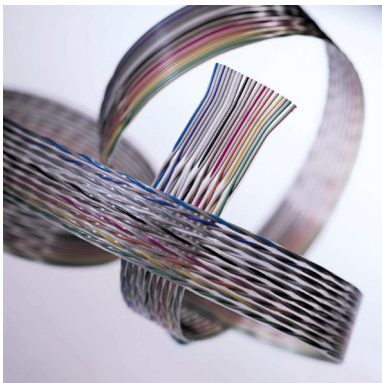

**Kommunikations- und
Technologieforschung**



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The Knowledge Society in Germany

Current Situation, Drivers, Trends, Future
Developments and Scenarios

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Ingo Meyer

Dezember 2003

The logo for empirica, featuring the word "empirica" in a lowercase, sans-serif font. The letter "i" is stylized with a solid black dot above it and a solid black dot below it, creating a vertical line through the center of the letter.

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Inhaltsverzeichnis

1	Knowledge Society Country Profile: Germany	4
2	'Drivers' and National Specifics of the Knowledge Society in Germany	6
3	Expert Vision of the Future	7
4	Scenarios 2015	8
5	Policy Implications.....	9
6	Annex.....	11

Der vorliegende Bericht ist eine Kurzfassung des vollständigen Berichtes mit demselben Titel, der im Auftrag der European Foundation for the Improvement of Living and Working Conditions von empirica erstellt wurde. Die Langfassung wird auf der Website der European Foundation verfügbar gemacht.

1 Knowledge Society Country Profile: Germany

Germany is on its way towards the Knowledge Society. Ratings on KS-related indices provide a picture where worldwide Germany is among the top 10 or 15 and mostly above or around the European average with respect to a series of relevant KS performance indicators.

The statistical analysis of the current situation and past developments using the EUFORIA Knowledge Society advancement indicators developed by empirica in a separate report show that Germany takes the position of an average country among the EU member states. The potential for future development is quite high but is at the moment not tapped. Appropriate measures to do so are not yet existing or are still on the verge of showing effects. Among the indicators analysed there are some showing quite a lot of promise (e.g. willingness to self-directed learning, broadband access) as well as some indicating an imminent crisis (e.g. educational system, unemployment rate).

A more comprehensive overview of the situation is presented in the following country profile providing the data for Germany along 29 relevant KS-related indicators.

It becomes apparent that Germany has a well developed infrastructure and citizens are increasingly provided with good broadband access. One can observe an increasing flexibility of work arrangement in the labour market. Training provision is above average but training participation is still lagging behind. However, a high willingness to engage in self-directed learning does exist.

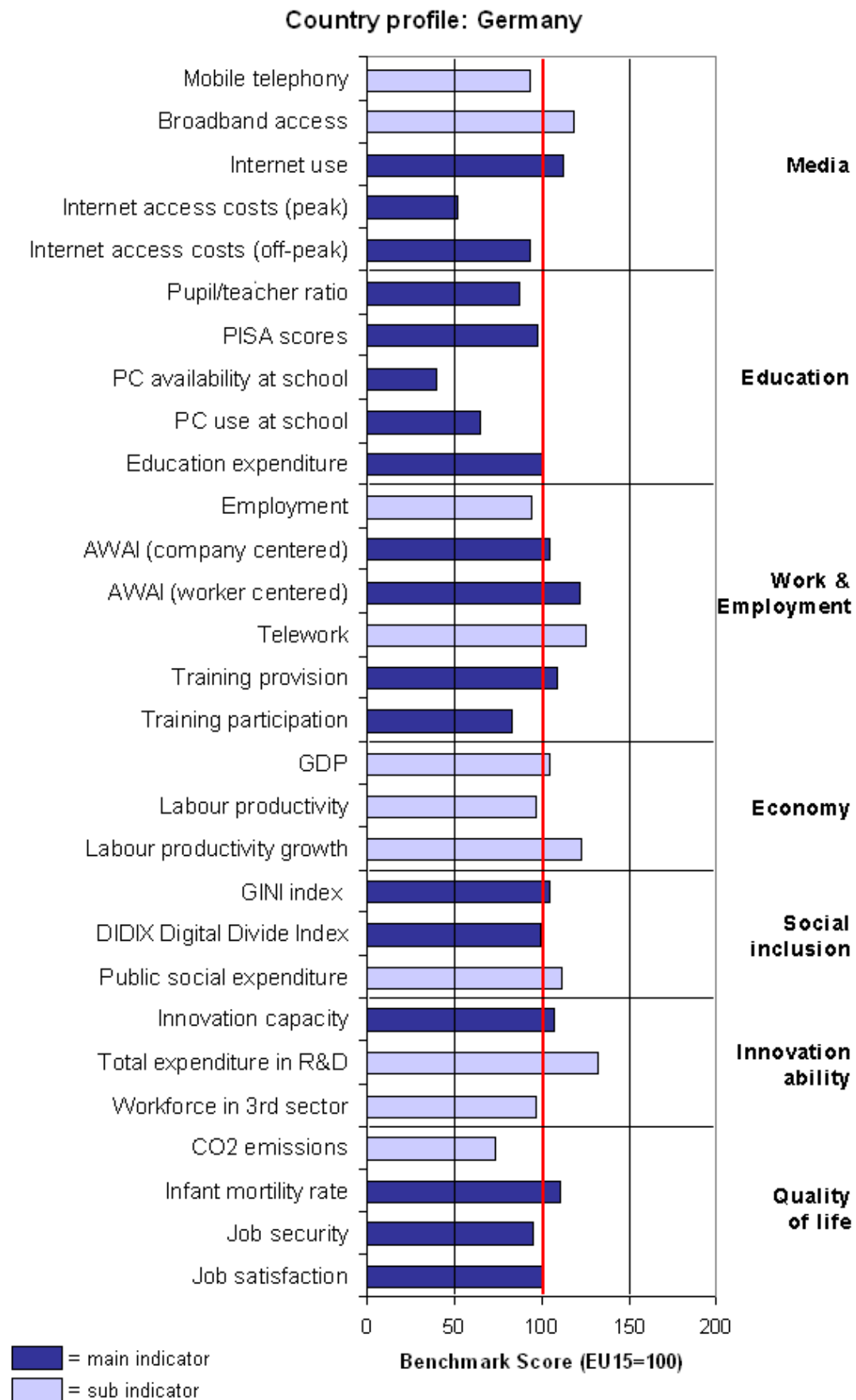
Germany is among the best performers concerning social inclusion measured using the well-known GINI index (index on income disparity) and a good performer concerning the digital divide measured by the DIDIX index (the Digital Divide Index (DIDIX) developed by empirica¹ is a compound indicator on digital divide regarding several risk groups: women, elderly, low income groups, least qualified citizens). The situation is different in countries like for instance Greece and Portugal but also Italy and Spain with significantly larger digital divides. When considering the development over time (1997-2002/03) it becomes apparent that there is a continued persistence of a relatively large digital divide in countries usually classified of late adopters of the internet including the countries mentioned above.

