5

Figure 5.1 Hermannplatz 2050: An Artwork by Gosia Zmysłowska
(*Source:* Gosia Zmysłowska)

According to the Grundgesetz, the present economic and social order is a possible order, but it is by no means the only possible order.

The Federal Constitutional Court of Germany (BVerfG 1954, 4,7)

I no longer want to draw utopias 'in principio' but absolutely palpable utopias that stand with both feet on the ground.

Bruno Taut, Berliner, Chief Architect of GEHAG (a non-profit housing and building company established in 1924 and privatised in 2007)

BERLIN IS THE GREATEST EXTRAVAGANZA

Sexy and Solidaristic

1

What does the future look like? Eager to fall into a Wonderland of innovation, I attend *FUTURE PropTech London 2019*: 'the world's largest and most cutting-edge property technology show'. The event advertising promises more than 100 'thought leaders from around the globe' who will talk about the 'macroeconomic challenges facing the real-estate industry and how technology is overcoming them'. The nine 'key urban challenges' mentioned in the programme include 'Tech-Enabled Brokerage' and 'Solving the Housing Crisis'. I am curious.

Judging by the venue, the future looks like a touristified food market in an arbitrary European city. Everyone is wearing a suit, and access to the venue is strictly limited – but the food in the hall is being served from food trucks to give it an 'urban' feel. I circulate between the stands to learn about the latest innovations. One of them is an 'unrivalled' CCTV technology for landlords. I can see myself on the screen; it's following me. At another stand, a woman presents a 'revolution in coliving': a scheme to 'increase your revenue' by renting apartments to groups of roommates who are organised via an app. Notwithstanding all the tech, it seems to me that the biggest innovation occurring here is at the level of language.

I write down some PropTech keywords on my branded notepad. At lunch break, waiting in line to collect my tacos, I tell the

people around me about Berlin's latest PropTech innovation. 'It's a smart platform for the optimal allocation of property,' I say. One man seems particularly interested. He asks me about the technology we use.

'We crowdsource for legal innovation,' I reply. 'The technology we use is called 15GG. It creates loads of value for the key urban stakeholders.' I smile at him, and at myself for making a private joke: GG is the standard abbreviation of *Grundgesetz*. The man writes '15GG' on the back of my Cambridge business card. He asks if I would potentially be interested in business-to-business collaboration. 'We work with a whole range of urban stakeholders,' I assure him.

Back in Berlin, I call my friend Patrizia, who works in start-up funding. She is an enthusiastic supporter of socialisation, and was one of the thousands of individuals who contributed personal funds to DWE's crowdfunding campaign. Together, we draft a pitch.

> *In Berlin, innovative young players have been disrupting existing markets to break the mould and create a better future. The PropTech market is ripe for this acceleration, with DWE perfectly placed to employ swarm intelligence for the most efficient resource allocation. Using a decentralised toolkit and state-of-the-art 15GG technology, DWE transforms property markets to create exponential added value for key urban stakeholders. Say yes to the revolution in the sharing economy!*

A genuine innovation can speak any language.

2

Bruno Taut was a pioneer of PropTech. Coming from the Bauhaus tradition, Taut believed that new ways of thinking about property – as a social arrangement facilitated by modern technology – could genuinely transform society. So when my Cambridge students visit Berlin on a research trip, I take them to Bruno Taut's Carl Legien Estate in Prenzlauer Berg, the one

Figure 5.2 Felix's apartment at Carl Legien Estate
(*Source:* Karsten Buch)

I discovered on my very first walk around my neighbourhood. This UNESCO World Heritage site provides homes for nearly 3,000 Berliners, including my friend Felix. As twenty-four students, divided into groups of three, consecutively marvel at the way natural light flows through his living room on a grey March morning, Felix tells us how he enjoyed spending all the COVID-19 lockdowns here (Figure 5.2). Indeed, when Taut was building the estate in 1928, he specifically factored epidemics – the main consideration back then being tuberculosis – into his design.

Taut designed spaces, not just buildings. He considered 'light, air and the sun' to be the creators of good architecture. The Carl Legien Estate features spacious green courtyards intended for sunbathing, outdoor exercise and community gardening. To give city-dwellers the feeling of being in nature, Taut reversed the traditional floor plan of the urban tenement. Here, the living rooms, as well as the bedrooms, overlook the green courtyards. The kitchens and bathrooms face the street.

Figure 5.3 Colourful loggias at Carl Legien Estate
(*Source:* Karsten Buch)

Taut's smart design was geared towards quality of life. Every apartment has a loggia (a roofed balcony) that extends the living space in summer. The smallest apartments have the biggest loggias. Every loggia has built-in storage that doubles as a fridge in winter, when people stock up for Christmas.

'We don't want to build any more joyless houses', Taut wrote in a manifesto he signed along with other Bauhaus architects.[1] He was a functionalist, but considered joy one of the important functions to which architecture must cater. His colour-coding of doors, balconies and windows – in saturated yellow, red and blue – is deliberately playful, intended to lift people's spirits (Figure 5.3). The large corner windows, emblematic for

Bauhaus design, increase the amount of daylight while also adding interest to the façade.

Bruno Taut's joyful apartments were affordable by design. Taut was committed to solving the housing crisis, which was why Berlin's visionary city planner Martin Wagner appointed him as the chief architect of GEHAG. This was an innovative non-profit company, set up by Berlin's various trade unions and cooperatives to build affordable housing on a massive scale. Legally, GEHAG was a cross between a building society and a joint-stock company that catered exclusively to non-profit shareholders. It had its own subsidiary developer (Deutsche Bauhütte), to avoid wasting resources on commercial profit margins.

Taut's high standards did not compromise either the speed with which the apartments were built or their affordability. The 1,149 apartments of Carl Legien Estate were completed in just two years. All of them had modern bathrooms and furnished kitchens – a major improvement on the general living standards of the time. The estate's communal spaces included two laundry areas, several shops and a café. For some critics, making such beautiful housing so affordable was controversial. Taut's housing was 'too nice for the working classes', they said.[2] Between its launch in 1924 and its takeover by the Nazis in 1933, GEHAG built around 17,000 apartments.

