

Germany combats foreign competition with culture

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BERLIN -- The camouflage Army rucksack pulls heavily on Martin Meyer's shoulders.

He stares at cellular phones displayed in a store window beneath Duisburg's train platforms.

Above the phones, the pink "T" of the cellular company T-Mobile reflects off his thin-rimmed rectangular glasses. Before beginning his compulsory two-year stint in the German armed forces last year, Meyer, 21, worked for the company. He hopes to return when he gets out, he says, but it seems every time he turns on the news, another company has gone bankrupt.

"I think Germany slept too long," said Meyer, who lives in Kleve, about 48 miles away. "You could see years ago that China was rising."

The world's most populous nation powered past Germany last year, taking from it the title of top exporter. Now Germany is trying to adapt.

The answer, says emerging leaders, lies in the arts.

"Culture inspires, and inspiration produces creativity, and creativity produces jobs," said Fritz Pleitgen, managing director of RUHR 2010, the group that organized a yearlong cultural exposition in Germany's former industrial heartland.

The Ruhr region's coal mines and steel mills fueled Germany's post-war boom. After heavy industry's collapse in the 1960s and '70s, a rebuilding program turned the region into a haven for artists and museums.

Matter of economics

The European Union designated the region its Capital of Culture for 2010. Pleitgen says it is an opportunity to create an economic model for Western economies undercut by developing nations.

Berlin has taken notice.

The German parliament 18 months ago created a department to oversee so-called creative industries -- an expansive term covering everyone from architects to playwrights to machine designers. Creativity, in Germany, no longer is a province of art. It's a matter of economics.

"Will it be enough? I don't know. But it can make a contribution to close this gap," said Bernd-Wolfgang Weismann, the department's director.

The industries account for about 2.6 percent of Germany's gross domestic product, and employ about 1 million, making them larger than either the country's auto or chemical industries, said Bernd Neumann, an undersecretary in Germany's state department who oversees cultural and media projects.

Weismann's budget is about \$7.4 million a year. With that, it employs teams of people to scour business associations -- manufacturing industry groups -- and connects them to creative associations, such as those for designers.

He cites as an example a team of graduates from one of Germany's design schools who were put in touch with Gildemeister, a manufacturer of steel-cutting tools. The designers reconfigured a Gildemeister's machine, which was being out-sold by Japanese companies. Their machine won an industry-sponsored global competition.

"Design is not only about cars. It's not only about the surface. The whole process can be helped -- the whole industry," Weismann said.

Keeping the 'castles'

The initiative looks appealing to policymakers struggling with a debt equal to 80 percent of Germany's gross domestic product. That GDP fell an estimated 6 percent last year, according to the country's Federal Statistical Office. Unemployment increased to 10.1 percent from 7.8 percent in 2008. Unemployment might be higher if the government didn't spend billions subsidizing wages and early retirements.

Those social benefit programs strain the country's budget, about one-third of which continues to prop up Eastern Germany, the former Soviet bloc state.

The conservative government of Chancellor Angela Merkel took power in 2005, pledging to reform the welfare system and simplify the tax code.

In the wealthier west, which includes the Ruhr, foreign companies moved in to compete with German firms, threatening Stefan Neissen's livelihood. The medical device manufacturer for which he works competes with a Chinese company.

"We have a better product. That's our (selling) point -- our quality management systems," said Neissen, 44, of Essen. After competition moved in, Neissen began checking labels on his regular shopping trips. If it says "Made in China," he tries not to buy it. "But this is not so easy."

Unemployment in the Ruhr ranges from 6 percent in technological hubs such as Duisburg to 19 percent in former coal towns, said Berend Fesel, director of the European Center for a Creative Economy.

"The Ruhr area used to be called the Land of 1,000 Fires. The skies used to be red at night" from churning steel mills, said Andreas Rickenbrock, a former official with a public-private partnership that organized the 20-year regional overhaul.

A crown of blue lights shines from the cap of the 384-foot cylindrical Oberhausen Gasometer, once a storage tank for refuse gas from blast furnaces, used now as the largest exhibition space in Europe. The rusting blast furnaces and smokestacks of the former Duisburg Meiderich metal works burn blue, green and red in a display created by the former lighting engineer for Pink Floyd.

Rather than tear down these colossal structures, citizens voted to turn them into parks and museums. Millions more euros paid for 435 miles of bike and walking trails connecting the plots, creating Europe's largest park -- the Emscher Landscape Park. It's a tactic born of history, Rickenbrock said.

"When the Middle Ages came to an end, people tore down the castles and used the stones to build houses," Rickenbrock said.

Creativity vital

Drawn by the public commitment, private companies are moving in. The modern glass and concrete buildings of science parks and energy research centers dot the outskirts of baroque villages.

What little of the coal industry remains likely will die off in 2018, when the government plans to end subsidies for coal producers, whose product sells for more than twice the price of Australian coal.

When Nordstern Coal Mine shut down in 1993, the government transformed the grounds into a 247-acre park. The architectural firm THS, which began as a trust for coal miners' housing, moved

into the buildings. It spent about \$65 million turning the complex into a LEED-certified headquarters, and is converting a tower over the main mine shaft into a 300-foot-tall coal mining museum topped by four glass-enclosed floors and a sculpture of Hercules, said spokeswoman Marie Mense.

Conceptual artist Jochen Gerz calls this "The Pittsburgh Effect," after Western Pennsylvania's rebirth spurred by public investment and the creative industries it attracted, such as education, medical research and technological engineering. Gerz's current project, "Two or Three Roads," is intended to force people to be creative -- a skill he believes is vital to his country's future.

"The public is too passive. It would be better if there were more authors, rather than just consumers," Gerz said.

The project involves giving 78 people from around the world free places to live for a year. Three cities in the Ruhr region donated apartments. In lieu of rent, tenants must write, every day, about anything.

Each received a laptop, hooked to a server that automatically archives what they write if they stop typing for more than a few seconds. The text will be published when the project ends Dec. 31.

"I am trying to create an author's society, a football game where 80,000 are playing and 22 are watching," Gerz said. "A democracy with only consumers is no democracy -- not for long, anyway."