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Society

Germany has almost 83 million inhabitants. It is by far the largest country in the EU in terms of population. Germany is a modern, cosmopolitan country. Its society is shaped by a plurality of life styles and truly different ethno-cultural diversity. Forms of coexistence have become more varied, and the scope individuals enjoy has become greater. Traditional gender roles have been dispensed with. Despite the social changes, the family remains the most important social reference unit and young people have very close bonds with their parents.





German society - modern, pluralist and open-minded

By Rainer Geißler

GERMAN SOCIETY IS A MODERN, open-minded society: Most people – both young and old – are well-educated and enjoy a high **standard of living**, as well as sufficient freedom to be able to plan their lives as they themselves see fit. The nucleus of their lives is the family, which is constantly adopting new forms. Yet society is faced with the challenge of solving important problems such as population trends – the ageing of society as well as immigration, which is increasingly varied in terms of ethnic culture. And there is one thing the Germans still have to overcome: the effects of the 45 years during which the country was divided. In the 15 years since political reunification in 1990 much has happened, and yet restoring the social unity of Germany will remain an important issue for the foreseeable future.

Population

With reunification Germany became the country with by far the largest population in the European Union. Almost 83 million people live on German territory, almost one fifth of them in what was formerly East Germany. Three trends are characteristic of demographic developments in Germany: a low birth rate, increasing life expectancy and an ageing society.

For 30 years now Germany has been witnessing few births: With slight fluctuations, since 1975 the number of newborn infants has been approximately 1.4 children per



Standard of living

Germany is one of the countries with the highest standard of living in the world. According to the UN's HDI Index, Germany is one of the most developed countries in the world in terms of life expectancy, degree of literacy and per-capita income. The healthcare system enables comprehensive medical care, whereby the social security systems of the statutory health insurances, care and accident insurance and unemployment support protect people against existential risks.

Life expectancy

While the average life expectancy in the early 20th century was about 46, a boy born today can expect to reach the age of 76 and a girl as much as 81.

woman. This means that for 30 years the generation of children has been smaller than that of their parents. High rates of immigration to Germany from other societies prevented the overall population from shrinking accordingly. At the same time life expectancy has risen continuously, and is now 76 years for men and 81 years for women.

The rise in **life expectancy** and, to an even greater extent, the low birth rates are the reason for the third trend: The ratio of young people in the overall population is decreasing, that of elderly people rising: In the early 1990s there were almost three people of an employable age for every person over the age of 60. In 2004, the ratio was only 1 to 2.2 and calculations indicate that within the next decade the ratio will already be less than 1 to 2. The ageing of society is one of the greatest challenges facing welfare and family policy. For this reason the pension insurance scheme has been undergoing re-structured for some time now: The traditional "**cross-generational contract**" is becoming

less and less affordable, such that private individuals are supplementing it by making their own provisions for old age. In addition, family-related measures to increase the number of children are also being discussed.

Families

The family is still the first and most important social group of people and one of the most significant social institutions. Over the years its importance as the nucleus of life has if anything increased rather than decreased. For almost 90 percent of the population the family comes first in their list of personal priorities. Young people also value it very highly: 70 percent of 12 to 25-year olds are of the opinion that being happy is dependent on having a family.

Yet ideas about what form families should take, as well as their structure, have changed dramatically in the wake of social change. In the traditional family, the roles played by a couple that was married for life, and bringing up several children, were strictly divided: the father was the breadwinner, the mother a housewife. This "breadwinner" model is certainly still lived out – for example in the lower social classes, by migrants, or for a certain period of time, as long as the children are still small – but it is no longer the predominant way of life.

A far wider range of forms of cohabitation has emerged. There is now far greater leeway in choosing between various family forms and even deciding not to have a family at all. This is in no small way connected to the altered role women play: Nowadays some 60 percent of mothers are in employment. Families have become smaller. There are more instances of single-child families than those with three or more children. Two-child families are typical. There are also increasing numbers of people living alone or as a couple with no children. Almost one third of women born in 1965 still have no children today.

**Cross-generational contract**

This is the name of the system used to finance statutory pension insurance: employees today pay proportional contributions toward the pensions of the generation of retirees in the expectation that the coming generation will then pay for their pensions. The first mandatory regulations on old-age security were made as long ago as 1889. Today about 80 percent of employed persons pay into the statutory pension system. Alongside contributions by the employers and employees, today the system is also funded by government subsidies. Since 2002, statutory pensions have been supplemented by state-supported, private capital-backed old-age provisions.