GEHAG was privatised in 1998. In 2007, it was acquired by Deutsche Wohnen, and Deutsche Wohnen merged with Vonovia in 2021. Deutsche Wohnen lays claim to Taut's legacy in its corporate logo by including a horseshoe – a direct reference to the 'Horseshoe Estate' in Britz, awarded UNESCO World Heritage status in 2008 (see Figure 5.4).

In 2022, Anne Kockelkorn, an architecture professor from Ghent University who lives in Berlin, conducted research to find out whether corporate landlords were doing justice to Taut's institutional and architectural legacy.[3] Corporate landlords have access to huge amounts of capital, as well as modern technologies. Kockelkorn wanted to know whether these resources had translated into actual innovation.

Figure 5.4 Bruno Taut's Horseshoe Estate in Berlin-Britz built by GEHAG
The estate is listed as a UNESCO World Heritage Site. Currently, it is owned
by Deutsche Wohnen.
(*Source:* A. Savin, Wikipedia)

Firstly, she assessed 'Marienufer', a sixteen-hectare site adver-
tised in Deutsche Wohnen's 2020 shareholder magazine as the
'living spaces of tomorrow'. The project is managed by a PropTech
platform 'for the control and optimisation of financial flows in the
development of real estate'. As noted by Kockelkorn, the project's
rendering on the website 'aestheticises the scheme's attempt to
eliminate all non-commodifiable collective space'. Unlike Taut's
lavish courtyards, green spaces at Marienufer are minimal.

Contrary to what the district authorities proposed in their
local development plan, the Marienufer estate has no central
neighbourhood square and no social amenities. The urban front
of the project is a series of parking spaces. Also, while the
architectural rendering presented floor-to-ceiling glazing, imply-
ing plenty of natural light, the resulting project features much
smaller windows set in plain beige render.

Figure 5.5 'Architecture of financialisation': A housing project by Vonovia
in Alt-Tempelhof, completed in 2021
(*Source:* Anne Kockelkorn)

After Marienufer, Kockelkorn visited an unnamed housing
project in Alt-Tempelhof, completed by Vonovia in 2021. From
what she describes, no one can criticise it as being too nice for
the working classes. To begin with, the working classes can't
afford it: the rent of €12 per square metre is the maximum
legally allowed in this area. Secondly, it is not nice: Kockelkorn
found that 'the simple shape, rough aesthetics and cost-saving
construction processes are reminiscent of the minimum stand-
ard design of emergency shelters'[4] (Figure 5.5).

Kockelkorn concludes that the quality of architecture is closely
linked to the institutional set-up. What Deutsche Wohnen and
Vonovia build is 'an ideal city of financialisation', cost-optimised
to maximise profit rather than comfort of living. In this respect,
the architecture is functioning perfectly: in 2021, Deutsche
Wohnen made a profit of €919 million, Vonovia €2.8 billion.
A family living in a Vonovia apartment is paying an average of
€195 per month just to cover the shareholders' dividends.[5]

Martin Wagner and Bruno Taut – the visionary architects and planners who effectively ran GEHAG – built their 'too nice' houses on standard civil service salaries. The managers of Deutsche Wohnen and Vonovia are undoubtedly well qualified – but not in housing or planning, only in 'asset management'. In 2021, the average annual salary paid out to the members of the Vonovia Management Board was €2.5 million. Vonovia's CEO, Rolf Buch, earned €4.2 million.[6]

Bruno Taut was a pragmatic idealist. He believed that in order to transform the system you have to aim as high as possible, while standing with both feet on the ground. To train himself to aim high, he would draw outlandish utopias. He considered this an important exercise: if you can't find the courage to 'go for it', even on paper, would you ever dare to transform the real world? Indeed, as soon as Taut was granted the authority to make decisions, he directed all his powers towards creating the 'absolutely palpable utopias' that are still among Berlin's best living spaces today.

As a pragmatic idealist, Taut believed that a good cause requires equally good marketing. In order to attract more attention to his housing projects, at the 1920 'New Building' exhibition he deliberately placed them beside his most fantastical drawings. His most far-out utopia – *The Alpine Architecture* (Figure 5.6) – was intended as a visual reminder that the resources wasted for the destruction of war could have been used to create something wonderful for people and the planet. 'And if one succeeded in directing these [destructive] forces into another, more beautiful channel', Taut wrote, between the First and Second World Wars, 'then the whole Earth would become like a good apartment'.[7]

3

At 104 years old, Karl-Heinz Peters was frail. But when he saw his life's work being destroyed, a powerful current of anger surged through his veins, right down to his fingertips. That's why, at 104 years old, Karl-Heinz Peters wrote a book. He typed

Figure 5.6 Alpine Architecture: An outlandish utopia by Bruno Taut

every word of it himself, his pale fingers trembling over the vintage keyboard. He titled it *From Public Interest to Private Profit: GEHAG, a Victim of Privatisation, and the Challenges for Alternative Housing Policy*. 'All the big names of the previous housing system are sitting on their pensions, doing nothing,' Peters told a

journalist from the *Berliner Zeitung*. 'Someone had to stand up and intervene … The basis for my book is anger.'[8]

The greatest piece of luck in Karl-Heinz Peters' long life was pulmonary tuberculosis. Having contracted it in 1938, he was classed as unfit for military service. Instead, he trained as a lawyer and worked in the management of the Reich chamber of commerce. Peters was grateful to have avoided being sent to the front by the Nazis, and after the war he swore to use his expertise to rebuild social democracy.

In 1949, Peters got an emergency call from the trade unions. GEHAG was being abolished. Like all trade union property, GEHAG was seized by Hitler in 1933. Consequently, after the war, the Allies classified it as a Nazi organisation, and proceeded to dismantle it. Peters describes GEHAG as 'a precious, broken vase' that lay in pieces on the carpet of history, the carpet itself divided up into Berlin's legally separated zones of occupation. Putting the pieces back together was a challenging task. GEHAG's archives had been bombed, its documents were missing and its properties were scattered across different jurisdictions. Peters deployed all his legal and managerial know-how. He also scoured West Berlin in search of other experts who would join him in his mission to save Taut's and Wagner's institutional legacy.[9]

It worked. GEHAG was relaunched in 1951. In 1953, Peters was appointed to direct it, which he continued to do until his retirement in 1978. He urged his employees in the letting department to invest in maintaining long-term relationships with tenants so they all felt truly at home. He made GEHAG participate in the International Building Exhibition. He personally convinced Bauhaus architect Walter Gropius to design an estate in Neukölln, negotiating the project with the then-mayor, Willy Brandt. Peters was willing to work with any political faction to make housing affordable. What he was not prepared to do was sell himself, or his dedication to the public interest, no matter who was making the offer.

