

Some thoughts on German success

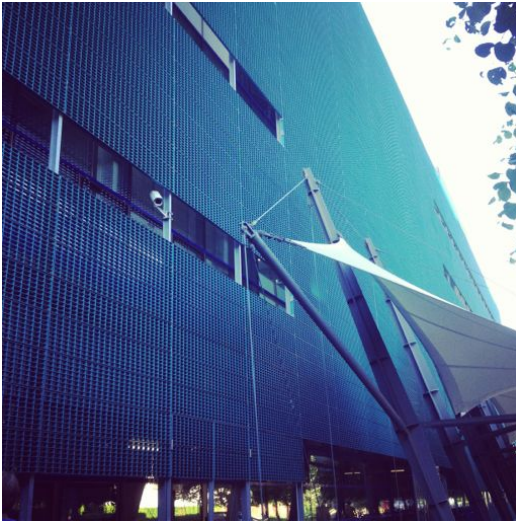
Anthony A Hyman



Twenty years ago, when I was living in San Francisco contemplating a move to Heidelberg, my peers thought I was crazy.

Similarly, on broaching the subject with my father, he fainted and passed the phone to my mother. Now everyone asks me how to get a job in Germany, and my father, who recently died, counted his visits with my mother to Germany as some of his happiest memories. What has changed so much in the intervening time? Twenty years ago, just after unification, Germany was labeled the sick man of Europe, as it struggled with outdated labour practices that were exacerbated by the reunification. The loss of the camera industry, and other consumer electronics, almost overnight had sent shock waves through the industrial elite, and the *Economist* magazine regularly lambasted the country for its lack of innovation. Now, the result of relentless control of costs and loosening of labour rules has resulted in a well-trained workforce and a sense of purpose. This sense of purpose, by which I mean the common drive of society towards shared goals that

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stretch across political parties and walks of life, is a central feature of German life. It is remarkable that this sense of purpose has been maintained and strengthened despite the upheavals of the reunification of Germany.

When people ask me, which they regularly do, for the secret behind German success, one of my answers is that Germans have a theory for everything, be it education, or crossing the road. This theory is worked out through extensive discussion across all sections of society, including the pub, the newspapers, and the television as well as the voting booth. Once agreed on, Germans stick to it with remarkable tenacity. This hysteresis to change prevents successive governments changing everything when they come to power, as is the case in my Mother Country England. There, all institutions are buffeted by the political message of the day, which has resulted in poor schools, lack of industry, and a health system where doctors have to concentrate on performance targets rather than health. My impression is that most Germans don't realize how impressive their country is in this regard. Because the message has been discussed and communicated to the general public, this results in a sense of unity and defined purpose. The resistance to change does have problems, for instance

during times of rapid technological change as we saw with the rise of the computer industry. But as we have now come to realize, Germany will generally catch up and succeed in new areas. We have seen this in action in the reunification. The *Aufbau Ost* and the *Solidaritatzuschlag* were discussed and worked out in the manner I have described, resulting in a remarkable unity of purpose. For 20 years, the majority of Germans have been prepared to put up with large transfers of money to a different part of the country. I think you would be hard-pressed to find another country that would have similar resilience.

In many ways, a shock such as reunification is an excellent stress test for any system. Indeed, the old *bundeslander* found it hard to generate enough cash to support the reunification and had to radically change the way that industry was supported and regulated. The industry of the new *bundeslander* grew up to support a very different type of command economy, and was put under severe strain as it struggled to cope with a market economy. History will judge that the reunification of Germany was an incredible stroke of luck. By stress-testing both the BRD and the DDR, the economy and the society was ready to handle the economic shocks that have left the rest of the world reeling.



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After the reunification, cities such as Dresden had to sit down and think how to cope with the future. One great advantage Dresden had over cities from the BRD was that because much of its infrastructure had been frozen in time, such as roads and pipes, it meant that the city could look at the failures of town planning in the old West and do better. Indeed, one important aspect of Dresden is its compactness. It has not been ruined by the suburban sprawl of western cities. Who really believes that our beloved Elbewise would have survived the road-building program of the postwar West, which saw large roads along all major rivers. This compactness has been maintained and supported, as for instance by our Burgermeister Marx, who has promoted more inner city shopping. However, there are other areas where one asks oneself if lessons have really been learned. Most prominently is the issue of building the city around cars. 60 years of experience in most cities in the world have shown that you can never build enough roads: The more roads you build the more cars will come. I would love to see Dresden become a world model for innovative transport systems in a city. For instance, supporting modern public transport systems, cycling, and other energy-efficient alternative transport modes.