In general, Germany is an average performer on most indicators but shows a rather poor performance in the area of education which is also reflected in the rather low combined PISA score (EUFORIA has calculated the average PISA score on reading literacy, mathematical literacy and scientific literacy scale). Also R&D is threatened due to sluggish economy and household consolidation taking away large sums.

¹ The Digital Divide Index – A measure of social inequalities in the adoption of ICT. Update of a paper presented at the Xth European Conference on Information Systems ECIS 2002 - Information Systems and the Future of the Digital Economy, Gdansk, Poland, 6th - 8th June 2002 by HÜSING, Tobias & Selhofer, Hannes. Cf. Proceedings (ed. Stanislaw Wrycza, Wydawnictwo Uniwersytetu Gdanskiego), p. 1273-1286. Presented at the IST 2002 Conference, Session "Bridging the Digital Divide", Copenhagen, 4-6 November 2002. (<http://www.sibis-eu.org/sibis/publications/articles.htm>)

Hüsing, Tobias: Zunehmendes Nord-Süd Gefälle der digitalen Spaltung in der EU - Zur Messung von Ungleichheit in der Diffusion von Informations- und Kommunikationstechnologien. p.1-5 in: Informationsdienst Soziale Indikatoren (ISI) 30, July 2003.

SIBIS Project (empirica) (2003): Measuring the Information Society in the EU, the EU Accession Countries, Switzerland and the US. SIBIS Pocket Book 2002/03.



The following figures provides the different results in a SWOT matrix showing the strengths, weaknesses, opportunities and threats for Germany:

Strength

- innovation ability
- high willingness to engage in self-directed training
- flexible work forms are appreciated by many
- Broadband access

Opportunities

- a flexible, innovative and well-trained workforce manages the shift towards a service industry
- Rather little income disparities
- Quality-of-Life

Weaknesses

- educational system is lagging behind
- electronic media and education do not go together most of the time
- rising unemployment

Threats

- Poorly educated new generation of workers heavily reduces Germany's innovation ability
- high unemployment prevents the necessary economic boost
- R&D threatened due to sluggish economy and household consolidation

It shows that Germany – despite its strengths for instance in the innovation ability (measured – amongst others - by the Innovation Subindex of the Growth Competitiveness Index (GCI) created by the World Economic Forum), the high willingness to engage in self-directed training and good infrastructure - has some serious weaknesses to cope with which are mainly in the educational system in general and including the adoption and use of new ICTs in schools as well as the still very high unemployment rate.

Germany has several strong opportunities when it comes to the implementation of a Knowledge Society such as the (still) flexible, well-trained and innovative workforce, a society with rather little income disparities especially when comparing it to other countries, and a good quality of life. However, and due to the above problems and weaknesses in the educational system, Germany is running the danger of a poorly educated workforce in the future heavily reducing Germany's innovation ability and economic strength, continuing high unemployment rates as a result of this which will continue to prevent the necessary economic boost.

2 'Drivers' and National Specifics of the Knowledge Society in Germany

There are several drivers and specifics worthwhile mentioning when describing Germany's way towards a KS. These include – amongst others – the typical German 'Culture of dependency', i.e. most Germans are seeking a dependent job and are not interested in any form of self-employment or any form of employment bearing more risk, and the lack of entrepreneurship which could – if it would exist at higher levels - positively contribute to growth.

Germany is a society of compromise and has well developed mechanisms to always achieve this which on the contrary sometimes constrain more radical reforms which are urgently required.

