The Demographic State of the Nation
How sustainable are Germany’s regions?
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GERMANY IS SHRINKING

For 33 years, the number of children being born in Germany has been less than what is needed for a long-term sustainable population. But only slowly has the country begun to rise to the challenge.

The low number of children, coupled with simultaneously increasing life expectancy, means high costs for the aging society and dwindling economic productivity. The entire social welfare system – including the pension system and health and long-term care insurance – is coming under threat. At the same time, the ever-shrinking, younger generations are confronted with increasing obligations of mounting national debt. The country is facing multifaceted challenges – these changes will affect the various regions of Germany at highly differing degrees. The following study demonstrates the consequences of these demographic changes for the regions.

Birth rate (annual number of births per 1,000 total population) (Source: United Nations Population Division)

- 1970
- 2003

By looking at the birth rate, it can be seen that Germany has held last place worldwide for over 30 years. This value is especially important, as it represents the strength of the younger generations responsible for solving future issues. This value, in comparison to the number of elderly who need to be provided for, is in no other country nearly as small as in Germany.
OVERALL ASSESSMENT

A functioning society needs a population composed of all age groups, as well as an economy that produces sufficient revenue and offers all necessary services. Demographic and economic development are equally important for the prospects of the regions: a blossoming economy ensures prosperity. At the same time, an economy needs consumers and a continuous supply of well-motivated, qualified employees and businesses to be productive.

Throughout Germany, the number of people under 35 is declining. This is resulting in growing competition among the regions for productive, young people. Stable development is only possible in areas that either have a sufficient supply of young people in order to build a demographic foundation (of which there are only very few in Germany), or are economically attractive enough to recruit people from elsewhere. Based on the varying economic development of each of the German states, thousands are on the move. The regions suffering the most from this condition are those, which already have problems, while the areas of growth still profit from internal migration. In areas with long-standing low levels of offspring, stability and growth are only possible by attracting population, thereby intensifying competition among the regions.

This study evaluates all counties and towns in Germany on the basis of 22 indicators for the demographic, economic and social status. Additionally, two indicators are included that measure the trend of development of each county according to demographic and economic values from the recent past.

The overall grade combines all of the measurements and gives an overview of the sustainability of German cities and counties. The variety of incoming data produces a widespread picture: economically strong counties score points primarily through revenue, while rural counties, even those with a weak economy, gain ground through favorable demographic values and a better social and natural environment.

The overall grades of the study range from 2.66 in Biberach near Ulm in Baden-Württemberg to 4.77 in the county of Bernburg in Saxony-Anhalt. The most sustainable regions are the southern states of Baden-Württemberg and Bavaria. Here, the modern, innovative economy has attracted immigrants from within Germany and beyond for decades. Twelve of the 20 best counties in the overall assessment are in Baden-Württemberg, while seven are in the neighboring state of Bavaria. However, unlike its neighbor, the first signs of demographic problems in Bavaria are showing on its borders. Numerous Bavarian border counties in Upper Franconia near the Czech Republic, Thuringia and Saxony are already being plagued by demographic and economic problems. The more rural Lower Saxon county, Vechta, combines comparatively high birth rates with very good economic data and is therefore, the only county north of the Main River included in the 20 most sustainable counties.

The situation in many areas in the new German states is extremely critical. For 15 years, young people have been leaving the East; a large portion of the economic weakness in this region can be attributed to the loss of an active, motivated and qualified young class of the population. Even counties, where the economy is steadily growing, can barely profit demographically from this condition. The communities, which have low revenue, are stuck with the high costs of an oversized infrastructure and in many cases, can only cover running costs through further debt. It is the most critical in Saxony-Anhalt, where half of the 20 German counties with the worst values are located. High risks weigh heavily on almost all of Saxony-Anhalt.

