, members of the local employment district office, and socio-political actors involved in the boroughs are encouraged to co-operate in problems relating to housing regeneration, the neighbourhood environment, schooling, training, and job creation.

Finally, some inner city areas (Ahornstraße and Heisenrath) have taken the initiative to install a neighbourhood management team with the intention to integrate and co-ordinate public investment, welfare assistance, and the existing local social infrastructure.

Despite the efforts mentioned here, local policy to combat social exclusion is still in a cradle-phase. All the initiatives are developed only recently, so no conclusions can be drawn regarding their effectiveness.

5.4.2 Compensating measures

Labour market policy

Unemployment agencies are responsible for the creation and implementation of labour market policy. The spatial dimension does not play a conscious role in the agency’s funding strategies. The urban economy does not seem to bring relief to the high number of unemployed amongst the low-educated and low-skilled segment of the population. The increasing number of people dependent on social assistance raises concern for a new policy development.

In 1995, the federal employment agency spent 200 million DM on an active labour market policy. In addition, the state of Hessen and the city of Frankfurt allocated 2.5 and 35 million respectively on the implementation of projects designed to create new jobs for the unemployed. The money spent on measures to consult, train, and to provide the unemployed with new jobs, has been reasonably successful: without these efforts, almost 12,000 more people in the employment region of Frankfurt and 7,300 more people in the city of Frankfurt would be unemployed in 1996 (Bartelheimer, 1997). But because of the large and growing sum of money spent on unemployment benefits to the (long-term) unemployed, the implementation of a more effective training and job policy is financially hindered.
Currently, the political discussion on how to get more people off unemployment benefits concentrates on the labour-market deregulation. Fewer government regulations and controls are meant to stimulate private initiatives (Breebaart et al., 1996).

**Housing market policy**

The task of federal housing policy is to ensure an adequate supply of housing, especially for lower-income groups, and to provide housing allowances and stable conditions in rent laws (Federal Ministry for Regional Planning, 1996). In addition, the Federal Ministry for Regional Planning, Building, and Urban Development promotes a series of pilot projects designed to improve the housing and living conditions of disadvantaged groups. This was conducted within a departmental research programme, “Experimental Housing and Urban Development”. The projects were targeted at the three population categories: single parent families, non-Germans and repatriates, and the homeless.

The projects for single parents involve the construction and conversion of dwellings earmarked for single parents, including the provision of care, counselling facilities, and common rooms. Three housing projects were promoted in the city of Wuppertal, one on Hamburg-Altona and one in the city of Bremen.

The initiatives for the second target group are restricted to the drawing up of concrete strategies for the integration of non-Germans and resettlers, and the adoption of procedures for the implementation of such strategies.

Finally, several pilot programmes are drawn up to examine the problems of homelessness. Two pilot housing projects were set up to for single homeless women. These were combined with measures aimed at improving social and occupational integration. Other projects focus on the special problems of children and young people, or offer help to addicts seeking housing. The last pilot programme focuses on the long-term housing provision for the homeless. Housing and social policy makers, counties, and non-governmental organisations agreed that housing projects for this group should avoid special housing stocks or temporary dwellings in order to avoid exclusion and the creation of ghettos. Likewise, a concentration of dwellings for particularly disadvantaged groups at one location should be avoided (Federal Ministry for Regional Planning, 1996). With these requirements, the parties involved expressed their commitment to the goal of avoiding residential segregation.

It should be clear that, given the background of increasing poverty in almost all of the large German cities, the initiatives are very scarce.

In the city of Frankfurt, an indirect measure in housing policy, was the introduction of a rent tax based on the rent-in-proportion-to-income principle. This measure, enacted by Federal state legislation, is controlled by the Housing Department. Tenants whose income was proportionately too high were required to pay a ‘Fehl-Belegungsabgabe’ (ineligibility supplement). The money is used to build new housing facilities with affordable rents.

The aim of this measure is to stimulate high income households to vacate cheap dwellings. In this way the affordable housing stock can be enlarged, thus allowing...
low-income households a wider housing option. Doubts have been expressed, however, about the effectiveness of the tax measure. The supplement is only applicable to tenants whose income exceeds their proportional income limit by 40 percent. Moreover, the supplement itself is not very high. On average, it amounts to less than fifty DM a month (Musterd et al., 1998).

