



Political, Economic and Social System of Germany

Germany





Basic Facts

- **Population:** 82,5 Million
- **Life expectancy:** 78.54 years
- **Area:** 357,021 sq. km
- **Ethnic background:** German 91,5%, Turkish 2,4%, other 6,1%
- **Religion:** Protestant 34%, Catholic 34%, Muslim 3.7%, unaffiliated or other 28.3%
- **Human Development Index:** 0.925 (16)



History

- 1871: Foundation of the German Reich
- 1914-1918: World War I
- 1918-1933: Republic of Weimar
- 1933-1945: Nazi Dictatorship and WW II
- 1949: Foundation of the FRG and GDR
- 1990: Reunification



Political System

- Germany is a **federal, democratic and socially responsible** state
- Consists of **16 states (Länder)**
- **Head of State:** Federal President
(Mostly representative)
- **Head of government:** Chancellor



Most Important Institutions

- **Bundestag** (Parliament)
- **Bundesrat** (Federal Council)
- **Federal Government**
- **Länder** (States)



The Bundestag (Parliament)

- Bundestag is the **central institution** of the political system with 603 members
- Elected by all Germans for 4 years
- **Elects** the Federal Chancellor, **passes laws** and **controls** the government

The Bundesrat (Federal Council)

- **Representation of the Länder**
- Participates on the **legislation**
- It is often used as a **party-political instrument**



Federal Government

- Formed by **Ministers and the Chancellor**
- Chancellor determines „**policy guidelines**“
- Normally formed by a **coalition**
- **Accountability** to the Bundestag



Political Parties

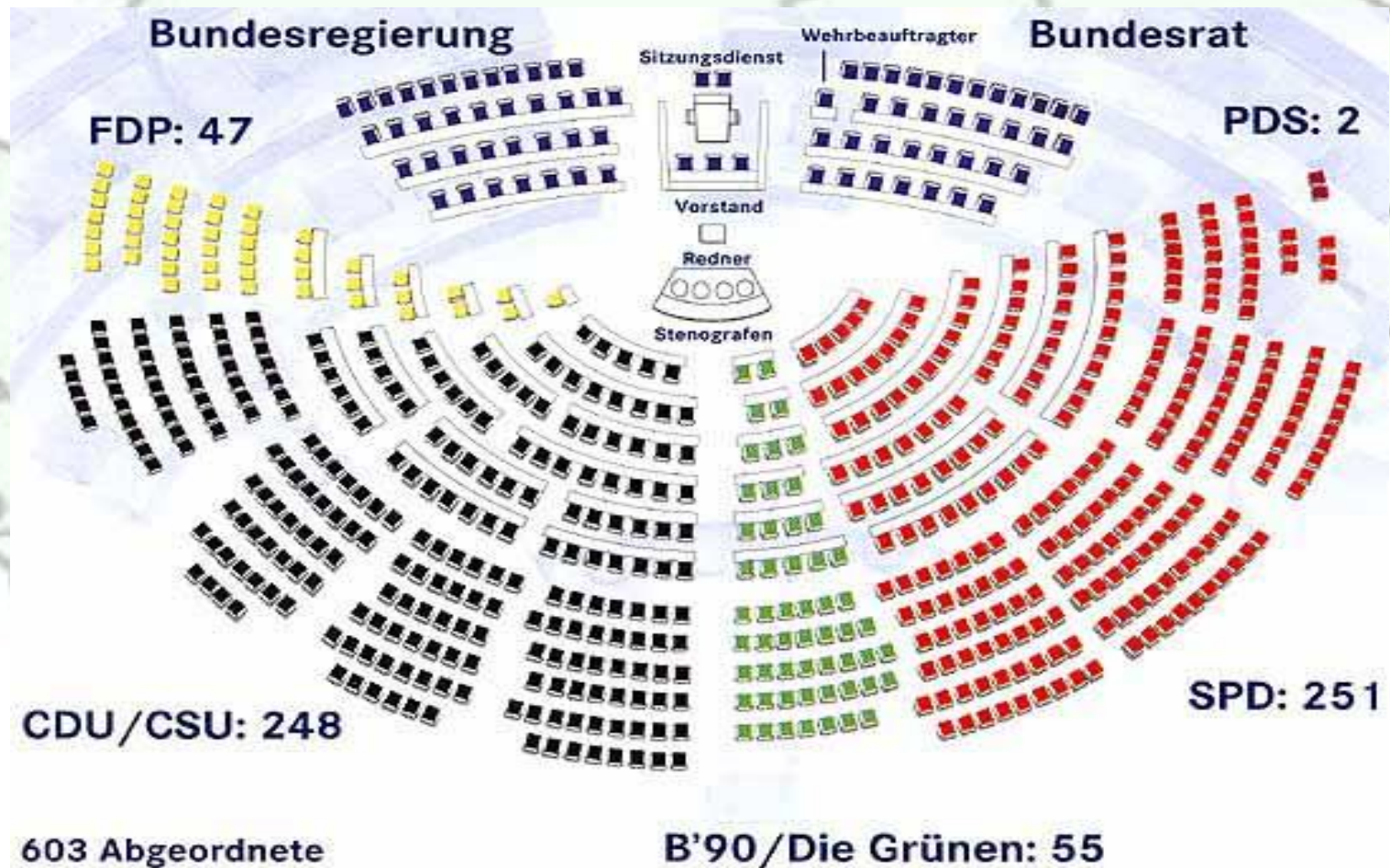
- "The parties shall help to form the political will of the people" (Article 21 of the Constitution)
- 5% of the votes are needed to be part of the Bundestag