Peters saved GEHAG more than once. In his book, he recalls a 1956 dinner invitation from Heinrich Plett, the chairman of

Neue Heimat, which was run by the trade unions and was, at the time, Germany's largest not-for-profit housing company. Plett wanted GEHAG to merge with Neue Heimat. He tried to convince Peters that GEHAG would benefit from Neue Heimat's 'self-financing system'. Peters suspected that this meant strategically utilising tax breaks to make deals with private business. 'When Plett told me, rather bluntly, that I could earn significantly more this way, I decided to leave his house,' Peters recalls.[10]

In 1982, Neue Heimat went down with a bang. The 'self-financing system' turned out to be a tool for corruption and speculative development. To enrich themselves, board members were awarding lucrative contracts to companies run by cronies. They drove Neue Heimat into debt, while also raising tenants' rents. In 1986, Neue Heimat – a company that owned 200,000 apartments – was privatised for the symbolic price of one German mark. This first transaction was legally reversed, but the housing stock was still sold off to private landlords.

The Neue Heimat scandal became an excuse to dismantle the entire system of not-for-profit affordable housing. In 1990, the federal government under Helmut Kohl abolished the legal concept of 'affordable housing as a public benefit' (*Wohngemeinnützigkeit*), as well as the tax benefits for not-for-profit housing companies. This effectively ended the long era of German state support for affordable housing.

Having fended off Neue Heimat, Karl-Heinz Peters lost GEHAG in an internal power struggle. Wolfgang Materne, who joined the board of GEHAG in 1978, opened one of the last meetings Peters attended by declaring, 'You are all too oriented towards the public good.' Even after Peters left, he continued to keep an eye on GEHAG from afar, as an expert in the Federal Association of Housing Cooperatives. And the more he saw, the angrier he got.

In 1993, Karl-Heinz Peters got angry because GEHAG issued some 'VIP funds' that offered huge tax advantages to a network of political cronies.

In 1998, Karl-Heinz Peters got angry because GEHAG was privatised. Bruno Taut's palpable utopias were flogged off at an average price of 30,000 marks (around €15,000) per apartment. A year later, Jürgen Klemann, a prominent CDU politician who helped to set the conditions of privatisation, became a member of the board of the privatised GEHAG.

After privatisation, Karl-Heinz Peters got angry so many times he lost count. The behaviour he considered to be the core of corruption – extracting collectively created value for private profit – had been elevated to an official business strategy. GEHAG fell prey to 'a swarm of locusts': private equity firms whose strategy is to jump on an under-priced company and suck maximum value out of it (in GEHAG's case, by splitting up the portfolio and selectively selling assets), then resell the company for a profit. Between 1998 and 2007, GEHAG was bought and sold five times – until it was eventually acquired by Deutsche Wohnen.

Deutsche Wohnen operates on a long-term strategy based on raising rents and neglecting maintenance. This was not one to soothe Karl-Heinz Peters' anger. Peters was outraged that Deutsche Wohnen was using Bruno Taut's flagship architecture to market itself, while building almost nothing of its own. Between 2014 and 2019, Deutsche Wohnen built fewer than 100 apartments in Berlin. Peters quotes a 2010 interview with the Deutsche Wohnen CEO Michael Zahn, who declared that new construction was simply 'not profitable enough', and that raising the rents provided a more stable perspective for securing shareholder revenue.[11]

At the age of 104, Karl-Heinz Peters realised that he would not be able to die peacefully unless he took a strong stand. In his book, he argues that housing needs to be organised in a functional *system*, and that this system needs to have rules that safeguard it from exploitation. Freeloading on collectively produced value is a threat that can come both from within (as with *Neue Heimat*'s internal corruption) and without (as with the big finance preying on Berlin's collectively created and historically rooted housing system). In this respect, Peters' views were

aligned with those of Elinor Ostrom, who argued that the over-use of shared resources happens both under private and under public ownership – it's a function of poor checks and balances in the system that governs these resources, not the form of owner-ship as such.

'In view of the current [housing] situation, the argument of "politically impossible" should be impossible to make.' This is the last sentence of Karl-Heinz Peters' book. After writing it, Peters died, aged 105, in 2017 – the birth year of Deutsche Wohnen & Co. enteignen, and of my daughter Mira.

4

In Germany, a doughnut without a hole is called a *Berliner*.

Mira finds it on our kitchen table, wrapped in a brown paper bag on which someone has scribbled 'EAT ME!'. She is sure it was not there a second ago. She ventures a taste. The filling has a curious flavour: plum jam, currywurst, rhubarb spritzer, falafel, pickles.

'Mum!' she exclaims, as I enter the kitchen. 'I'm opening up like a telescope!'

'That's great, darling,' I mumble. I only got up from my desk to make some more tea. I'm trying to figure out how to work my way into Chapter 4, part 4.

'Mum! You're lost in your head again!'

A wave of maternal guilt crashes on the shore of my con-sciousness. I look down, searching for Mira's face – and to my surprise, I find myself staring straight at her belly instead, which is sticking out of a T-shirt that no longer fits her. My gaze races up my daughter's body. She's so tall that her face hovers above mine. My guilt surges. Somehow, while I was busy playing with words, my daughter has shot up and outgrown me.

I'm not sure how to deal with it. I try to gather my thoughts, and bite into the half-eaten Berliner. From here on, things just get curiouser and curiouser. My body starts to shrink; it feels like being tickled. But Mira, who now looks like an adult, still has her child-like ability to normalise whatever life throws at her. She picks up my dress from the kitchen floor and puts it on.

She brings me some clothes from her wardrobe in exchange. Then she takes my hand and leads me out of the apartment.