Other factors of relevance include:

- the lack of integration of immigrants,
- the fact that labour is highly taxed and
- that due to the dual parliamentary system in Germany the country is facing a permanent structural political blockade.
- Germany also had and still has to bear large cost of reunification. These sums are missing in other areas of political action.
- In Germany we mainly find consumer spending but only few investment expenditures. Economic growth purely on the basis of consumer spending is not feasible. The situation is continuing to deteriorate German economy and society should no further active measures be taken by government and other key players.
- Entrepreneurship in Germany as in most other European countries is not very much developed. The situation seems to be quite the opposite in the US, where its strongly these organisations which create employment and growth.
- Germany's industry has a strong industrial structure with companies which has proven to be highly innovative. It appears as if this strength has led Germany to become rather inactive in future-oriented areas and industries like IT and biotechnology. As a consequence, Germany became a later mover and follower in these industries. Following and catching-up was (will be) possible due to the good learning aptitude of German companies and workers.
- Germany has an education system which undoubtedly shows strength with its dual education system and produces qualified employees in a number of professions. However, the education and training system is strongly structured in e.g. different school types (e.g. secondary school, middle school, grammar school, vocational school, etc) where interchangeability is very low. This is regarded as a weak point because once a path has been chosen, permeability upwards is very difficult even with the necessary good qualifications.

Finally there is the size of the country which acts as a handicap making it very difficult to act as flexible as countries like Denmark or Finland.

3 Expert Vision of the Future

Experts agree that networking and outsourcing will be widespread in Germany by 2015. Employees' participation in organisations will follow new models by then and significantly determine an organisation's success. Organisations will increasingly have realised the high importance of human resources and will by 2015 treat them equal to investments.

The human being will be seen as a central success factor and guarantor resulting in an organisational set-up and culture which recognises the human being and puts them at the central focus.

The digital divide is still a central topic in 2015. "Non-liners" will be left behind more and more. The further privatisation of the educational system exacerbates the social differences and the restriction of access to valuable information (which is only accessible through payment) leads to a further social polarisation of society.

Services in all areas of life, previously provided by relatives or volunteers, experience a professionalisation, i.e. they are increasingly offered as a professional service by third

parties (for a current example the provision of professional care services by service providers through the introduction of nursing care insurance in Germany).

Regulation through politics is decreasing due to an increasing privatisation of state services. Because of the worldwide network, security of use and possible emergency scenarios are given increased importance. Security policies must ensure security in data networks. However, it remains to be seen how far this will be realised by 2015.

Property or licence rights for knowledge are becoming an important topic (e.g. gene patents) and the handling of intellectual property is becoming a political key decision.

E-government will be widespread in 2015 but will also have met its limits. E-democracy will be an integral constituent of e-government.

The further advancing globalisation leads to a further decrease of national leadership through politics. In spite of advancing globalisation citizens will continue to think (small) regional and be segmented.

A continuing "political opportunism" in favour of the voting majority of the elderly will aggravate the political abstinence of the young. This will result in an "over-ageing" of politics which will lose sight of certain target groups.

The principle of sustainability is deeply anchored in large parts of the population. Europe has developed into a leading force in the area of development and use of environmental technologies.

These are just a few flashlights at the impact level, more of which are presented in the report "The Knowledge Society in Germany".

4 Scenarios 2015

In the context of foresight and futures studies, scenarios are visions of future possibilities. They go beyond simply profiling the future in terms of one or two key variables, to present a more fleshed out picture, in which many details are linked together. These may be details of a future history or of a state of affairs. A "future history" will present a sequence of events or developments of trends. An "image of the future" will elaborate the circumstances at a particular point in future time. Typically either approach will present us with a mixture of quantifiable and non-quantifiable components. Often both will be combined. (cf. Miles, Ian: Scenarios and Foresight – towards a constructive integration. Draft paper, June 2002).

In EUFORIA, and based on the results and discussions discussed above, the EUFORIA team at empirica developed a series of scenarios to include different visions of the future KS in Germany.

Three different scenarios were developed²:

- a) Scenario no. 1: CRASH: "Crash into the second league"
- b) Scenario no. 2: STAGNATION: "Business as usual"
- c) Scenario no. 3: CHANGE: "From average to excellence"

When it comes to the views of the future KS in Germany, the experts unanimously selected scenario 3 "CHANGE: From average to excellence" as the preferred one which should be aimed at. However scenario 2 "STAGNATION: Business as usual" is also not unlikely to happen and is not completely ruled out.

² The complete scenarios can be found in the annex of this document.

In the CHANGE scenario Germany:

Main Trends:

- has managed to overcome its societal, governmental and institutional inertia and demonstrated its ability to fundamental structural reforms
- social partners have thrown away old traditions and dogmas and are co-operating in developing solutions
- More room is provided for individual responsibilities in the areas of social security, pension and health systems
- Which have freed public funds for investments in education, research, innovation and advanced ICT infrastructure

Working Conditions:

- The unemployment rate could be reduced to around 6%
- Qualifications and skills of the workforce could be kept at a high level and even increased
- Ability and willingness to life-long-learning is at very high levels
- Part-time work has widely spread due to the need for workers

Living Conditions:

- Despite an increase of single households, the average number of children per family is increasing
- The expanded nursing care insurance system turned out to be a success with Germany now operating a system similar to the Scandinavian model
- High living standard compared to other European countries but still with some regional disparities
- Interest in policy among the youth has increased

Industrial Relations:

- High levels of consensus between the social partners and government
- Trade union and worker participation in change processes as increased
- Their role has been constructive and acknowledged as very positive by employers.