**Living conditions in East and West**

Reunification in 1990 posed immense political, financial and economic challenges for Germany. A key political task continues to be to ensure Germany's social unity. For example, unemployment in East Germany is on average more than twice as high as in the west. That said, great progress has been made in reconstruction in the East. Many East German inner cities formerly in the throes of decay have since been rejuvenated, while the traffic and ICT infrastructure is among the most modern in the world. Over half a million new start-up companies have emerged in East Germany. Living conditions in both halves of the country are now far more closely in line with each other: disposable income in East Germany is now around 83 per-

cent the average for Germany as a whole. There is little difference now between the two halves as regards consumer habits, home life and healthcare facilities. In East Germany, there are clear differences between the cities and the countryside, while hubs of growth have arisen, for example around Dresden, Jena or Potsdam that attract an inflow of new residents. Solidarity Pact II has recently come into force and earmarks 156 billion Euro in financing for the ongoing development and special support of East Germany through 2019 (see p. 103).

The family continues to be the key social institution

Ways of life

There are many different ways of life in Germany, but most people, or almost 68 million, live in multi-person households. More than 43 million of them live as parent/child group combinations, and these include just under 21 million children. Just short of 23 million people live as couple, and yet close to 14 million live alone.

Single parents

In more than 90 percent of the 1.5-million plus families in which a single parent brings up the children, that person is the mother.



Not only the **ways of life**, but also basic moral attitudes are undergoing change. Faithfulness to one's partner remains an important value, but the norm of staying together for life has become more relaxed. The expectations associated of a partnership, on the other hand, have risen. This is one of the reasons for some 40 percent of marriages over the past few years ending in divorce. As a rule most people marry again or find another partner. There has also been a marked increase in the number of couples living out of wedlock.

This form of cohabitation without actually being officially married is particularly popular with young people and those whose marriage has recently failed. As a result the number of illegitimate children has also risen: In West Germany a good fifth and in East Germany more than half of all children are born to unwed mothers. One result of this change is an increase in the number of step-parents and single-parent families: One fifth of all households with children have **single parents**, and as a rule these are single mothers.

Over the past few decades the relations within families themselves have also progressed. As a rule the relationship between parents and children is exceedingly good and for the most part is no longer characterized by obedience, subordination and dependence but rather by involvement and equal rights, support, affection and being brought up to be independent.

Despite the fact that nowadays instances of three generations of one family living under the same roof are very rare, there are strong emotional bonds between grown-up children and their parents and between grandparents and their grandchildren.

Women and men

In Germany, as in other modern societies, there has been tremendous progress with regard to the **equal rights** for women stipulated in the Basic Law. As such, with regard to education girls have not only drawn level with, but have indeed now overtaken boys. At grammar schools – which offer the highest level of education – they now account for 57 percent of graduates; the share of young women embarking on degree courses at university totals almost 54 percent. Of the apprentices who passed their final examination in 2004, 44 percent were young women. And more and more women are taking up employment. Nowadays 65 percent of women in Western Germany and 73 percent in Eastern Germany work. Whereas as a rule men are in full-time employment women, especially those with small children, work part time.

With regard to wages and salaries there continue to be differences between the sexes: Female workers, for

Equal rights

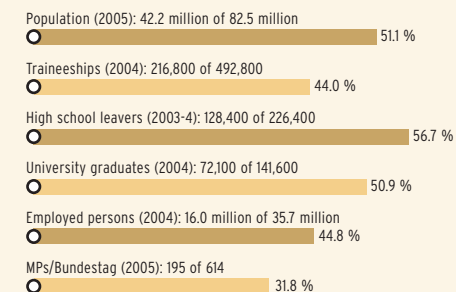
In Germany, equal rights are enshrined in the Basic Law, it is legally impermissible to discriminate by gender as regards working conditions and pay, and there are numerous laws guaranteeing the rights of women. Moreover, Germany is firmly committed to equal rights for both genders – relying on a wide-ranging network of state and private institutions in this regard. With the introduction of gender mainstreaming, women's politics has been integrated as a cross-disciplinary function into all government and local departments and agencies. Thus, the state is proactively advancing the creation of equal conditions for men and women. These measures are being successful: Germany places 9th best world-wide in the UN's GEM Index which measures women's participation in business and politics.