Political Parties

- **SPD:** Social Democrats
- **CDU:** Christian Democrats (conservatives)
- **CSU:** Bavarian conservatives
- **Alliance90/Greens** (Ecologists)
- **FDP:** Liberals
- **PDS:** Socialists (former GDR State Party)



Distribution of seats 15th election period in the Bundestag





Self-government of the Länder

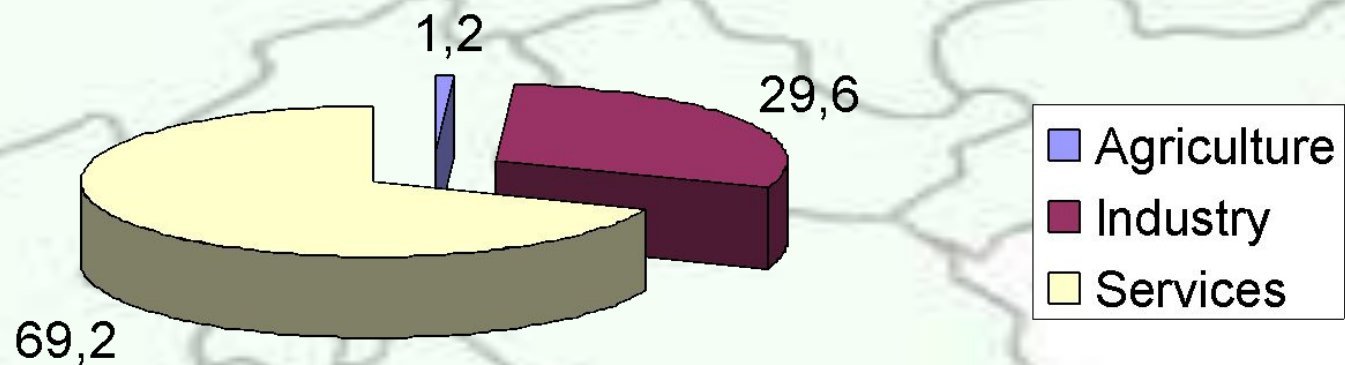
- Länder are **not Provinces**
- Responsible for the **administration**
- Right to establish certain **own laws**
- **Subsidiarity principle**