5 Policy Implications

The policy implications given by the experts are clear:

- Germany needs to continue with and further develop and improve activities and initiatives started under the label of Agenda 2010 and the Federal finance and tax reform.
- A comprehensive exchange spanning all parties and interests addressing the strategic issues and visions and paths of reforms of the German society is needed but different views about the mechanisms to achieve this exist.
- A redefinition of the role and function and self-conception of some of the key players is needed. They should no longer play the role of stakeholders preserving and protecting what they see as key achievements of the past but become key actors for designing societal reforms and changes geared towards a common vision.
- The same holds true for the need of a new awareness among citizens and an insight into the needs of reforms which at present is not very well developed and pronounced.

Action is needed along the lines of the above points for reform instead of an exchange of ever-changing expressions of opinion.

Experts feel that a stronger co-operation of government and opposition to overcome the problems caused by the dual parliamentary system could help to faster agree on and implement the necessary changes.

Up to now the reforms agreed on or under discussion are rather limited in scope and can only be seen as a very first step in the right direction.

6 Annex

"Headline Description"	Crash "Crash into the 2. league"	Stagnation "Business as usual"	Change "From average to excellence"
<p>Specific features of pathway, main trends, events and turning points</p>	<p>The societal, governmental and institutional inertia and inability to reforms has persisted and negatively impacted all spheres of the German society and economy.</p> <p>Most attempts for reforms were nipped in the bud and ended in hollow compromises.</p> <p>There is no sign of change. Germany has managed to paralyse itself.</p> <p>The increased number of older voters has made basic structural reforms impossible.</p> <p>Many young, well-trained people are attracted towards the intellectual and economic growth poles of the global economy</p>	<p>Germany all-in-all, has till 2015 continued to perform and develop as it did previously, i.e. in the early years of the 21st century, and thereby continued to demonstrate its problems to real structural reforms at all levels in the country.</p> <p>However, there are first signs of change. Government, society and large parts of industry have tried to put into reality necessary structural reforms and implemented further changes which followed along the lines of the 'Agenda 2010' announced by the German Federal government in 2003. However, in some cases these reforms have been carried out only half heartedly and have lacked effectiveness since their original objectives got diluted to some extent in the political process due to compromises the government had to agree to towards the strong opposition parties in both chambers of parliament (the Bundestag and Bundesrat) and the trade unions.</p> <p>However, but only recently, there are positive signs of understanding among the social partners etc. towards the needs for changing the situation and reforms to bring Germany back on</p>	<p>Germany has successfully managed to overcome its societal, governmental and institutional inertia and demonstrated its ability to fundamental structural reforms at all levels in the country. The 'Agenda 2010' in 2003 was just a starting point for a major turnaround in Germany.</p> <p>Social partners and other key players managed to bite the bullet, threw away old traditions and dogmas, and started to efficiently and effectively approach each other and co-operate in developing solutions.</p> <p>Social security, pension and health systems focus on those most in need, more room has been provided for individual responsibilities and foresight, thus freeing public funds for investments in education, research, innovations and an advanced ICT infrastructure</p>

		<p>track. These key players have started to throw away old traditions and dogmas and started to more efficiently and effectively approach each other and co-operate in developing solutions.</p>	
<p>Economic Structure and Performance</p>	<p>Germany is and continues to be faced with zero or even negative growth and GDP development.</p> <p>Bankruptcy figures, especially among SMEs are reaching new peaks every year and have exceeded the number of 50,000 per annum.</p> <p>Germany finds itself in a permanent no or little growth situation.</p> <p>Entrepreneurial attitudes among the workforce and population are still not very widespread. The vast majority is only interested in a 'dependent' job and shies away from self-employment or starting an own company.</p> <p>German society, governments, political parties, social partners, industry and other associations and have demonstrated their inability to change their conservative attitudes and to agree on the urgently needed political reforms.</p> <p>Most attempts for such reforms were nipped in the bud and ended in hollow compromises.</p>	<p>Germany shows only rather low levels of growth and GDP development which range between 0.5 and 1.0%.</p> <p>Although not in a recession, Germany only achieves average or even below average growth rates compared to other EC Member States.</p> <p>Bankruptcy of SMEs continue to stay at rather high levels resulting in job losses and a still rather high unemployment (cf. below).</p> <p>Government programmes to create an entrepreneurial spirit among school/university leavers and the workers, paralleled with financial and tax incentives has shown first very small successes in 2015. It remains to be seen whether this will be a sustainable development.</p> <p>Different to the situation in the late 20th and early 21st century, the social partners, employer and industry associations as well as other relevant key players have listened to reason and shown some understanding of the needs and are starting to find more</p>	<p>Germany has managed to get back to a sustainable economic growth of between 1.5 and 2.5%, which is around the European average but only when counting the EU15 and not the EU25, where higher growth rates exist.</p> <p>Bankruptcy of SMEs was cut down significantly, also resulting in an increase of employment figures.</p> <p>Government programmes to create an entrepreneurial spirit among school/university leavers and the workers, paralleled with financial and tax incentives, were successful, and the number of new entrepreneurs has doubled compared to what it was in the early 2000s.</p> <p>Different to the situation in the late 20th and early 21st century, the social partners, employer and industry associations as well as other relevant key players have successfully managed to find and implement highly constructive and productive ways of co-operation in developing necessary reforms and solutions.</p>