Women in Germany

Girls with the best education

In recent years, major steps have been taken to ensure not only equal rights, but also factual equal opportunities for women. For many women, having a job is very important. Two thirds of women are now in gainful employment, and this figure does not change greatly if they become mothers. Great progress has been made in training and education for girls – the key basis for their finding jobs. The number of young women holding higher qualifications and degree is now higher than that of their male counterparts.



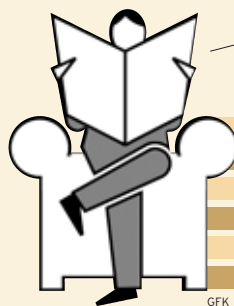
Living in Germany

Work and leisure time, family and commitment: How Germans structure their everyday life, how they spend their time, what is important to them and things they support

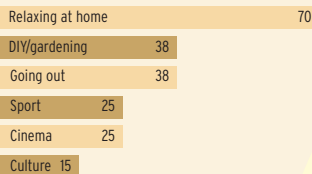


Trend to more part-time work
More and more people are working part time: In spring 2004 these totaled 7.2 million, and now account for 23 percent of those working for an employer. The majority of those in part-time employment are women - mostly mothers - who do 85 percent of all such jobs. This results in average weekly working hours for men of over 40 hours, and for women of only just 31 hours

Statistisches Bundesamt



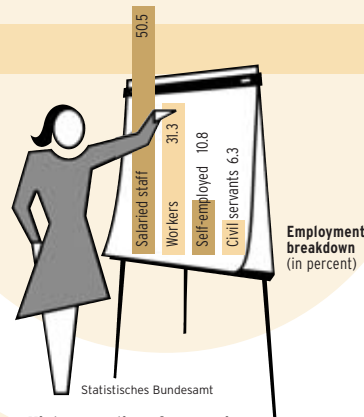
The most popular leisure time activities (in percent)



GfK

Six hours leisure time

Nowadays people in Germany have more leisure time than ten years ago - on average around six hours a day. They prefer spending this time at home, and relax for some two hours watching TV or listening to music. Men have almost half an hour more leisure time than women

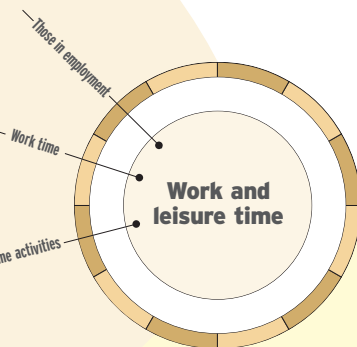


Employment breakdown (in percent)

Statistisches Bundesamt

High proportion of women in employment

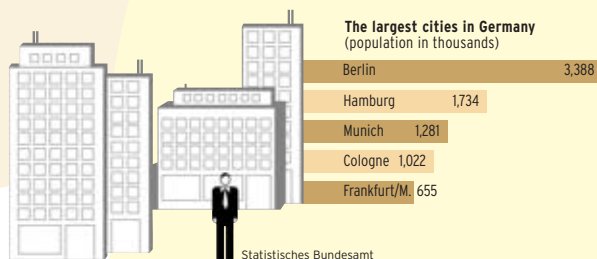
In Germany there are some 36 million people in employment, of which 6.2 million live in the new federal states and 16 million female. Women now account for 45 percent of those in employment - in Eastern Germany as much as 47 percent



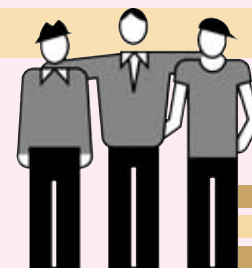
Work and leisure time

Almost one in three people lives in a big city

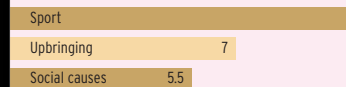
Germany is one of the most densely populated countries in the world. Munich has more than 4,000 and Berlin 3,800 inhabitants per square kilometer, while in Mecklenburg-Western Pomerania there are only 75. The majority of Germans, a good 35 percent, lives in small towns of up to 20,000 inhabitants. More than 30 percent live in big cities with a population of more than 100,000



Statistisches Bundesamt



The three largest areas of voluntary service (in percent)