Danziger Strasse is sun-drenched, lushly green and uncanny. After a while, I realise that what is puzzling me is the lack of noise. The usual hum of traffic is absent. Only two of the former six traffic lanes are left; very wide bike paths have taken over the rest. The cars are sweepingly silent. A sudden memory of a camping weekend in Brandenburg comes rushing back, and I notice that the city smells different. Behind me, a loud jangling jolts me back to the present: aha, the yellow caterpillar of the tram is gliding through the city as usual.

Mira tugs at my hand, and we run towards the stop. As people squeeze onto the 15 tram, the fresh breeze mixes with sweat, adrenaline and perfume. '*Scheisse!*' – a retiree in a leather jacket swears about the tram being late, *as usual*. An old lady in a priority seat is eating a buttercream gateau. The tram is turning; she manoeuvres the silver fork to prevent the cream from staining her pink tweed blazer. At the next stop, we squeeze up to make space for two men carrying a sofa. One of them is on the phone: his wife is divorcing him; he's moving to a smaller apartment. 'The twins are at the local school, so the AöR gave us extra points in the apartment allocation lottery. It's just two stops away; they can walk between our two places on their own!' Someone steps on my foot twice and doesn't apologise. I exhale. Curiouser or not, this is Berlin.

A horse is standing beside the ticket machine. A tall Italian gesticulates wildly, trying to explain to the ticket inspector that he forgot to buy a ticket the moment he saw the horse. '*Mamma mia, è il cavallo di Kant!**'

'*Ist mir egal.*'** The inspector remains unimpressed. 'This horse has a Deutschland-Ticket. Where's yours?'

'Mira, look!' I nudge my daughter. 'It's Kant's horse!'

'But where's Kant?'

'At home, in Königsberg. You see,' – I'm glad to be able to fall back on the comfort of old knowledge – 'Kant is obsessive about his routine. For him, freedom means he's not forced to move

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* Mamma mia, this is Kant's horse!   ** I don't care.

anywhere. He wouldn't write anything otherwise. But as *The Critique of Pure Reason* became a late bestseller, Kant delegated his horse to travel with his ideas. That way, he is always free to stay.'

As I say this, a car whizzes past our tram. It's an electric convertible with a vintage feel: a recorded engine roar blasts from the external speakers. The car is driving itself, but on the front couch I recognise Elon Musk and Jeff Bezos. 'Fuck Berghain! Fuck Berlin!' they yell.

'Oh, fuck off to Mars!' a passenger with orange hair and a lightning bolt painted across his face shouts back at them through the tram window. 'Wow – these people are completely out of touch. Who are they? Who do they think they are?'

'Don't worry, it's just a hologram,' says an emo teenager, calming him down. 'They were a couple of businessmen who visited Berlin in the early 2020s. They threw such a spectacular tantrum when Sven wouldn't let them into Berghain that a local artist turned it into public art. They're sort of city mascots – a reminder that, in Berlin, no one is above anyone else.'

'For sure – *everyone* gets refused entry to Berghain. They turned me away, too!' The guy with the lightning-bolt make-up gives a melancholy sigh.

'You should come to Lichtenberg some time,' says a lady in her seventies. She has an East Berlin accent; her hair is as bright orange as his, only shorter. 'The best new-wave parties are in Kalinka.'

'I'm Ziggy.' He extends his hand to her.

'So am I,' she replies. 'Siggi, that is. Sigrid.' She pulls a string of fairy lights from her tote bag and wraps them around his body. '*Na, Kleiner*, this really suits you!'

'C'mon, people, don't you get tired of Berlin sometimes?' A suit-wearing guy stops rummaging through his backpack to join the conversation. 'This city is still so provincial compared to other metropolises, and so nonchalant about its imperfection. It has no ambitions for greatness!'

'DEAR PASSENGERS!' The voice of the tram driver blasts from the speakers. 'PLEASE MIND THE GAP BETWEEN THE TRAM AND THE PLATFORM EDGE – BUT DON'T LET THE GAP STOP YOU FROM GETTING ON BOARD!'

'Well, maybe Berlin has *different* ambitions,' Siggi replies. 'The ride is the riddle!'

'And of course I get tired of Berlin,' Ziggy nods energetically. 'Every evening, I get sooo tired, as one can only get tired from a day full of living. Berlin,' – Ziggy waves his hands in the air, as if to include all of us, the tram, the whole city – 'Berlin is the greatest extravaganza that one could imagine.'

The tram crosses the Oberbaum Bridge and heads towards Görlitzer Park – the tracks no longer end at Warschauer Strasse. I'm too short now to see the information poster in the tram, so Mira reads it to me. Like the Jubilee underground line in London, this tram line was opened to celebrate an anniversary: twenty years since the socialisation of housing in Berlin, the first successful use of Article 15 in German history. The socialisation of the energy networks followed soon afterwards. Fun fact: the Pirate Party's project to socialise hip sneaker stores – a joke that went viral – was rejected in the early stages, because it didn't fulfil the legal criteria for socialisation as defined by the Constitutional Court.

The jubilee tram route is called Berliner Freedom. It starts at the Carl Legien Estate in Prenzlauer Berg and ends at the Horseshoe Estate in Britz. Along the route, the tram passes the award-winning Wolfgang Abendroth Estate: using technology developed by a local start-up, a team of Berliner architects turned an abandoned office building into an ecologically sustainable coliving project.

As the tram approaches Hermannplatz, I spot a familiar face.

'Mira, it's Gem!' I am genuinely excited. 'Let's get off and see who they've become now!'

Speaking of Berliner Freedom: Gem, who uses the 'they' pronoun, has lived at least a dozen lives, and has excelled in all of them. I first met Gem when they were a recent graduate of an Ivy League university who had quit academia to become a birth assistant – a doula. In the scariest moment of my labour, Gem held back the walls of the universe and stopped them from crumbling. Never before had I realised that empathy can be physically palpable. In between guiding new Berliners into the world, Gem provides companionship to people who are dying. Gem has also recorded an album of electronic music and performed in a musical.

Lastly, Gem holds space for sex-positive parties. 'Holding space' is care-work jargon that describes a mixture of organisation, facilitation and empathetic presence. Sex-positive parties, for which Berlin of the early 2020s became world-famous, are orgies without a moral hangover: inclusive, consensual spaces where people freely celebrate their sexuality while respecting one another's boundaries.