	<p>VAT has been increased from 16% in 2003 to 25% in 2015 to try to keep the public budget in a better balance. However, and despite the drastic VAT and other tax increases, the national debt still keeps growing . The money is needed to finance the high unemployment, the still not completed integration and development of the Eastern part of Germany, and to compensate for the lack of governmental income from other sources at Federal, State and municipality level.</p>	<p>constructive and productive ways of co-operation in developing necessary reforms and solutions.</p> <p>The household deficit could be reduced and is now approaching to meet the Maastricht criteria and is almost balanced after a two step increase of VAT (in 2005 and 2012) from 16% to 19%.</p>	<p>There no longer exists a federal budget deficit, and at all public levels surpluses allow do decrease public debts thus freeing funds for investments in other fields. The economic growth, the successful implementation of the social reforms but also a two step increase of VAT (in 2005 and 2012) from 16% to 19% have contributed to this.</p>
<p>Social and Political Circumstances</p>	<p>Unemployment benefits are down to the level of income support (Social welfare). The income gap between those in work and those without has widened resulting in further societal tension and an increase in crime especially in those regions with high unemployment. Poverty has become an issue, as indicated by the increasing and very high share of homelessness in 2015. Policy has identified this as an area in need for action but not yet responded and not become active to solve the problem.</p> <p>The reform of the social welfare system failed, the necessary structural reforms of the social security and welfare systems did not take place at the federal</p>	<p>Unemployment benefit has been reduced in a number of steps and is now significantly lower than it used to be in the early 2000s but still slightly above the level of income support (Social welfare)</p> <p>As a result of this the gap between those in work and those without has widened but not (yet) led to any turmoil. Poverty rates are still at an "acceptable" level. Policy does not see any need for action in this area.</p> <p>The social welfare system has undergone some reforms but mostly more or less "cosmetic" ones due to compromises policy decision makers had to find with the social partners and other lobbyists to get at least some reforms</p>	<p>Unemployment benefit has been reduced in a number of steps and is now significantly lower than it used to be in the early 2000s but still slightly above the level of income support (Social welfare). This has been achieved in a societal consensus since all parties concerned agreed on the need for such action.</p> <p>The social welfare system has undergone some serious reforms. It is no longer entirely financed through payments by the economically active part of the population but also through direct taxes and dues including VAT.</p> <p>The share of the workers' income for payments into social security systems could be reduced step by step. In 2015,</p>

	<p>systems did not take place or the few ones which where intended and started with enthusiasm were in the end diluted due to many compromises which had to be made to pass them through parliament and get the blessing of the trade unions.</p> <p>In 2015 payments into social security and welfare systems have almost reached 50% of a worker's income, payments to the pension funds alone have reached 25%.</p> <p>Reforms of the educational system did not occur or failed. Germany is still far away from all-day schooling.</p> <p>Germany continues to have a strongly structured, hardly permeable education system. Once a path has been chosen, permeability upwards is very difficult even with the necessary good qualifications.</p> <p>Still no special systems for the promotion of excellence which could help gain a better position in comparison to other countries in the "creation of genius" exist.</p> <p>The further privatisation of the educational system exacerbates the social differences and the restriction of access to valuable information (which is only accessible through payment) leads to a further social polarisation of society.</p>	<p>implemented. More serious and necessary structural reform activities also strongly and repeatedly demanded by the EU are still not visible.</p> <p>Payments into social security systems have increased steadily since the above "cosmetic" reforms did not reveal any real success. Payments to the pension funds alone have reached figures of more than 20%. The rather negative results of the PISA study for Germany have resulted in policy action towards the implementation of all-day schooling with 50% of the German schools now following this model. In parallel, the still rather strongly structured education system has become more permeable.</p> <p>There have been long political debates about the implementation of educational systems for the promotion of excellence. Some Federal States and some private investors have managed to establish some schools and universities for the promotion of elites. However, these are still very scarce and not widely spread.</p> <p>The vast majority of politicians has realised the need for reforms at all levels. However, most of them still do not dare implementing these full-heartedly and/or speak about this openly and honestly to the citizens since they do not want to appear in public as the ones to pass on bad news and are</p>	<p>payments to the pension funds are down to 12% as opposed to more than 19% in 2003 and the total social security payments down to 25% of income.</p> <p>German social security systems are on their way to recovery and sustainability.</p> <p>Federalism in Germany has undergone some serious changes. In 2015 Federal government sets the general policy objectives and guidelines for the Federal states. These have been restructured to build larger regional units, thereby reducing their number from 16 down to 10, been given more responsibility and entered a phase of much higher competition against each other.</p> <p>Education and literacy have become a top national objective and are now under the responsibility of the Federal government. Standards in the field of education are now set at a national level to make the German educational system highly competitive at an international level.</p> <p>All-day schooling has become the norm in Germany and the education system is highly permeable. Schools and universities for educating and promoting elites – partly funded by public money, partly by private investors – are common place.</p> <p>All these reforms were carried out in a societal consensus. Politicians of all</p>
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	<p>Patch-up jobs by politicians are common place in all political areas resulting in no real changes and reforms urgently needed.</p> <p>Immigration, especially from Eastern European countries and war regions in the world, is increasing. Most of these immigrants do not belong to the group of highly qualified workers. Germany has difficulties in absorbing them and integrating them into the workforce and provide employment. As a result, they add to the ever increasing number of unemployed.</p> <p>Due to the economic problems and the lack of employment opportunities a new phenomenon starts to occur which can best be described as brain-drain. Qualified Germans leave the country to get employment elsewhere, a phenomenon which is rather familiar from the past in countries like for instance Greece or Ireland.</p>	<p>afraid of not being voted for at the next elections.</p> <p>Immigration continues as it was in the early 2000s with all the associated problems of bringing the lower qualified immigrants into employment.</p>	<p>parties, the citizens, the social partners and the vast majority of other key players and interest groups have developed a common understanding of the needs for change and joined forces in developing appropriate strategies and solutions. These also included cuts in certain areas (e.g. level of unemployment money, pensions etc.).</p> <p>Germany has developed into an attractive country for skilled immigrants. As a result, immigration of qualified workers to Germany is increasing. The advantages for Germany are obvious: availability of required skilled workers, payments of these into the social security systems, contribution to economic development etc.</p>
<p>Living Conditions: a) Family structures, household composition b) Child- and elder-care</p>	<p>a) Single households have further increased. Families only very rarely have more than one child.</p> <p>Divorce rates have peaked: 2 out of 3 marriages are getting divorced.</p> <p>Single parenting and 'patchwork families' are commonplace.</p>	<p>a) Single households have further increased. Families only very rarely have more than one child.</p> <p>Divorce rates have increased: more than 50% of the married couples are getting divorced.</p> <p>Single parenting and 'patchwork families' have also increased.</p>	<p>a) The number of single households has slightly increased but families have also started to have more than one child.</p> <p>Divorce rates have remained at similar levels compared to 2000.</p> <p>The same holds true for single parent households.</p>