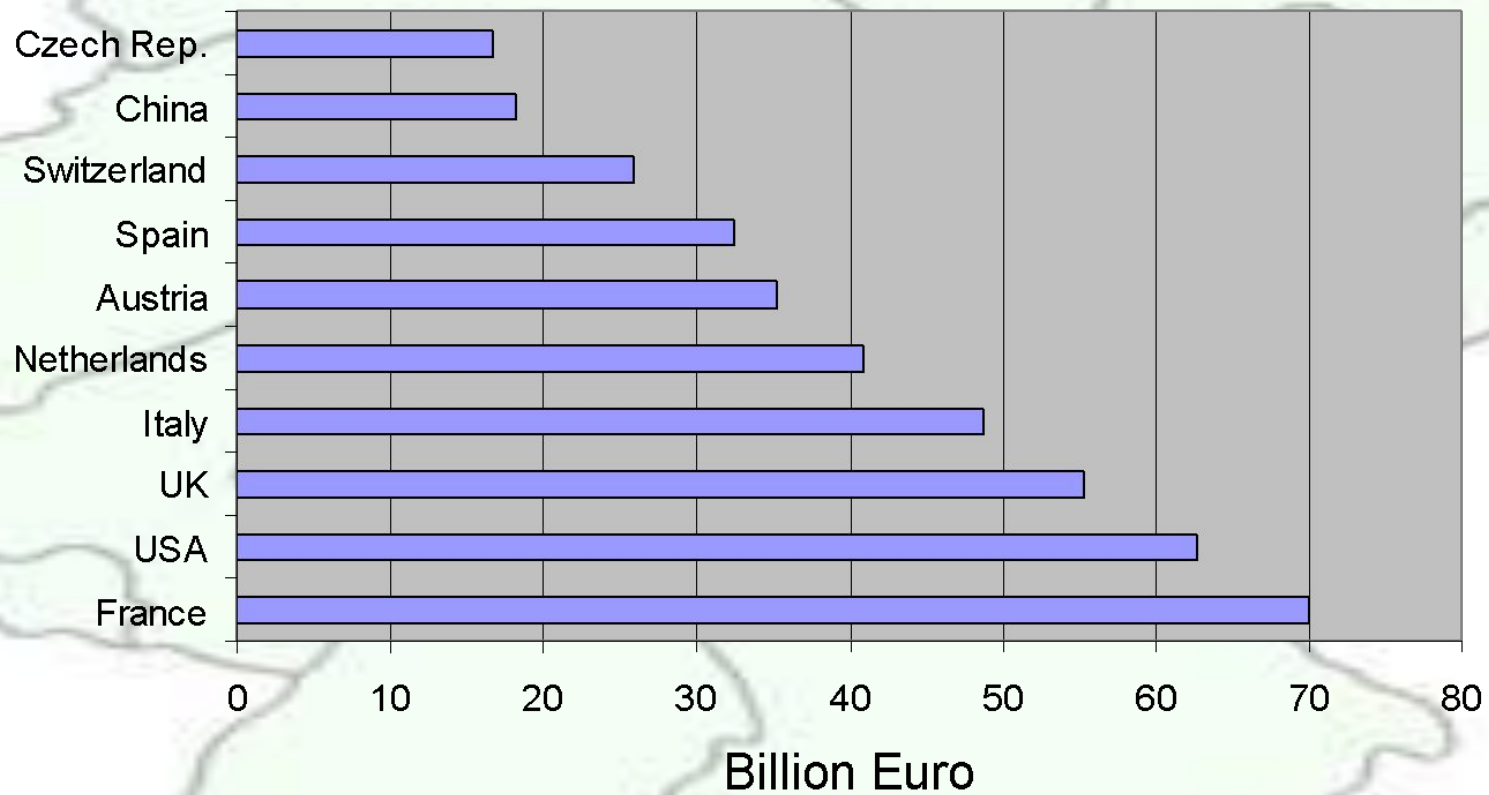
Economy

- Total **GDP** 2004: 2 177 Billion €
- **GDP per capita** in 2004: 24.000 €
- **Income/Employee** 2004: 2200 €/ month
- Total **Exports** in 2004: 730 Billion €
- **Unemployment** 2004: 10,4 %