'Birth, sex and death all require the same core skill,' Gem told me, back when I was soaking in the birthing tub. 'It's the willingness to embrace the whole human mess of living.'

'Hello!' Mira squeeze-hugs the person who first welcomed her into this world, in a public hospital in Kreuzberg. 'Who are you these days, Gem? Look – Mum has shrunk!' she says cheerfully.

'Well, if that's her thing …!' Gem smiles at me, impressively unimpressed. 'I'm a conflict facilitator now, Mira – I work here.' They point to the old Karstadt building, which now has a lush green façade. The building is topped with a pink neon sign that says *AöR*. The bubbly dots above the 'ö' are effervescent, like a glass of pink champagne.

'Gem, did they name the whole institution just *AöR*?' I ask. 'The acronym for *Anstalt des öffentlichen Rechts*, an institution under public law?'

Gem nods. German administrative culture loves long names and quirky acronyms.

'But it's so unspecific!' I say. 'Can you name an institution "An Institution"?' It's like naming your dog "Dog".'

'Mum, come on, *you* should know!'Kids have a distinctive way of frowning at their parents when they think they're being a bit slow. 'The full name is *AöR Gemeingut Wohnen* ["Common Living: An Institution under Public Law"]. But it's too long, so everyone calls it *AöR* – like you did when DWE was first drafting the legislation to set it up. Don't you remember? There was no name, and no real thing, just some dry legal text. But you were all soooo excited about it! As if "an institution under public law" were the sexiest thing on the planet!'

'Berliners are kinky for democracy!' Gem winks and unzips their jacket. Right across their breasts there is a large inscription:

AöRM *aber* SEXY

'What does the crossed-out M stand for?' Mira asks.

'Oh, of course, you wouldn't remember!' I explain: 'In the early 2000s, Berlin had this mayor called Klaus Wowereit.'

'Wasn't he the first openly queer politician?'

'Yeah, but he also privatised public stuff like crazy, and he had that whole spiel about romanticising austerity. He advertised Berlin as "poor but sexy" – *ARM aber SEXY*.'

'But that was well before you were born, kiddo. Now, it's SEXY AND SOLIDARISTIC.' Gem pulls us in through the revolving door. 'Come on, girls, I'll show you around!'[12]

5

In the big entrance hall of the AöR building, the main wall has been turned into a vertical hydroponic garden in the shape of Berlin. Each district is made up of different kinds of plants.

'It's more or less complete now,' says Gem. 'This map was created by people from the Treptow district council so we could visualise our progress on modernising our housing stock to make it environmentally sustainable. First they just laid out a hydroponic map of Treptow, but after the pictures went viral we decided to make a bigger one, covering the whole of Berlin. When we started, it was more or less an empty frame; we add a plant whenever all our buildings in a block of streets have been properly insulated to reduce heating costs and CO_2 emissions. At some point, the AöR secured a package deal for upgrading properties, and after that it all moved really fast.'

'Nice!' Mira strokes the leaves of one of the plants low down on the wall. 'When I move out of Mum's place, can I get one of these nice apartments in Britz? There's so much going on there now!'

'Well, you can if you're lucky! Our system allocates the apartments blindly, through a weighted lottery. You won't get extra points just because you want to move out of your mum's place. But when your mum gets old and frail' – Gem winks at me – 'if

you want to live nearby, to support her, you might get extra points for that.'

'What else do you get extra points for?'

'For legitimate needs. For example, if a couple separates but are sharing custody of their children, the system gives them extra points for a given area, so they can stay close to each other, and to their children's school. Extra points are also granted to people on low incomes, or those who may face discrimination on the housing market for whatever reason. The system also automatically awards extra points to people from demographics that are severely underrepresented in particular areas, to preserve the Berlin mix.'

'How can I apply?' Mira persists. 'If this is a lottery, I still have a chance, right? Even without the extra points?'

'Correct! All you need to do is fill out an online form with all your data. You don't need to provide any paperwork until you're actually offered an apartment. People can apply as individuals, families, or flat-shares. The algorithm allocates available apartments every two weeks. For each apartment, it generates a ranked list of five applicants. The first person on the list is immediately invited to view the apartment. If they don't take it, we invite the second person, and so on. If you reject three apartments, you're excluded from the lottery for six months.'

'And what if you already have an apartment, but you need a bigger one – because you want to live with other people, for example?'

'You can participate in the lottery, but the system can also help you find a swap. We offer incentives for people to swap a bigger apartment for a smaller one – when their kids move out, for example. They can stay in their neighbourhood, if that's what they want, and we cover their moving costs. And they'll be paying less rent, because the price per square metre is the same for all the properties.'

'Does the algorithm also decide which shops to allocate to the ground floor of a building, if a space becomes available?' I ask.

'Oh, no – the people decide that.' Gem laughs. 'So there are always new reasons for my job to exist.'

'What do you mean?' Mira is curious.

'Well, at all the different levels of the AöR structure (Figure 5.7), people have the option to make democratic decisions. The system is set up as a mixture of direct and representative democracy: you can participate, but you don't have to. Many people do want to participate, though, which means they have to figure out a solution together. Often, the path to a socially sustainable decision means going through a short but intense phase of conflict. My team's role is to facilitate those conflicts, to help people understand each other's needs and emotional responses and find a constructive solution. Come on up – I'll show you our facilitation spaces.'

We take the lift to the top floor. Gem shows us into a large, bright room with a circle of twenty chairs.

'The circles can be up to fifty people, depending on the issue and the stakeholders,' Gem explains. 'This week we've got a relatively small group from Zehlendorf. The local estate council is in conflict over what should be on the ground floor of one of the buildings: a kindergarten or a supermarket. There are some real characters in the group, like a female writer who claims that children's noise makes her ill, and a businessman who starts each meeting by saying that our whole AöR ought to be privatised immediately. He's really fighting for the kindergarten though; he has three kids.'

'And how do they figure it out? In the end, it'll be either the supermarket or kindergarten; you won't satisfy them all.'