TNS Infratest

More commitment

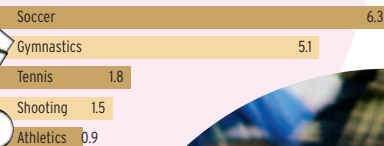
70 percent of all Germans older than 14-years are active members of groups, clubs or organizations. Furthermore, 36 percent undertake voluntary duties. This is two percent more than five years ago

The Germans are a very sporty nation

Sport is very popular in Germany. There are around 90,000 sports clubs with 27 million members. Soccer is the most popular sport. With a total of 26,000 clubs and 170,000 teams the German Soccer Association is the largest individual body in the German Sports Federation. Sport is financed by means of state funding and state contributions, voluntary service, private sponsors and membership fees

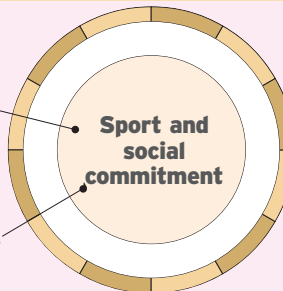


The most popular types of sport (in million members)



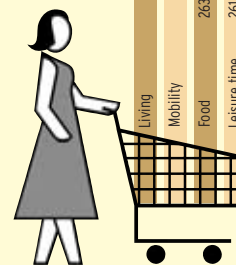
Deutscher Sportbund

FACTS - COMPACT



Sport and social commitment

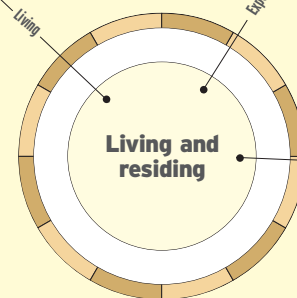
The major consumer expenses in private households (in euros)



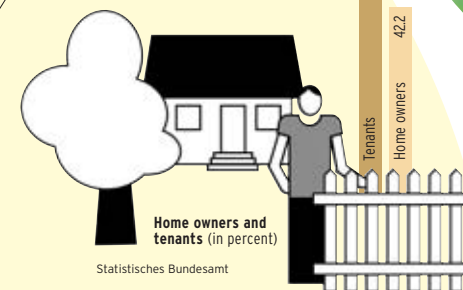
Statistisches Bundesamt

Living is the biggest expense

On average, private households in Germany have EUR 2,820 in monthly income at their disposal. Germans spend most of their money on accommodation. However, a good 10 percent of income goes on the car and mobility in general, and the same figure again on food and drink



Living and residing



Home owners and tenants (in percent)

Statistisches Bundesamt

Home ownership

For Germans, owning the four walls they live in is still one of the most important ways of providing for old age. Today around 15 million of a good 35 million apartments are owner-occupied. The highest ratio of home ownership, namely 65 percent, is in communities with a population of less than 5,000



Women in the world of work: Women now account for 45 percent of all employed persons



example, earn just 74 percent of their male counterparts' pay, and salaried staff a mere 71 percent. For the most part this is due to the fact that women frequently work in lower positions. Even though nowadays they are frequently getting to occupy **top jobs** on the career ladder, in doing so they still encounter considerable hurdles. As an example, almost 50 percent of students are women but only a third, research assistants, and just 14 percent professors with tenure.

One of the main obstacles to climbing the career ladder is the fact that relatively little has changed with regard to the division of domestic labor between men and women. In 75 to 90 percent of all families it is women who do the core of traditional housework – washing, cleaning and cooking. And although 80 percent of fathers would like to spend more time with their children, women, even those in employment, invest twice as much time looking after children as men. Although 56 percent of men who want children would, under certain conditions, be prepared to take parental leave after the birth of their child, the number that actually do so is not quite five percent. In Sweden, on the other hand, 36 percent of fathers exercise this right.

Women are well established in politics. In the SPD and CDU, the two main parties, almost every third and fourth member respectively is female. The rise in the proportion of women in the Bundestag is nothing if not remarkable: Whereas in 1980 they made up just eight percent of all members of parliament, in 2005 this figure had risen to

Top jobs

Women account for some 21 percent of leading executives in Germany, and every third manager is a woman. In Eastern Germany, the ratio of female to male managers is far more even. There a good 42 percent of managers are women and as many as 29 percent of the key executives are women. In Western Germany, the figures are only 32 and 20 percent respectively. The opportunities for women to assume management responsibilities depends strongly on the sector. It is highest in the service industry, where 53 percent of managers are women. In the construction industry, by contrast, the figure is only 14 percent.

almost 32 percent. The same year Angela Merkel became the first woman to become German Chancellor.

