Economic Problems of Increasing Urbanisation

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The economic problems of increasing urbanisation are presently the subject of active discussion — in other industrialised and in developing countries no less than in the Federal Republic of Germany. The following article deals with the special features of the development in the Federal Republic.

The concentration of the population in conurbations has made further progress in the Federal Republic of Germany during recent years. Between 1961 and 1970 the population density per square kilometre increased in these areas by 117 inhabitants, whereas in the other parts of Germany it rose by no more than 18 inhabitants; 45 p.c. of the total population are now to be found on 7 p.c. of the total area. At the same time all the big towns with more than 300,000 inhabitants, Munich excepted, are still losing substantial numbers of their German residents. The decline of the total resident population of these nuclear towns, however, is slowed down by an influx of foreigners; in some of them the total population is indeed on the increase.

Density Axes

The principal reception areas for this emigration from the town nuclei are to be found in the rural districts around the big towns which are still within reach of the high-density areas. They experienced the greatest population growth in recent years. At the same time the density areas are spreading outward, forming density axes in the process. Nearly 60 p.c. of all towns with more than 60,000 inhabitants have also increased their population in recent years, a fact which is in many cases connected with the migration of foreigners. In rural areas outside the conurbations the population density is rising much more slowly than in the average of the Federal Republic; inside these areas the central localities have been recording the highest growth rates.

In toto there is thus an increasing concentration of the population in spreading density areas while the big nuclear towns in these areas are currently losing residents. Apart from the conurbations, the centrally situated medium-size towns are registering relatively large population increases. The economic problems of increasing urbanisation in Germany seem to be fairly obvious against this background of regionally differentiated population trends. The reflections about urbanisation, however, cannot be confined to the towns themselves; the surrounding area and indeed the other regions as well must be taken into consideration.

The influx of large numbers of people over prolonged periods is creating a considerable additional demand for housing in the density areas. In previous decades the centres of the density areas had been the first to feel the population growth directly. In more recent years the trend has been as described, so that the outskirts of the large towns have now become the favourite residential districts. The main reason for this is that the need for housing accommodation can no longer be satisfied on acceptable terms in the town centres, where property prices and rents have soared in recent years, although some relief has come from State subsidies for certain sections of the population. Besides, there are still many old buildings and dwellings rebuilt immediately after the devastation of the second world war to be found in parts of the density centres; despite high prices they offer relatively little comfort.

In addition to the demand for dwellings, considerable competition for land and property is being caused in these districts by the demand for

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business accommodation. Business firms, as a rule, are more willing to bear the high costs, and so there is a growing tendency among town-dwellers to move to the surrounding areas. Moreover, the demand for owner-occupied houses and flats which has been encouraged in Germany by tax relief, has developed a dynamic of its own. The high rents and the general threat of continuing price rises has caused a flight into tangible assets among which land and property in density areas feature prominently.

Infiltration of the Countryside

These factors together have caused the residential districts to spread and infiltrate into the surrounding countryside. Shortage of building land inside the towns, and increasingly also in the surrounding areas, has stimulated property speculation and led to large price increases in and near the town nuclei. More and more farming land is being turned into building land, which incidentally endangers the urgently needed open spaces inside the density areas. Some efforts are being made to offer more residential accommodation in central districts but these are limited to high-price dwellings which only a small section of the population can afford. The functional changes in the town centres, which will be described later, certainly do not make them any more attractive.

Among the motives which cause people to migrate into the various districts in the density areas from other regions is the desire for higher quality housing, better educational and entertainment facilities, and the opportunity to earn more money. Originally it was the secondary sector which offered attraction of high earnings in density areas. However, the tertiary sector is now also offering improved opportunities for higher incomes because the demand for services has greatly expanded, especially in these areas. The centres have to undertake more and more central tasks for the growing population. Not only have competing claims on the land by industry and for residential purposes to be met, but there is besides growing competition between the secondary and tertiary sectors. With the total demand for accommodation expanding substantially, industrial firms are showing a tendency to move away. Some firms are moving to surrounding districts while others are transferring operations to rural regions away from the conurbations. This trend is partly due to the search for labour and besides improvements in industrial communications and transport systems which have lessened the dependence on some particular locality for many operations. The old argument about economically relevant contact benefits probably needs revising in this respect.

Movement out of the Town Centres

The attractiveness of the removal of secondary sector enterprises has been somewhat lessened over recent years by the influx of foreign workers into the town centres. Most of these foreign workers are being housed in old buildings in the town centres or in more or less makeshift accommodations provided by their employers.

The characteristic feature of the density areas today is thus seen to be the transfer of the residential function to their outskirts and the progressive emptying of the town centres of which increasing use is being made by the services sector at the same time, while the manufacturing trades are also, in part, moving to the outskirts. The towns and their surroundings have thus undergone a far-reaching functional transformation.

The daily commuter traffic of town centre workers who live in the suburbs is a consequence of the progressive separation of residence and place of work. The movement of commuters has reached