'True, although we do always look at the broader context as well: what spaces are available in the neighbourhood, and what's needed. Sometimes there are other possibilities that we didn't see at first glance. And sometimes some people don't get what they hoped for, but at least they understand why. These are the smaller conflicts, though. Personally, what I enjoy most are the annual meetings of the Governing Council.'

'How so?'

'The Governing Council was deliberately set up in such a way that no group has an easy majority with which it can dominate the others. These checks and balances are a key part of AöR's
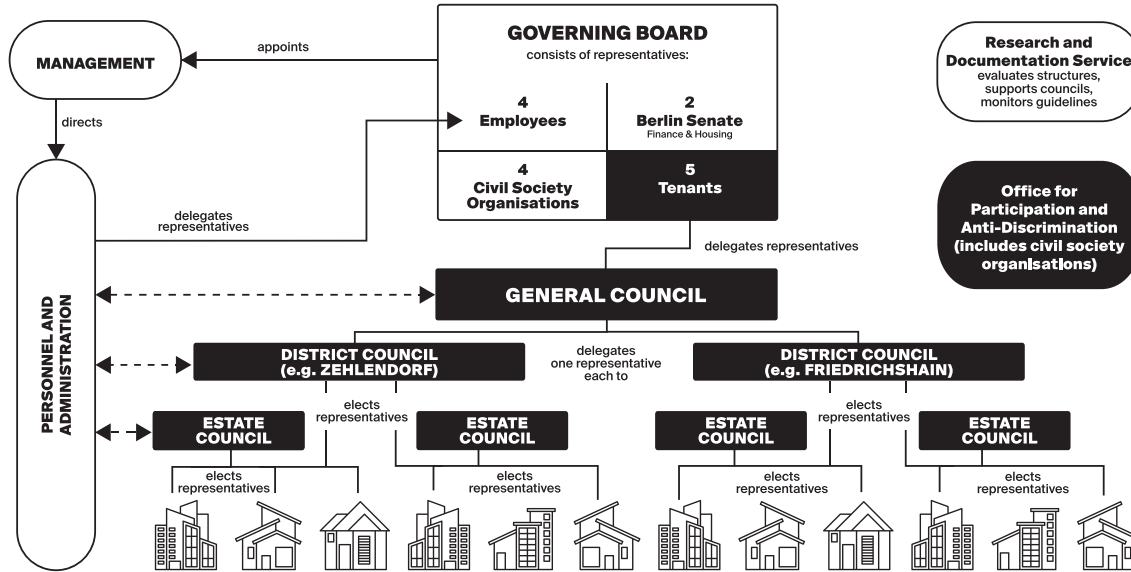
GOVERNING BOARD
consists of representatives:

| 4 Employees | 2 Berlin Senate Finance & Housing |
| 4 Civil Society Organisations | 5 Tenants |

MANAGEMENT

appoints

directs

PERSONNEL AND ADMINISTRATION

delegates representatives

Research and Documentation Service
evaluates structures, supports councils, monitors guidelines

Office for Participation and Anti-Discrimination (includes civil society organisations)

delegates representatives

GENERAL COUNCIL

DISTRICT COUNCIL (e.g. ZEHLENDORF)

delegates one representative each to

DISTRICT COUNCIL (e.g. FRIEDRICHSHAIN)

ESTATE COUNCIL   **ESTATE COUNCIL**   **ESTATE COUNCIL**   **ESTATE COUNCIL**

elects representatives

elects representatives

Figure 5.7 Organisational structure of the AöR, a democratic institution that would manage socialised housing (*Source:* DWE)

institutional design; we learnt a lot from the failures of GEHAG and Neue Heimat. So on the Governing Council you have four representatives of the tenant body, four representatives of the AöR administration, two representatives of the Berlin Senate – the senators responsible for housing and finance – and four directly elected representatives of Berlin's civil society organisations.'

'So you also have people on the Council who don't live in AöR apartments?'

'We own so much housing that our decisions impact the whole city, not just the people who live in our homes. It's important that all Berliners are able to have a say in how we operate. That was always the problem with cooperatives: they're great, but all too often they turn into closed shops that usually privilege their own members.'

'Wow! And you facilitate the conflicts between all these different factions? The tenants, the citizens, the politicians and the administration?'

'At this level, we don't call it conflict facilitation – it's our standard decision-making process. At first, many people were worried that if no faction had a majority on the Governing Council, no one would have the proper authority to make decisions, and people would just waste time on endless deliberation.'

'Don't they?' I ask. 'I've been involved in lots of participative processes that were mostly a waste of time. Often because, after all the discussions, someone just took an arbitrary decision anyway.'

'Our decisions are taken through a streamlined, iterative process. The process is oriented towards concrete results, which makes it a bit similar to design thinking. Also, we always begin with a phase in which we challenge our assumptions about how we define the problem. Our process is also significantly different from design thinking, though, because it's guided by the principles of democracy. The solution is most sustainable if we manage to get everyone on board with it.'

'So what does the Governing Council decide on?'

'Each January, there's a week-long residential session during which the Governing Council works out the plan for the coming

year. In preparation for the residential session, our research service, in collaboration with civil society organisations, reports back on what worked and what didn't in the previous year. They also analyse current demographic and ecological factors that need to be considered. Some representatives of the research service and the civil society organisations also participate in the residential session. The civil society representatives also act as watchdogs; they prepare a public report after the meeting. But they don't watch from the outside. They sit in the circle with us and participate in the discussions. It is very easy to criticise someone else's decisions if you haven't experienced the democratic heat in which they were forged.'

'Aren't the senators afraid to participate in a conflict that's being reported on?' I ask. 'They need to preserve their public image, after all!'

'The observers have a mandate to report on the various phases of the process and the ways in which we arrive at decisions, but not on people's individual responses. That way, the process is transparent to the public, but the detail remains confidential. For the process to be productive, people must feel safe to express themselves honestly in the heat of a high-stakes conflict, without worrying about social media reactions, or comments being taken out of the context.'

'I see … And what does the plan for the year include?'

'The most important part is updating the guidelines derived from the AöR Constitution.'

'AöR Constitution? Like the *Grundgesetz*?' Mira asks.