Structure of the Economy

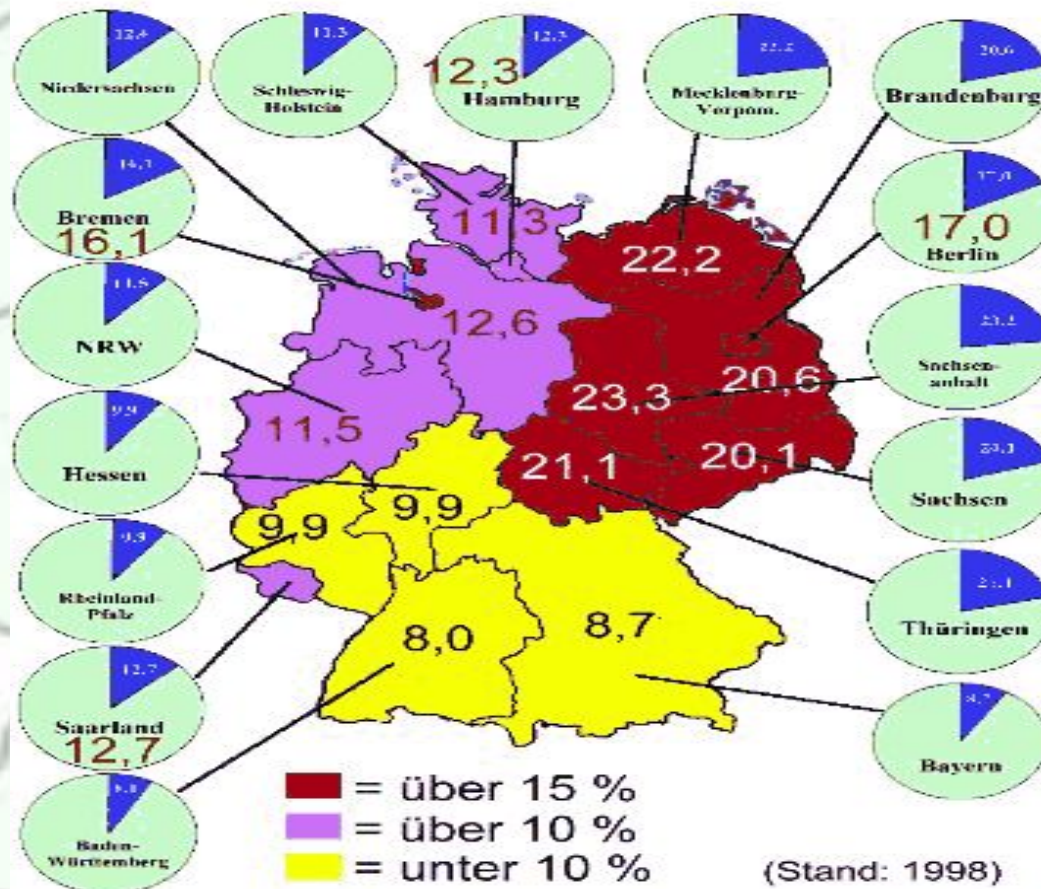


Exports



Unemployment per Region

Arbeitslose in %

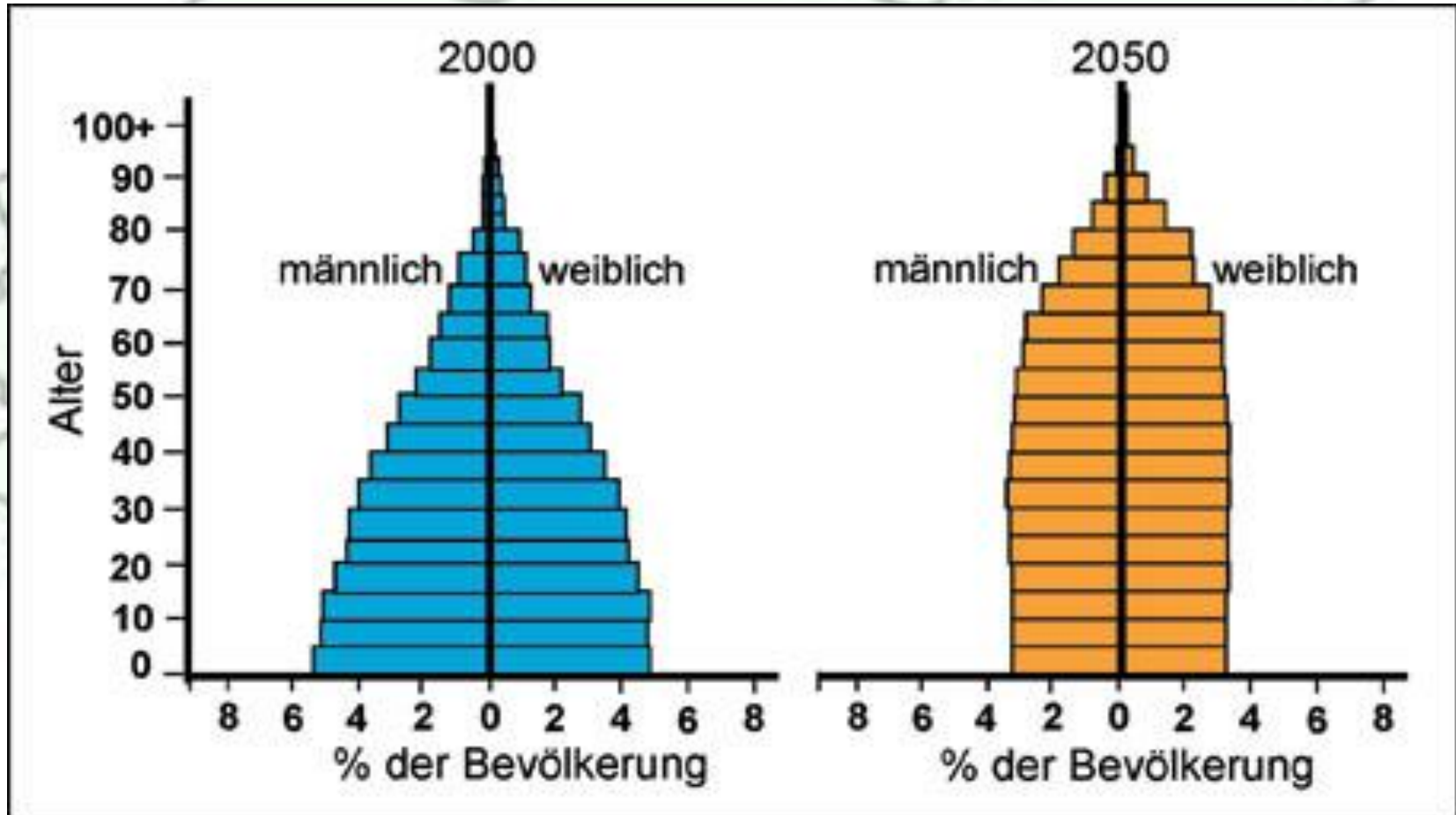




Social System

- **Social Security:** PAYG, financed by Employers and Employees, income related
 - Pension Insurance (19,5%)
 - Health Insurance (12-15%)
 - Long-term care Insurance (1,7%)
 - Unemployment Insurance (6,5%)
- **Social Assistance** covering basic needs

The Demographic Challenge





Current Political Challenges

- **Global competition**
- **Demographic changes**
- **Unemployment**
- **Public Deficit**
- **Reactivating East Germany**
- **Building a social Europe**



Thank you!