<p>c) Domestic division of labour</p> <p>d) Living standards</p> <p>e) Time use</p> <p>f) Work-life balance</p> <p>g) Social and political participation</p> <p>h) Access to public services</p>	<p>b) Child- and elder-care systems have not undergone any real changes compared to the year 2000. Kindergarten opening times are still restricted to morning care services only in the majority of cases resulting in problems of employment for mothers. The nursing care insurance system introduced in the late 90s has not resulted in major beneficial changes to those concerned. The provision of professional care services by service providers through the introduction of nursing care insurance in Germany has not changed the situation since it was cut down to not further increase the financial burden of the workers and employers and now only addresses those with serious health problems and disabilities. Elder care services are mostly still provided by relatives who would, however, prefer this to be dealt with by residential care or through a professional institution. In addition, this has become increasingly problematic since families do no longer exist in the traditional sense of the word and less relatives feel responsible for caring for the elderly in their families.</p> <p>c) The traditional division of labour between women and men has not changed at all which is also reflected in</p>	<p>b) Services (including child- and elder-care services) in all areas of life, previously provided by relatives or volunteers, experience a professionalisation, i.e. they are increasingly offered as a professional service by third parties (for a current example the provision of professional care services by service providers through the introduction of nursing care insurance in Germany).</p> <p>c) The traditional division of labour between women and men has not changed at all which is also reflected in the domestic situation still following the traditional division of labour between the genders. As a result of this, the overall employment rate and especially the female employment has only slightly increased compared to the level of the year 2000.</p> <p>d) The living standard is still high compared to the European average but with high levels of regional disparities. The Eastern parts of Germany are still lagging behind.</p> <p>e) The average working week in Germany is 35 hours. Flexibilisation of the labour market has resulted in a flexibilisation of employment law.</p>	<p>b) The nursing care insurance system introduced in the late 90s could be expanded over the years and resulted in major beneficial changes to those concerned. Care for elderly people is not to be provided entirely by relatives. Germany has managed to implement a model comparable to those in Denmark and other Scandinavian countries.</p> <p>c) The traditional division of labour between women and men has started to change slightly due to the fact that an increased number of women have entered employment and are increasingly starting to share the burden of domestic work with their partners.</p> <p>d) The living standard is high compared to the European average but with regional disparities. The Eastern parts of Germany are still lagging behind although the gap is slowly closing.</p> <p>e) The average working week in Germany is still 38 hours. Flexibilisation of the labour market has resulted in a flexibilisation of employment law which organisations as well as workers make extensive use of. Longer and more flexible working hours still remains reality for many in jobs with more responsibility.</p> <p>f) People increasingly search for a work-life-balance. Improvements in work-life</p>
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	<p>the domestic situation still following the traditional division of labour between the genders.</p> <p>As a result of this, the overall employment rate and especially the female employment has almost stagnated at the level of the year 2000.</p> <p>d) The living standard is still high compared to the European average but with high levels of regional disparities. The Eastern parts of Germany are still seriously lagging behind.</p> <p>e) The 32 hours week has become reality in Germany.</p> <p>Flexibilisation of the labour market has resulted in a flexibilisation of employment law and an increase in insecure employment with simultaneous longer and more flexible working hours despite the official 32 hour week.</p> <p>f) People increasingly search for a work-life-balance by way of making use of 'new' flexible forms of work (including - at least to some extent - home-based working) which a substantial share of the workforce make use of. However, for many, flexible working has not been a blessing, since it has resulted in working long hours, self-exploitation and thereby deteriorated their family relationships.</p> <p>g) There is a strong disinterest in politics especially among the youth having lost their belief in politics to solve existing problems. As a consequence, participation in political activities has further diminished.</p> <p>Participation in voluntary (e.g. social) work is increasingly diminishing. Many still expect that government has to provide the necessary (social) services and payments in times of social crises.</p> <p>A continuing "political opportunism" in favour of the voting majority of the elderly has started to aggravate the political abstinence of the young. This has started to move towards an "over-ageing" of politics which loosing sight of</p>	<p>Insecure employment with simultaneous longer and more flexible working hours has become reality for many in jobs with more responsibility.</p> <p>f) People increasingly search for a work-life-balance. Improvements in work-life balance have been achieved by an increasing number of those making use of 'new' flexible forms of work (including - at least to some extent - home-based working) which a substantial share of the workforce make use of. However, for many, flexible working has not been a blessing, since it has resulted in working long hours, self-exploitation and thereby deteriorated their family relationships.</p> <p>g) There is a strong disinterest in politics especially among the youth having lost their belief in politics to solve existing problems. As a consequence, participation in political activities has further diminished.</p> <p>Participation in voluntary (e.g. social) work is increasingly diminishing. Many still expect that government has to provide the necessary (social) services and payments in times of social crises.</p> <p>A continuing "political opportunism" in favour of the voting majority of the elderly has started to aggravate the political abstinence of the young. This has started to move towards an "over-ageing" of politics which loosing sight of</p>	<p>balance have been achieved by an increasing number of those making use of 'new' flexible forms of work (including - at least to some extent - home-based working) which a substantial share of the workforce make use of.