Are Social Class Differentials in Place of Residence Increasing? Evidence on Socio-Spatial Polarisation in Germany

In recent decades, urban and rural areas in Germany have experienced divergent demographic trends (Statista 2023). Rural communities and small towns have faced a decline in population size as well as population ageing (Nobis et al. 2019). Over a time period of twenty years, the largest German cities have grown considerably (Statistisches Bundesamt 1997, 2019). In particular, the southern and western metropolises of Munich (20 percent growth), Frankfurt (16 percent growth) and Cologne (13 percent growth) have seen significant population growth, while Hamburg, Stuttgart, and Düsseldorf have grown less strongly (8 percent growth). In the Germany capital Berlin, population growth has been rather weaker (5 percent growth). At the same time, also the metropolitan hinterlands have grown in population size. In some cases, the hinterland counties have grown even faster than the core cities (which applies to Berlin, Hamburg, Munich, and Stuttgart). Demographic studies indicate that population growth in metropolises is mainly propelled by the younger age groups, while suburbanisation is driven by families (Göddecke-Stellmann et al. 2018; Sander 2014). From a socio-spatial point of view, an intriguing aspect of diverging demographic trends are the growing differences in the social structures of metropolises on the one hand and rural communities and small towns on the other hand. Rising urban-rural disparities are considered as an outcome of the disparate economic developments associated with post-industrial societies where high-income jobs are mostly created in metropolises and regional technology hubs, while peripheral and former industrial regions are supposed to suffer from economic decline and worsening labour market conditions (Antonelli and Tubiana 2020; Crouch 2019).

In this paper, we adopt the theoretical assumptions put forward by Florida (2004), Goodhart (2017), and Reckwitz (2021) and elaborate a socio-economic perspective on changing spatial disparities in Germany. We investigate whether educational and occupational class differentials in residential locations have increased over time. We build on previous analyses that did not find substantially growing differences between occupational classes (Konietzka and Martynovych 2022). However, these findings were restricted by a rather crude classification of settlement sizes which only allowed to distinguish between large metropolises, medium/large cities and small towns/rural areas. In this paper, we will considerably refine the spatial dimension of our analyses by conducting fine-grained analyses of changes in class-based spatial inequalities over time, going beyond simple classifications of settlement size.

Our analysis is based on microcensus data provided by the Research Data Centres (*Forschungsdatenzentren*) of the German federal and state statistical offices. With a sample size of one percent of the population, the microcensus is, by far, the largest annual household survey in Germany. In contrast to the microcensus Scientific Use File (SUF) version, the onsite version includes detailed information on the community size, the NUTS-3 region, and an urban-rural typology (predominantly rural regions, intermediate regions and predominantly urban regions) which allows us to disaggregate cities and settlements in a much more fine-grained manner.

For our analysis, we select the adult population aged 25-64, living in private households at their main residence. This provides analytical samples of 182,953 respondents (1996) and 406,302 respondents (2018). Our key dependent variable is place of residence. The data allows us to categorise municipalities into five groups based on population: rural communities (less than 5000 inhabitants), small towns (5,000-20,000 inhabitants), medium-sized towns (20,000-100,000 inhabitants), large cities (100,000-500,000 inhabitants), and metropolises (more 500,000 inhabitants). As the category of metropolises is internally quite heterogeneous, we will distinguish the biggest metropolises from others using information on NUTS 3 regions. Additionally, separate analysis will be conducted on the seven biggest metropolises and their hinterland (NUTS 3 counties bordering the metropolises).

Our key independent variables are the respondents' educational degree and occupational class membership. Educational level is measured by vocational qualification distinguishing between tertiary degrees, vocational degrees and no formal vocational qualification. To map class membership, we use the ESeC(EGP)-class scheme (Müller et al. 2006). The EseC schema includes nine classes based on occupation and employment status. For our analyses, we have grouped the nine classes into five main classes: upper service class (ESeC 1), lower service class (ESeC 2), nonmanual middle class (ESeC 3, 4, 5), manual middle class (ESeC 6, 8), routine service class (ESeC 7), unskilled manual class (ESeC 9). In addition, we adapted the class scheme to the German employment relationships (Wirth et al. 2009). As control variables, we consider age groups, distinguishing between four categories: 25 to 34 years, 35 to 44 years, 45 to 54 years and 55 to 64 years. In addition, we take into account gender (male or female) and migration background (German or non-German).

Preliminary results suggest that spatial inequalities have not systematically increased between socio-economic groups in Germany. The proportion of the upper class living in metropolises has increased slightly, while no changes can be observed for the lower service class and both fractions of the middle class. The results also show no clear trend in the likelihood of living in rural communities, small and medium-sized towns. The proportion of the upper and middle classes living in rural areas and small towns has remained largely unchanged over the last twenty years. More detailed analyses show that members of the upper classes were increasingly attracted to live in the fast-growing metropolises of Munich, Cologne and Frankfurt, while there were no countervailing trends in the likelihood of living in these cities for the other classes. The analyses for the hinterland show no significant changes over time. Age-specific analyses additionally show that spatial disparities are more pronounced among the younger than the older age groups. In the younger age fraction, members of the upper classes were more likely to live in metropolises, while the manual and non-manual middle classes were more prone to reside in small and medium-sized towns as well as in metropolises. Members of the older age groups, on the contrary, were less likely to live in metropolises and more likely to live in rural areas. Taken together, the results indicate that spatial demographic differences have particularly risen between the younger and the older age groups, while class differentials appear to represent a less relevant factor in the rise of spatial disparities between metropolitan areas and rural communities or small towns that has occurred in the last two decades.

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