Youth

Alongside their peers of the same age, whose importance has risen appreciably, the main group to which young people relate is the family. Never before have so many youngsters – 81 percent of 18 to 21-year old males and 71 percent of young females – lived at home for so long. Almost all 12 to 29-year olds state that they have a very good, trustworthy relationship with their parents.

One reason for staying at home so long is that more and more young people are staying in the education system for longer and longer. Their **standard of qualification** has risen considerably. Nowadays 37 percent of an academic year begins studying, and only one tenth leaves the education system without successfully completing an apprenticeship. In particular young people from lower social classes and immigrant families represent problem groups for the education system.

In comparison with earlier generations of young people youngsters have become more pragmatic and not only have a good relationship with their parents' generation

Peer groups: Central reference point for young people



Standard of qualification

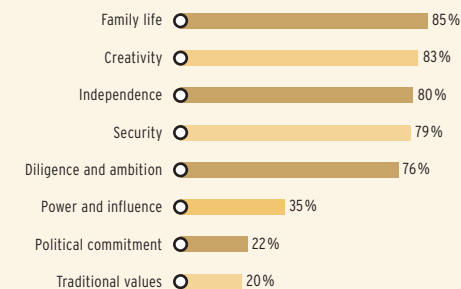
Around 60 percent of young people go into vocational training for a state-recognized profession either on the dual vocational training system or as school training in a vocational college. A good 37 percent enroll in one of the 372 universities.



Value priorities among young people

Careers instead of dropping out

Compared with the 1980s, young people in Germany have become decidedly more pragmatic. Achievements, security and power have become more important, political commitment has dwindled in significance. In the early 21st century, the 12 to 25 year-olds attach greater value to careers than to dropping out, and mix their values cocktail using traditional and modern qualities. The most widespread opinion is that family life is important, and creativity, independence and security play a key role in how young people shape their lives.



but also with democracy: The pessimistic protest and “can’t be bothered” attitude of the 1980s has for the most part given way to a non-ideological, optimistic pragmatism. Today’s young generation is success-oriented and prepared to work hard. Their maxim of life can be reduced to the formula “getting on instead of getting out”.

With regard to the traditional left-wing/right-wing divide, today’s youth is typically positioned somewhat to the left of the population as a whole; only very occasionally are there instances of political extremism. On the other hand there is a high degree of willingness to get involved with **social commitment**. Some three-quarters of all youngsters are actively committed to social and ecological interests: elderly people in need of help, environment and animal protection, the poor, immigrants and the disabled. Interest in politics, political parties and trade unions, on the other hand, is on the decline. Only about 30 percent of 12 to 25-year old youngsters claim to be at all interested in politics, whereas among young adults and students the figure is considerable higher, namely 44 and 64 percent respectively.

The elderly

In Germany, approximately every fourth person is over 60 years old. Because of the long-standing low birth rates and



Young people: Helping others is a self-evident part of their lives

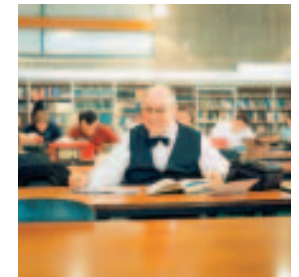
increasing life expectancy, after Japan and Italy German society has the third-largest proportion of elderly people worldwide. Their ways of life and **lifestyles** have changed a lot over the last decades. Nowadays the vast majority of elderly people lead independent lives. For the most part they live close to their children, with whom they are in close contact. Health-wise the “young elderly”, who are younger than 75 or 80, are mostly in a position to carry on living independent lives with new goals and actively decide how to make use of their leisure time.

Financially speaking the elder generation is for the most part taken care of: The 1957 pensions reform gradually gave pensioners a full share in the nation’s wealth. Today it is even possible for them to give their children financial support to start their own family. Poverty in old age has not been done away with entirely, but the risk of being poor in old age is lower than that of other age groups.

Pensioners in Eastern Germany are also well off. They are among those who have benefited most from reunification, and are now no longer condemned to live on the periphery of society many of them were forced to inhabit in the former East Germany. Today their income is almost on a par with the Eastern German average, and satisfaction with it is considerably higher than among East Germans younger than 60.