I jump in. 'I think I know. It's like a little *Grundgesetz* for a single institution. When DWE first drafted the law to set up the AöR, they insisted on legislating checks and balances within the AöR structures, to make sure it can't be taken over by the interests of any one group.'

'Exactly!' Gem confirms, and smiles. 'You know, in working here I've learnt that democracy is not that different from birth, death and sex.'

'Because it demands that we embrace the whole human mess of living?' Knowing Gem, I could see this metaphor coming.

'Yes! They all expose us to the whole spectrum of human nature: our high and low motivations, our struggle for control, our fears and our needs. But there are some important differences. Birth and death are challenging because when we go through them we are essentially alone. Sex and democracy are challenging because they inevitably expose us to other people. We rely on others to help us realise our freedom and desires.'

'So you're saying that democracy is kind of like Berlin's sex-positive parties?' I smile, trying to visualise this metaphor.

'Well, to make either of them work, you have to stick to the same three basic rules. The first is that you have to create a space where everyone feels welcome just for who they are.'

Mira interrupts: 'The second rule is probably that you have to have rules. Mum *always* says that.' It seems not all my efforts at parenting were wasted. 'Some basic rules allow people to seek their freedom without hurting each other.'

'OK, I think I know what's third.' I smile at Gem. 'We've been talking about it in DWE since the very beginning.'

'What is it, Mum?'

'Protesting against what you don't want isn't enough. With democracy – as with sex – you also have to allow yourself to say what you *do* want. You might need to negotiate with others to see if they want it, too – but until you say your wishes out loud, you'll never know.'

'Oh, yesss.' Gem is glowing. 'To get to a better future, you first have to shamelessly, publicly want it.'

6

After discussing sex, it's time to talk about money – the last taboo of polite society. How much would it cost to socialise 240,000 apartments currently owned by corporate landlords? Article 15 prescribes that expropriation for the purpose of socialisation must be compensated. As always with the legal matters, the wording is important: the cost of socialisation is 'compensation', not a 'price'. It is not defined by the market (though

market prices might be used as a reference point), but by the law.

The legal aim of the compensation is 'establishing an equitable balance between the public interest and the interests of those affected'.[13] By referring to the 'public interest', the law requires the legislator to consider non-monetary interests when calculating the monetary value of the compensation. Even in relation to standard expropriations based on Article 14 (equivalent to compulsory purchase orders in the United Kingdom, or eminent domain in the United States), the Constitutional Court has ruled that: '[A] rigid compensation based solely on market value is alien to the *Grundgesetz*.'[14]

How does the principle of balancing interests compare with the supply-and-demand logic of a market price? When I first moved to Berlin, I discovered a small winery in Prenzlauer Berg that provides a concrete example. Every evening, a bartender puts a selection of fine wines on the counter, and each guest is given a glass. The bartender invites the guests to serve themselves, asking them only to (try to) remember how many glasses they drank in the course of the evening. On leaving, the guests are asked to pay as much as they would like to, considering the wine they drank, the overall worth of the experience, and the amount they feel *able* to pay.

The customers balance their financial interests (what they can afford) against the interests of the winery (whose wine they have drunk), and other values they consider important. The value component gives the customers' decision an essentially political character. If a customer primarily values the principle of solidarity, she might end up paying a different amount from a customer who values saving. Customers also differ in the estimation of their own interests. The wine is not being sold at market price; instead, the bar is entrusting its customers with the task of 'legislating' appropriate compensation.

A corporation, the public interest, and a legislator walk into a bar. 'I can drink 240,000 glasses and still walk straight,' the corporation boasts. 'I feel you,' the public interest responds. 'Every time you do it,

I'm the one who loses their balance.' But it's the legislator who provides the real punchline.

The decision on compensation has to be made by a legislator. Every socialisation requires a separate law that, among other things, defines how the compensation should be calculated. The legislator's decision is political, but not arbitrary – it is bound by the law.

To facilitate the legislator's decision, the Expert Commission on socialisation, which was set up by the Berlin Senate after the successful DWE referendum, has carefully considered the legal framework for compensation. The majority of the Commission's experts agreed that the compensation cannot be based primarily on market value. This is because the constitutional purpose of Article 15 is to withdraw resources from the logic of the market in order to create a pocket of *Gemeinwirtschaft*, solidarity economy.

With the view on the purpose of Article 15, the majority of the Commission's experts agreed on three possible models for calculating the compensation. The first model highlights that the compensation must naturally be limited by its fiscal affordability. With this, the experts disprove some critics' concerns that socialisation would blow Berlin's budget: the cost would legally be limited to what Berlin can afford without neglecting other spheres of public interest.

The second model endorsed by the majority of the Commission's experts proposes that compensation be calculated as the maximum amount of a loan that the new housing institution (AöR) could afford to pay back with the rental income – under the proviso that the rents must be kept affordable. This proposition is very close to the 'fair rents model' for calculating the compensation, as originally proposed by DWE.[15]

The third model is largely hypothetical. The strongest possible way of limiting corporate landlords' property rights without expropriation is compulsory management (*Wohnraumzwangsbewirtschaftung*). This has a historical precedent: such a law was introduced in West Germany in 1953 to alleviate the housing shortage. It gave local

authorities the right freely to assign people to vacant flats, including those belonging to private individuals. It also strictly regulated rents. A legislator could calculate compensation as a hypothetical market value of corporate-owned housing in such circumstances.

In addition to the majority opinion, the Socialisation Commission's final report also includes a dissenting view. Three of the thirteen experts insist that the balancing procedure should be based on the market value. The dissenting voters do agree that *something* must be deducted from the market value to account for the public interest. What can legitimately be deducted? The Commission's experts agree that the compensation would have to cover the original purchase price of the apartments, as well as increases in value directly created by the corporations (by investment in modernisation, for example). However, they also all agree that the corporations do not need to be compensated for increases in value that they have not merited, such as those resulting from changes in zoning regulations.