5.5 Housing policy aimed at the undivided city: urban restructuring

The existence of homogenous population structures in residential areas is an important political issue in Germany. Since World War II policy makers have been pre-occupied with the prevention of segregation and the avoidance of ‘ghetto’-like circumstances. This has been expressed in key legislation (section 5.3), policy documents, and the media. The main concerns are the large social housing estates. These are inhabited by people on low incomes and the existence of a critical demographic and socio-structural situation is feared. In spite of the marked concentration of problem tenants, however, it has been possible to avoid noticeable signs of segregation (Federal Ministry for Regional Planning, 1996).

For their policy attention, the Federation has chosen to prioritise the new states (Länder) in east Germany, where the significance of the estates for housing provision is much greater than in West Germany. In the regeneration of the estates, modernisation, rehabilitation, and upgrading of houses and the neighbourhood environment are given a high level of priority. Another important element is the privatisation of dwellings. This would ease the financial pressure of local authority housing enterprises. Privatisation, would also allow the enterprises to stabilise the social structures in these stocks and help prevent segregation. In reality, the privatisation of dwellings in the large estates, however, is proving difficult.

The new Länder of Germany, with their recent communist background, are indeed not a useful frame of reference for west-European liberal welfare states. For this reason, it is better to look at the experiences in West Germany.

In the state of Hessen and the city of Frankfurt, the major lever in fighting segregation are (as we have seen) rules regulating access to social housing. Even though some population groups are disadvantaged by this policy in that they are no longer permitted access to the social housing stock in their preferred neighbourhood, the rules have contributed to relatively low levels of segregation. Another reason for this is the relatively large social housing stock.

The main problem of socio-economic segregation, according to German policy makers, is the loss of fiscal income when higher-income families move out to the suburbs. For this reason, the city of Frankfurt attempts to create a variety of dwelling types in their new housing construction programmes. The city aims to

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7 Twenty five percent of the population in the new Länder versus two percent of the population in the old Länder lives in large social housing estates. One fourth of the population of the city of Frankfurt lives in the estates.
achieve a distribution of 30 percent housing for low incomes, 30 percent for medium incomes and 30 percent for high incomes. High land price has forced the authorities to build with high densities. As a result this policy has failed. People who could afford to buy a house opted for the suburbs with more open space and a greater distance to social housing areas. In many cases, the new home-owners acted as private landlords, subletting their apartment to immigrant families. According to a respondent, the proportion of foreigners and resettlers in the private rental sector is presently almost three times the proportion of foreigners in the social sector. The city now acknowledges the need to build new private sector dwellings in low densities, which, due to high land prices, is very difficult to achieve.
Economic recession in Frankfurt resulted in an increasing number of unemployed people and people living under poverty circumstances. The suburbanisation of German households and businesses and the continuing growth of the immigrant population in the city, contributed to a socio-economic polarisation in the region. The suburban communities were favoured by increasing tax incomes and job creation, whereas the city’s tax base eroded when growing demands were placed on the local budget. At the same time, the Federation withdrew financial support and shifted the burden of fighting poverty to the cities.

Frankfurt’s significance for the regional economy is relatively small. Over the past decades the number of jobs in the region has grown at a higher rate than in the city of Frankfurt. The development of a complex commuter pattern shows that the region has developed into a poly-nucleair structure with several larger centres of employment. Apart from Frankfurt, the next largest city, Offenbach, also faces the similar problem of a high unemployment. To recover from its financial straights, Frankfurt has chosen to prioritise its policies on economic rather than social issues. New office functions with a global orientation are concentrated in the Central Business District. The creation of these new highly qualified jobs, however, has not resulted in a large decline in the urban level of unemployment. The low qualified population neither benefits from these new jobs, nor from a trickle-down effect.

The socio-economic inequality between different segments of Frankfurt’s population takes a spatial dimension. The ‘losing’ population lives along two axes running from the east to the west side of the city, one just to the north and one to the south of the centre. They are the traditional centres of industrial employment which have experienced the greatest decline. The more attractive areas of the ‘winning’ population are located along a north-south axis. At the intersection of these two belts, in the vicinity of the main train station, are the most deprived boroughs. These areas are characterised by high welfare dependency, bad housing comfort (both in terms of space and commodities), low schooling levels, and a large immigrant population. The spatial segregation between well-off and poor areas has increased only slightly over the past years. Generally, more areas have been drawn into a disadvantaged position. Only a few districts are not sharing in the city’s general
economic decline.