Immigration and integration

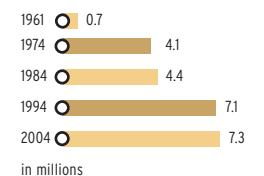
Ever since the 1950s post-war boom the German economy has been dependent on immigrant workers. The majority of those who were at the time referred to as “guest workers” have now returned to their home countries in South and Southeast Europe, but many have stayed on in Germany to earn their keep. Many of the Turkish immigrants that came to Germany at a later date have also remained in the country. This has resulted in Germany gradually developing from a country that accommodated guest workers to a country with regulated immigration.



Life style of the elder generations

Senior citizens are not only growing older, but are healthier, fitter and more active than in the past. They are also economically better off: the over 60s hold almost a third of total purchasing power. The life style of the 50+ generation has changed considerably, and the silver-agers increasingly prioritize active leisure time. According to an SWR study, here they emphasize nurturing social contacts. The elderly tend to meet friends almost once a week and go to a restaurant on average twice a month. Alongside almost daily viewing TV (news), listening to radio (classic) and reading the paper, they like to do sports - on average five times a month.

Foreign population



Immigration

As early as the 19th century Germany attracted a large number of immigrants and since the 1950s has emerged as the European country with the largest immigrant population. In 1950, there were about 500,000 foreigners in Germany, accounting for a mere one percent or so of the population. This has changed emphatically: Today, some 7.3 million foreigners live in Germany, or 8.8 percent of the population, including 2.3 million EU citizens. About every fifth foreigner living in Germany was born here and is a second or third-generation immigrant.

Repatriates of German descent, who for generations have been living in the states of the former Soviet Union, Romania and Poland, are a second major group of immigrants. Since the collapse of the communist systems they have been returning to Germany in increasing numbers.

These two groups of immigrants resulted in the per capita rate of **immigration** to Germany in the 1980s being considerably higher than that of classic immigration countries such as the USA, Canada and Australia. There are more than seven million foreigners, in other words almost nine percent of the population, living in Germany. In addition there are also 1.5 million foreigners who have taken German citizenship, and some 4.5 million repatriates. This means that almost every sixth citizen has either immigrated or stems from an immigrant family. Some 95 percent of foreigners live in Western Germany and primarily in big cities, where in some cases they make up more than 30 percent of the population.

Among the foreigners, some 1.8 million persons with Turkish citizenship form the largest group. There are also significant numbers of Italians (550,000), immigrants from Serbia-Montenegro (a good 500,000), Greeks (320,000) and Poles (almost 300,000), followed by Croats, Russians, Bosnians, Ukrainians, Portuguese and Spaniards. More than one million people are refugees.

Because Germany specifically recruited a labor force for simple activities, many of the immigrant workers are employed as unskilled laborers. Some work as skilled laborers but only very few in professions that require high qualifications. Studies have revealed that immigrant families in Germany find it particularly difficult to improve their social standing and economic position.

Nonetheless, over the past decades progress has been made with regard to the integration of immigrants: Acquiring German citizenship has also been facilitated, contacts between immigrants and Germans are closer, and there is more widespread acceptance of ethnic cultural variety. And the new **immigration law** provides for the first time an all-embracing legal framework that considers all aspects of immigration policy – from labor market-oriented and humanitarian immigration through to questions of integration. And yet integration remains a challenge for politicians and society alike. Efforts now focus on improving German language skills, providing enhanced educational opportunities for immigrant children, and measures to prevent dual societies and ethnic ghettos.



*Ethno-cultural diversity:
About every sixth inhabitant is
an immigrant or a member
of a family of immigrants*

Immigration law

In early 2005 the first Immigration Act in German history came into force. It distinguishes between limited residence permits and unlimited right of residence. At the same time, it also lays down measures to integrate immigrants, such as mandatory language courses.

**Rainer Geißler**

Professor of Sociology at Siegen University, Geißler is the author of the standard sociology textbook "Die Sozialstruktur Deutschlands".