In prioritising public interest over market value, the majority of the Commission's experts closely follow the constitutional purpose of Article 15: to create a *Gemeinwirtschaft*, a pocket of an alternative economic system that is not driven by profit and growth. According to the *Grundgesetz*, the present economic order is 'by no means the only possible order', as the Constitutional Court once put it. By continuing to insist on prioritising the market price, the people behind the minority vote are effectively imposing market-economy rules on Article 15, which was explicitly created to escape these rules. This is not just a question of logic: it is a political battle being fought on the basis of the law.[16]

This small legal battle is part of a bigger political question on the agenda today, namely: what is the purpose of our economy? Kate Raworth, an Oxford-based economist, suggests that we can no longer afford to fetishise linear economic growth: it is destroying our planet, and does not serve people well. Instead, Raworth proposes a circular model that is similar in many ways to *Gemeinwirtschaft*. She calls it 'doughnut economics'. She
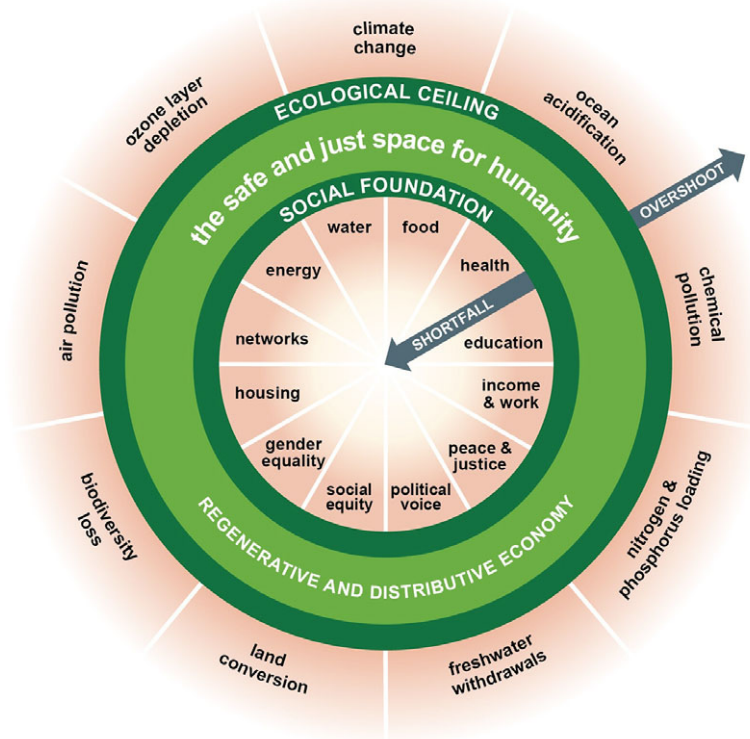
Figure 5.8 'Doughnut economics' by Kate Raworth

visualises it as a doughnut, the outer edge of which marks the ecological limit beyond which growth-oriented activity harms the planet, for example through excessive pollution or the over-use of resources. The hole inside the doughnut represents the proportion of people falling short of life's essentials, such as food or housing (Figure 5.8). Raworth argues that all the human capacity for innovation should be directed not towards growth, but towards reaching the 'sweet spot of humanity': keeping our planet alive, and closing up the hole in the doughnut.

Without denying the need for innovation: Berliners have always loved their doughnuts without a hole.

7

After leaving the AöR, Mira and I take a walk along the Landwehr Canal in Kreuzberg, passing the hospital in which she was born. This is our ritual walk, and everything is the same as always. The cool river breeze puffs around tiny, warm clouds of weed smoke. The expats are drinking oatmilk lattes, the natives are drinking Schultheiss, and the Prenzlauer Berg mothers like me are drinking ayran. A Turkish-looking youth is recording authentic German hip-hop, while the German '*Pfand* lady' is collecting deposit bottles. People are talking to one another, and people are talking to themselves. There are perils to big-city freedom: some people go bonkers.

As we approach the hospital, a woman calls to us from a bench, in Polish. She looks strange. In her segmented yellow puffer coat, she reminds me of a giant caterpillar.

'Who are you?' she asks us, in Polish. She is smoking a hookah, and she blows the smoke right into our faces.

'Well, who are *you*?' Mira is quick-witted.

'I am who I am. I was a tram driver, but now I'm retired. I'm just visiting, anyway. They're the locals!' She points to the two friends sharing the bench with her. 'You lot need to do something. This city is losing its democratic muchness!'

The guy on her left looks mad as a hatter. He has a wild white hairdo, and introduces himself as Einstein. Their other friend looks gentle. His name is Benjamin. Behind his round Windsor glasses, he seems as shy as a rabbit.

'We need to make use of the city's muchness in order to save it.' Benjamin speaks softly, so we all lean in to listen. 'The law knows what it wants. All we have to do is hold the sword of the law together.'

'Your law can make the muchness much muchier,' the tram lady says, matter-of-factly.

As much as I agree, I am also confused. 'But is all this muchness just a dream? I don't want to be impolite, but sometimes I worry I have dreamt you all up.'

'No, Mum, I get it!' Mira cuts in. 'Berlin's muchness is not a dream. It's a *memory*. Some people want us to believe we're dreaming a Wonderland. But this city was real.'

'This city *is* real,' Einstein nods. 'And the Jabberwock is nothing but a legal fiction. But the dangers of fictions are real. You must expropriate the Jabberwock on Vergesellschaftung Day.'

'Oh dear! Oh dear! We shall be late!' Benjamin pulls a watch out of his waistcoat pocket; the watch shows fifteen o'clock. 'Quick!' He jumps up. 'Follow the law!'

'But wait!' says the Polish tram lady. 'This has to be a decision you all make together. Because when you go out to expropriate the Jabberwock on Vergesellschaftung Day, you must hold the sword of the law together. And after that, you must hold the city's muchness together.'

'Expropriate the Jabberwock? On Vergesellschaftung Day? But when will Vergesellschaftung Day happen?' I am getting impatient.

Einstein takes Benjamin's watch and dips it in my ayran. 'Stupid girl! If you knew Time as well as I do, you would know that the distinction between past, present and future is just a stubborn illusion. Vergesellschaftung Day is happening now.'

'She's *not* stupid!' My daughter stands up to Einstein in my defence.

'Who are you, then?' The tram lady's question drifts towards us on a cloud of hookah smoke.

Mira takes my hand. Our fingers sticky with doughnut glaze, we answer proudly, in unison:

'*Ich bin ein Berliner*.'