None of the most disadvantaged areas conforms to the image of a homogeneous ghetto. They consist of people of different ethnic backgrounds, and there is a relatively little ethnic segregation compared to most US and European cities of similar size and diversity. Nor did the fast increase in the number of immigrants lead to higher levels of segregation between the German and the non-German population. The fact that both socio-economic and ethnic segregation are hardly increasing is not a safeguard for future developments. The process of gentrification and the relaxation of the housing market may trigger an opposite development in the future. Poor households experience increasing difficulties in gaining access to the social housing market. The example of the former US base, where higher income households resisted the conversion of housing estates into low-income housing, shows that exclusionary practices may lead to increasing segregation in the future.

Although socio-economic and ethnic divisions are also expressed on the regional level, the Rhein-Main region lacks an effective political body that could conceive and implement policies limiting regional segregation. In the city of Frankfurt, the fear of affordable housing insufficiency has led to the introduction of the ‘Frankfurter Vertrag’, a regulation which aims to secure sufficient social housing for low income families. In a later phase (after 1994), it also aimed to influence the social structure of social housing by the introduction of a quota-regulation. Under the regulation, leased dwellings must achieve the following population distribution figures for tenants in each city section: 30 percent immigrants, 10 percent ‘Aussiedler’, and 15 percent recipients of social benefits. In addition, 25 percent of the tenants in each section must be previously local residents. The regulation intended to avoid a ‘ghettoization’ of the population. Yet, it has led to the exclusion of poor and immigrant households from the social housing stock in central city areas and an increasing reliance on private rental dwellings within these neighbourhoods. As a result of this measure, real poverty concentrations are more likely to be found in the private market stock surrounding the social estates.

The prime initiative of local immigrant policy in the city of Frankfurt is the installation of the AMKA, a local government department which aims to fight discrimination and enhance the living conditions of immigrants. With the installation of the AMKA, the city of Frankfurt has taken the first step in the formation of immigrant policy in the country. But its influence should not be overestimated. Overall, immigrants still have to rely on general policy measures in the field of employment, education, and housing.

Federal funds for the regeneration of urban areas have shifted their focus to the new states of east Germany and consequently little financial support remains available for west German cities. Traditional programmes of urban renewal operative since 1971 have recently faded out. In Frankfurt, different and as of yet uncoordinated strategies of decentralised social work are being discussed by the Department of Welfare and Youth, the City School Department, a housing enterprise, and an ad hoc youth employment commission. In addition, some neighbourhood management teams are trying to integrate public initiatives with the existing social assistance infrastructure of the neighbourhood. Since all of these strategies are recent, or still
in their planning phase, no conclusions can yet be drawn on their effectiveness.
From the attempts to restructure the housing market in the city of Frankfurt, a few
important lessons can be learned. The example of the new housing project
‘Galluspark’ in one of Frankfurt’s more deprived boroughs, shows the difficulty in
attracting medium-income German households into a stigmatised area. The 30
percent immigrant-share (according to the Vertrag) had to be waived to avoid large
scale vacancy in this new housing project. Another important lesson is that if people
are given the option of moving to the suburbs, they are unlikely to buy a house in a
densely built-up urban area.
New urban housing construction for medium and higher incomes should, if possible,
be built at low densities. The other possibility is to make urban high-density living
an asset, by creating different, more urban, styles of high-density living. High-rise
housing construction should be made more attractive to middle-class households. In
almost any case, this last option will be easier to actualise. There will remain urban
areas, however, where neither of the two options are available. Because of their
isolated location, their unattractive natural and physical environment, and their
negative status, higher incomes and investors will shy from these areas. Urban
restructuring will not be the solution for these areas. Instead, more can be expected
from measures to improve the skills, qualifications, and labour market position of
the population.
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LIST OF ABBREVIATIONS

AMKA  Amt für Multi-Kulturelle Angelegenheiten: Bureau of Multi-Cultural Affairs
BGB  Bürgerliches Gesetzbuch
HBL  Hilfe in besonderen Lebenslagen
HLU  Hilfe zum Lebensunterhalt
UVF  Umlandverband Frankfurt
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