**Religions**

Religious life in Germany is mainly shaped by the two large Christian communities. About two thirds of the population in Germany state that they are of the Christian faith. About half of them are Roman Catholics, the other half Protestants. The new German Pope Benedict XVI is associated with hopes for closer ecumenical collaboration – his first trip abroad in 2005 was to the World Youth Day in Cologne. In the aftermath of the Nazi genocide, very few persons of the Jewish faith lived in Germany. Today, the Jewish communities have a good 100,000 members. Increasingly, other religions are gaining in importance in Germany, too. For

example, many of the foreigners living in Germany are of the Muslim faith. About 3.2 million Muslims from 41 different countries live in Germany, which is why such importance is attached to the dialog with Islam. The Basic Law guarantees the freedom of religion and to exercise one's faith. There is no state church in Germany, but the state participates, among other things, in financing denominational kindergartens and schools. The churches levy a church tax which the state collects on their behalf. It is used to fund social services such as advisory centers, church kindergartens, schools, hospitals and homes for senior citizens. Religious instruction in schools in Germany is unique in structure: It comes under state supervision, but the churches are responsible for the content.

Unemployment insurance

In Germany those with no work can claim support. Anyone who is unemployed and over the past three years has paid contributions to the state unemployment insurance system for at least twelve months is entitled to unemployment benefit (60 to 67 percent of their last net income). This unemployment benefit is financed through the contributions of which employers and employees each pay half. The longest period for which unemployment benefit can be drawn is twelve months and 18 months for those aged 55 or over. After that period those looking for work can apply for basic support (known as “unemployment benefit II”), which is assessed according to the applicant’s needs.

The welfare state

The principle of the welfare state is enshrined in Article 20 of the Basic Law and cannot be rescinded, even if the Basic Law is changed. In this way the Basic Law commits the state to protect, in addition to their freedom, the natural bases of life of its citizens. Each individual, however, also has to assume responsibility for his own social welfare.

Social security

AFFLUENCE FOR EVERYBODY AND SOCIAL JUSTICE: In the late 1950s that was the goal the then Federal Minister of Economics Ludwig Erhard had in mind when he introduced the social market economy in Germany. The “German model” proved to be a success story and became an archetype for several other countries. One of the pillars of this success was the extensive German welfare system. Today, Germany boasts one of the most comprehensive welfare systems: 27.4 percent of the country’s gross domestic product is channeled into public welfare spending. In comparison, the USA invests 14.7 percent, while the OECD average is 20.4 percent. An all-embracing system of health, pension, accident, long-term care, and **unemployment insurance** provides protection against the financial consequences of the risks we face in everyday life. In addition, the welfare lifeline offers tax-financed services such as the family services equalization scheme (child benefit, tax concessions) or basic provisions for pensioners and those unable to work. Germany sees itself as a **welfare state** that considers the social protection of all its citizens to be a priority.

The welfare-state social systems in Germany have a long tradition dating back to the industrial revolution. In the late 19th century, Reich Chancellor Otto von Bismarck devised the principles of the state social insurance scheme; It was under his aegis that the laws relating to accident and health insurance as well as provisions for invalidity and old age were passed. Whereas in those days a mere ten percent of the population benefited from the welfare legislation, nowadays almost 90 percent of people in Germany enjoy its protection.

In subsequent decades the welfare lifeline was expanded and refined; in 1927, for example, insurance covering the financial consequences of unemployment and, in 1995, **long-term care insurance** were introduced. The 21st century calls for a fundamental structural realignment to the systems, in particular with regard to whether they can be

financed in the long term: The increasing proportion of elderly people in the population in conjunction with a relatively low birth rate and trends in the labor market have pushed the social security system to its very limits. By means of extensive reforms politicians are now busy attempting to meet this challenge and ensure a welfare system based on solidarity for coming generations as well.

Reform of the health system

Germany is one of the countries with the best medical care. A wide range of hospitals, medical practices and institutions guarantees medical care for everybody. With over four million jobs, health care is the largest employment sector in Germany. All in all, 11.1 percent of the country’s gross domestic product is spent on health – 2.5 percent more than the average in the OECD member countries. As a result of the so-called cost-cutting law introduced in the wake of the reform

Long-term care insurance

Long-term care insurance was introduced in 1995 as the “fifth column” of the social insurance system. The compulsory insurance is financed by equal contributions by employers and employees. There are plans to extend this financing through provisions covered by capital.

