

## **Research proposal by Stefan Krätke**

(With regard to the “Twenty years later” project by K. Hübner)

### **Polarized regional development in East Germany**

An assessment of regional success factors and critique of R. Florida’s “creative capital” theory

Twenty years after reunification, the East German economic territory is still characterized by severe structural weaknesses compared to West Germany. However, within East Germany there is evidence of a divided development on the regional level: we are facing a polarized regional development, with further declining regions (lack and loss of jobs, ongoing outmigration of young and qualified people) and, on the other hand, upcoming “islands of growth” with strong growth in high technology sectors and knowledge intensive economic activities. This East German “archipelago” of relatively successful regions contains some large metropolitan regions like Dresden, Leipzig and Berlin, and some less prominent cities like Jena, Chemnitz and Rostock.

An assessment of regional success factors which are at the heart of these developments can be based on concepts of regional economic development which emphasize the role of regional innovation capacities and the selective clustering of knowledge intensive activity branches. However, in recent times the US-American sociologist R. Florida’s “creative capital” theory which deals with a particular set of regional success factors (the three T’s “technology, talent, tolerance”) has got a quite positive reception in Germany among regional scientists and politicians. Particularly on the regional level, R. Florida’s concept is today being taken as a “message of hope” which might guide poor and declining localities to a future successful development path. The influential “creative capital” theory can be criticized with regard to its highly affirmative concept of a “creative class” and its poor recognition of the differentiated concepts of regional success factors which have been developed in the theory of regional innovation systems.

The research project “Polarized regional development in East Germany” aims at combining empirical research and theoretical debate on the success factors of regional economic development. The project shall contain three parts:

1. Research on characteristic properties of regional development in East-Germany, based on the author’s socio-economic data base on 439 administrative districts of Germany (including 117 districts of East-Germany). Sectorally differentiated data on employment and occupational groups shall be used and diverse indicators of regional success will be evaluated.
2. A critique of R. Florida’s “creative capital” theory and its empirical research concepts in order to develop an alternative approach to the assessment of regional success factors in the framework of an increasingly innovation driven and knowledge intensive economy. This point includes the discussion on how to delimitate different groups of “creative workers” and to conceptualize their impact on the innovative capacity of regional economies. While this research proposal is concentrating on regional development in East Germany, the findings of the author’s recent research on “regional knowledge networks” in a particular West German metropolitan region shall be used to present additional theoretical points and empirical evidence on the properties of successful regional innovation systems.
3. The concept of regional success factors derived from the theoretical discussion (point 2) shall be tested empirically with regard to the German regional system and particularly the East German regions, using a regression analysis model and the socio-economic data base mentioned above in point 1.