</p> <p>This is becoming increasingly possible since more and more families are now enabled to employ other people to carry out the domestic work tasks freeing themselves for their families.</p> <p>g) With the advent of innovative, future-oriented and sustainable policies at all levels, interest in politics especially among the youth has increased. Participation in political activities has become popular.</p> <p>Participation in voluntary (e.g. social) work is increasing. There is no longer the belief that government has to provide the necessary (social) services and payments for everything but that citizens are also responsible for these tasks.</p> <p>h) The increasing complexity of administration forces an extensive use of ICT. E-government will be widespread in 2015 but will also have met its limits. E-democracy has become an integral constituent of e-government. Access to public services is increasingly being achieved via online e-Government services. Government Online 2005 was</p>
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	<p>having lost their belief in politics to solve existing problems. As a consequence, participation in political activities has further diminished</p> <p>Participation in voluntary (e.g. social) work is increasingly diminishing. There is an overwhelming expectation that government has to provide the necessary (social) services especially against the background of the very high social security payments.</p> <p>A continuing "political opportunism" in favour of the voting majority of the elderly has strongly aggravate the political abstinence of the young. This has resulted in an "over-ageing" of politics having lost sight of certain target groups.</p> <p>h) The increasing complexity of administration forces an extensive use of ICT. E-government has become widespread in 2015 but will also have met its limits. E-democracy will be an integral constituent of e-government. Access to public services is increasingly been achieved via online e-Government services. Government Online 2005 was followed by Government Online 2010 and has successfully implemented online government services at all governmental levels. As a consequence, the minority of the population without access to the internet (mainly those with low income</p>	<p>certain target groups.</p> <p>h) The increasing complexity of administration forces an extensive use of ICT. E-government has become widespread in 2015 but will also have met its limits. E-democracy will be an integral constituent of e-government. Access to public services is increasingly been achieved via online e-Government services. Government Online 2005 was followed by Government Online 2010 and has successfully implemented online government services at all governmental levels. As a consequence, the minority of the population without access to the internet (mainly those with low income and low levels of education) is increasingly excluded from the use of online public services. The 'digital divide' along 'income' and 'education' is still existing and there are no signs of change.</p>	<p>followed by Government Online 2010 and has successfully implemented online government services at all governmental levels. The minority of the population without access to the internet (mainly those with low income and low levels of education) is still excluded from the use of online public services. The 'digital divide' along 'income' and 'education' is still existing but decreases.</p>
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	<p>and low levels of education) is increasingly excluded from the use of online public services. The 'digital divide' along 'income' and 'education' is still existing and there are no signs of change.</p>		
<p>Working Conditions: a) Levels of employment and Unemployment b) Skills and training required at work c) Quality of working environment d) Part-time working e) "New" forms of work</p>	<p>a) The overall employment rate and the female employment rate went down below the levels of 2000. The targets set by the EU to increase both have not all been met. The average unemployment rate has reached more than 15% with regional peaks at 30% in some East German regions.</p> <p>b) Qualifications and skills of the workforce and its ability and willingness to life-long-learning - which used to be at very high levels after World War II and still in the first decade of the 21st century - have deteriorated as a result of the poor education and resulting qualifications of the school leavers. The lack of qualified workers cannot be offset by a slightly higher quota of female workers.</p> <p>c) Regulations relating to the working environment in terms of ergonomics and health issues to be ensured by the employer have been tightened up even further ensuring good quality working</p>	<p>a) The overall employment rate and the female employment rate remains at about the level as in 2000. The targets set by the EU to increase both have not been met. The average unemployment rate has remained at a rather constant level of around 10% with regional peaks at 20% in some East German regions.</p> <p>b) Germany has managed to keep the qualifications and skills of the workforce and its ability and willingness to life-long-learning - which used to be at very high levels after World War II and still in the first decade of the 21st century - at the level of 2000.</p> <p>c) Regulations relating to the working environment in terms of ergonomics and health issues to be ensured by the employer have remained at the same level over the years.</p> <p>d) The spread of part-time working has increased due to the problems of industry to offer full-time jobs in some areas on the one hand and because it</p>	<p>a) The overall employment rate and the female employment rate have overachieved the goals set by the EC and are now at around 80% and 65% respectively. The average unemployment rate could be reduced to around 6% but still with regional peaks at 15% in some East German regions.</p> <p>b) Germany has managed to keep and even increase the qualifications and skills of the workforce and its ability and willingness to life-long-learning at very high levels.</p> <p>c) Regulations relating to the working environment in terms of ergonomics and health issues to be ensured by the employer have remained at the same level over the years.</p> <p>d) The spread of part-time working has increased due to the need for an increasing number of qualified workers in most sectors and because it better fits the needs of the companies and the workers especially in the services sector.</p>