**A family-friendly society**

In Germany family promotion is playing an increasingly important role and is correspondingly supported by the state. In order to encourage men and women to have more children again, as from 2007 there are plans to replace the current child-raising benefit with a means-tested parent’s benefit financed through taxes. Thus, for a period of one year one parent that interrupts his or her career in order to raise children will receive 67 percent of their last net income, but at most 1,800 euro. However, this benefit is only paid for the entire period if the father also stays at home for at least two months. The aim here is to make it more natural for fathers to take time off to raise

children as well. At the same time there are plans to extend child care. Until now every child has had the legal right to a place at kindergarten from the age of three until they start school. All-day care is also to be extended even further. For children under the age of three as well there are plans for a further 230,000 crèche places by 2010. This is aimed at making it easier for mothers and fathers to combine working and raising a family.

The monthly child benefit is EUR 154 for each child (EUR 179 as of the fourth child) until the age of 18. The legal right to up to three years leave from work also makes an important contribution to supporting young parents. Furthermore, as long as there are no valid company reasons against it, young parents can choose to work part time.

High standards: Germany is one of the countries with the best medical care

Health insurance

Almost all citizens in Germany have health insurance, whether as a compulsory member of the statutory health insurance scheme (88 percent) or a private health insurance scheme (almost 12 percent). The health insurance companies cover the cost of medical treatment, medication, hospitalization and preventive health care. Contributions to the health insurance scheme are made by employees and employers. Non-employed family members of those in a compulsory health insurance scheme do not pay any contributions.

Accident insurance

Statutory accident insurance is a liability insurance on the part of employers in favor of employees who are thereby protected from the consequences of an accident at work or an occupational disease.



already undertaken to the health system, Germany now makes the lowest per capita increase to health spending of all OECD countries: Between 1998 and 2003 spending rose in real terms by 3.8 percent per annum, while the OECD mean was 4.5 percent.

Yet in order to ensure that spending is adapted to the altered conditions there is still a need for further reform. As such the grand coalition is striving for a fundamental structural reform of the health system and also to make the **health insurance** systems fit for the future. To this end the coalition parties in government have devised different concepts, which, however, are not necessarily compatible: the “solidarity system health premium” (CDU and CSU) and the “peo-

ple’s insurance” (SPD). The government plans to present a feasible solution to this complex question in 2006.

Pension reform

Fundamental changes are also planned for provisions in old age. Although compulsory **pension insurance** will remain the single most important pillar of income in old age, in-company and private pension schemes are becoming more and more important. The so-called “Riester pension”, named after former Minister of Social Affairs Walter Riester, is one such model already in existence that by means of tax concessions makes possible private pension schemes covered by capital contributions. For reasons of justice between generations, the pensions to which the current generation of pensioners is entitled are not being increased.

The government has also resolved to raise the age of retirement from 65 to 67: Between 2012 and 2035 it will be raised one month every year. At the same time an incentive scheme known as “Initiative 50 Plus” is geared to improving opportunities for older employees.

Further reforms

The reform of support for the long-term unemployed and those receiving **social assistance** has already been implemented. With the introduction of basic support for the unemployed those who had formerly been receiving social security, as long as they were capable of working, were put on a par with the long-term unemployed. The reform of the **accident insurance** scheme, aimed primarily at reforming the organizational framework, is still outstanding. ●

Pension insurance

The statutory pension insurance is the most important pillar of old-age provisions. Its financing is split: The monthly contributions paid by employees and employers pay the pensions of those currently in retirement. Through their contributions, those insured acquire some rights when they themselves become pensioners. In turn, coming generations provide for these future rents with their contributions (cross-generational contract). In addition, company and private pensions are the second and third pillars of provisions for old age. Under certain conditions these also enjoy government support.

Social assistance

Another feature of the social lifeline is social assistance, which is financed through taxes. It comes into effect when people are unable to escape their plight on their own and by their own means or by those of relatives. As such, there is basic protection in old age or in the case of long-term unemployment as well as state help towards living or to assist persons in certain predicaments.



The topic on the Internet

www.bmfsfj.de

The Federal Ministry for Family Affairs, Senior Citizens, Women and Young People offers information on state support as well as the wording of laws (German)

www.shell-jugendstudie.de

With support from the Shell corporation, for five decades now, scientists and research institutions have been

studying the values and life of young people (German)

www.bmg.bund.de

On its Web site the Federal Ministry of Health makes available news, data, background information, and links to further sources relating to health (English, French, German, Italian, Spanish, Turkish)

www.deutsche-sozialversicherung.de

The Web site run by the European representative agency of the leading umbrella organizations in the German social insurance system provides information on social insurance in Germany with countless links (English, French, German)