I want our city to be beautiful for a number of reasons. Of course, it is because I like to live in beautiful places.

(continued)

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As Daphne Myers, the American wife of Gene Myers who has recently become a Director of our institute told me recently, "When it rains, Dresden is as dreary as any other city, but when the sun comes out, I don't know of anywhere more beautiful". However, I also want it more beautiful because many of our colleagues and I are engaged in an experiment. Can we make Dresden one of the top cities in the world to do biomedicine? We have made a great start in this direction, with so many important institutions here that have brought an estimated 2000 jobs to Dresden. The TU Dresden as an Elite university is another great step in that direction, as together with our colleagues in other faculties we have taken Dresden to one of the top eleven Universities in the country. However, continued success requires continued recruitment of top talent from around the world. Only by bringing in experts can the growth continue. We are in a constant competition with other cities both in Germany and the rest of the World to attract the best talent. This is why we need Dresden beautiful.

It is a salutary lesson to realize that Boston in the 1960s was a sleepy, postindustrial university town. Since then, the relentless focus on bringing in academics and exploiting the world class universities has resulted in the bringing in of over 90,000 jobs and billions of dollars of research grants. A similar focus in Dresden over the next decades can deliver similar results. Our university, the TU, was at the turn of the century one of the greatest universities in the world, with more patents than any other university in Germany (check again). And our city is as beautiful and livable as any of the major university cities of the world. That is why I say that the primary focus of the Dresden city council must always be on how to be as attractive as possible for foreigners and foreign investment. "No!" I hear many of you roar, the primary focus must be for Dresdners. To that I would counter they are one and the same thing – the most important issue is that Dresden continues to generate jobs so that our children can stay, if they want, in Dresden, that we can see our grandchildren continue to build Dresden into one of the top cities of the world. Only by creating jobs will Dresden

continue to grow. Without them, the city will wither and the young people will leave, as I experienced in England, when all the young people left the Northern cities and moved to London. Only now, 40 years later, are those cities beginning to recover. And Dresden can only create jobs if it continues to attract outside investment. Attracting this investment requires an open and friendly atmosphere to foreigners. After all, if a foreigner on the street asks for directions, how does one know if he/she has a million euros in their pocket to invest? It requires a reputation as a tolerant and open city so that when Dresden businessmen are selling their products abroad, they can proudly display the label "made in Dresden".

My father's initial shock at my move to Germany was because he was still very much influenced by his Jewish origins and the suffering of his family during the war. Over the years, he came to love Dresden because of the beauty of the city, but also the warmth and openness of the people in the friendship circles into which my wife and I have been welcomed during our 12 years in Dresden.

He came to realize that Germany had examined its dark past and learned the lessons for the future. As he reminded me shortly before he died "to know all is to forgive all". However, in contrast to the unity of purpose seen in economic issues, the relationship to foreigners is still a very divisive issue in Germany. This I believe is one of those "theories" I mentioned above, that is still being worked out, especially the competing views of the East and the West. On the one hand, Germans are happy to welcome foreigners to drive their industry. On the other hand, they are not sure to what extent they want them in their society. I see this every month as a member of the *auslanderbeirat*, where there are quite competing views among German politicians about how best to integrate foreigners in Dresden, and the extent to which foreigners should be accommodated in decisions of the city council.

This is why the initiatives that push for making it easier for foreigners to work in Dresden have been so important. By supporting a "welcome culture", Saxony has realized that even if every Saxon is well trained and has a good job, there still

won't be enough people to drive the Saxon industry. It is not that other countries are doing a better job on immigration. Even the USA, which used to be a model for intelligent immigration policies, has slipped back since 9/11. Given the central place of Germany in Europe, Germany must work out a modern policy on immigration and work with its European partners to implement a policy acceptable to its citizens.

Twenty years later, we can look back and say what a resounding success the reunification of Germany has been. The reexamination that it forced on all aspects of society are at the heart of the current ability of Germany to cope with the worst economic downturn since the thirties: industrially by reformation of labour practices and

stimulation of innovation and financial probity; socially by reaffirmation that the twin pillars of education and tolerance are at the center of German life. Given the way Germany responded to the crisis of the thirties, this must be seen as an immense and monumental achievement. We can only hope that in the next twenty years Germany continues to provide an example for the rest of the world of a country in which entrepreneurship is encouraged, but that the right to a good education and the right to be healthy, as well as the possibilities to use these to obtain a skilled job, are at the cornerstone of a happy and successful country.

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