	<p>environments for employees at all their work places but putting an additional burden on employers.</p> <p>d) The spread of part-time working has increased but mainly due to the problems of industry to offer full-time jobs as a result of the long-lasting economic recession.</p> <p>e) The implementation and use of 'new' flexible forms of working, especially home-based working at a more frequent but also on an occasional basis has not further spread and was even reduced compared to what it looked like in the early years of the 21st century. The main reason being that workers do not want to move their workplace to their homes but stay "where the power" is, which has become the common perception in order to secure their job.</p>	<p>better fits the needs of the companies and the workers especially in the services sector on the other.</p> <p>e) 'New' flexible forms of working are rather widely spread in Germany and especially high among part-time workers. The trends towards an increase of flexible working already visible in 2003 continued. Now, the country belongs to the top group in Europe when it comes to flexible working including the Scandinavian countries, the Netherlands and the UK with more than a third (and in some countries even more than half) of the workforce working from a home-base more or less regularly.</p>	<p>e) 'New' flexible forms of working are rather widely spread in Germany and especially high among part-time workers. The trends towards an increase of flexible working already visible in 2003 continued. Now, the country belongs to the top group in Europe when it comes to flexible working including the Scandinavian countries, the Netherlands and the UK with more than a third (and in some countries even more than half) of the workforce working from a home-base more or less regularly.</p>
<p>Industrial Relations</p> <p>a) Strength and strategy of trade unions</p> <p>b) participation in decision making concerning</p>	<p>a) German trade unions with the more dogmatic decision makers are in place in 2015, have managed to keep changes of work-related issues at a minimum. A further flexibilisation of work, extended working life going beyond the age of 65, softening the protection against unlawful dismissal etc. could all be successfully resisted.</p> <p>Government was and is not able to oppose something against this union strength. De-facto, unions are seriously</p>	<p>a) German trade union strategies and policies have continued as they were and are impacting German economic and social policy in the same way as before. The social partners continue to find compromises as always in Germany but doubts exist whether this always happens to the advantage of the German economy in a globally competitive world.</p> <p>b) Participation of trade unions and workers in decision making concerning</p>	<p>a) Changes in society and the economy could be achieved in consensus between the social partners and government. Trade unions have even become a driving force for change.</p> <p>However, around the year 2005, trade unions were at the verge of collapsing after the heavy quarrels and disputes with government and employer and industry associations but successfully managed to throw over board old dogmas. They could successfully avoid a</p>

<p>organisational and technological change</p>	<p>impacting German economic and social policy in a way that has turned out to be harmful too the economy.</p> <p>b) Participation of trade unions in decision making concerning organisational and technological change is no longer a topic. Companies' willingness to allow for this is hardly existing due to the fact that in times of recession they think they know best what to do and the dogmatists who got the upper hand in the trade unions with whom they are not willing to have a dialogue.</p>	<p>organisational and technological change is at the same level as it has already been in 2000. Employers have identified the advantages in terms of motivation and productivity resulting from this and have widely moved towards that practice. The trade unions play the role of a moderator in this process.</p>	<p>situation known from the UK under the conservative Thatcher government in the 1980s where the trade unions made themselves more or less superfluous and basically seized to exist in their traditional role as a trustworthy and reliable social partner.</p> <p>b) Participation of trade unions and workers in decision making concerning organisational and technological change has substantially increased. They and their role has been acknowledged as very positive by many employers and they identified the advantages in terms of motivation and productivity resulting from this and have widely moved towards that practice. The trade unions play the role of a change agent and moderator in this process.</p>
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