In the new German states, islands of stability are found only in the suburbs of important, large cities. This is how the suburban counties around Berlin, Dresden and around a group of cities in Thuringia – Jena, Weimar, Erfurt, Eisenach – achieve favourable evaluations. Here, emigration has come to a halt; some cities, like Dresden, Leipzig, Jena and Potsdam, are even growing in population. Here, people have already realized that despite population declines, the maintenance of important infrastructure is worthwhile – something only just starting to be understood by policy-makers.
Economic development, population and recreational opportunities define the attractiveness of regions. Where there is too little employment, young people are leaving. Where families are missing, the economy is ailing. On the basis of 24 indicators, the Berlin Institute has assessed the sustainability of German counties and cities. Green indicates a positive outlook; the redder the color, the more problematic the outlook is for the region. Throughout Germany, large changes are taking place due to demographic transition. And still, 15 years after unification, the land still remains divided: while the South is thriving, the East is declining.
In 2004, the fertility rate in Germany was at a low of 1.36. Because the number of births has been at a persistently low level for over three decades, the size of each new generation has been one-third smaller than that of their parents. For a while, immigration could counterbalance the surplus of deaths over births: starting in 2003, however, this no longer occurred and the population of Germany has been declining since.

After unification, the fertility rate in the East dropped to 0.77. Such low numbers have never been registered elsewhere. As shown by today’s fertility rates, 1.37 in the West and 1.30 in the East, the rates in the new German states are approaching those in the West. Large cities generally have fewer children, since they offer families too little room for development. By far, the area with the most offspring is in the west of Lower Saxony, in the counties of Cloppenburg and Vechta and their surroundings. This area, at one-time poor and agriculture-based, traditionally has had high numbers of children. Meanwhile, thanks to a strong small-scale industry, it has evolved economically into a model region with a strong labor market.
Between West Pomerania and the Vogtland Region the number of men and women has become increasingly disproportionate. There have been significantly more women than men leaving the region since unification. 63 per cent of those who left since 1991 have been women. In 2004, in the age group 18-29, which is statistically important for starting families, there were only 90 women for every 100 men in East Germany (including Berlin). Two reasons exist for the migration of women: first, on average, women today are more successful in school and higher education, which makes it easier for them to study or find a job in the West or abroad. Second, in the East it is much harder for women to find a job locally than for men. This imbalance has dramatic consequences for demographic development: the women who have left will at most have children elsewhere. And, the socially disadvantaged men, who have been left behind, rarely start a family.

Number of women per 100 men in the age group 18-29, 2003
(Source: Federal Statistical Office Germany)
- 82 and less
- 82.01 - 86
- 86.01 - 90
- 90.01 - 94
- 94.01 - 98
- 98.01 - 102
- 102.01 - 106
- more than 106
POORLY INTEGRATED IMMIGRANTS

In Germany, 7.3 million people hold a foreign passport; on top of this, there are approximately the same number of naturalized citizens and immigrants of German origin. In total, roughly one in six German residents has an “immigration background.” Because foreigners were recruited for work in industry during times of economic boom, a considerable portion has settled in large cities. For this reason, the number of foreigners living in rural areas – and throughout East Germany – has remained low. The degree to which foreigners have been poorly integrated, can be demonstrated by looking at their unemployment and welfare rates – foreigners are twice as likely as Germans to be unemployed and dependent on social welfare. Immigrants’ children are twice as likely as German children to attend the Hauptschule (basic secondary school), while they are not even half as likely to attend a Gymnasium (qualification for university entrance), as should be expected based on proportion of the population. In total, 18 per cent of immigrants’ children do not complete school, which basically defines the path to unemployment. Without any further flow from abroad, Germany’s population would shrink to 24 million by 2100, if birth rates remain as they are today. Currently, there are 83 million people in Germany.

Wasted potential: Immigrant’s children often attend Hauptschule and only rarely Gymnasium. Due to this, they are over proportionately represented in groups of young people who begin their careers without completing school. This, however, often leads directly to unemployment.

Graduates during the 2003/2004 school year according to degree (Source: Federal Statistical Office Germany)

- no degree
- Hauptschule (basic secondary school)
- Realshule (advanced secondary school)
- Fachhochschulreife (upper secondary degree)
- allgemeine Hochschulreife (qualification for university entrance)

Germans

Foreigners
In 1900, only three per cent of the population had reached the age of retirement – age 70. Today, almost 25 per cent of all Germans are over the age of 60 – and have reached the average age of retirement. In 2020, 24 million people in Germany will be over 60 – four million more than today. The social welfare system, through which the work force finances those who are not working, faces enormous challenges. Already, the national budget allocates over 80 billion Euro annually for pension funds – in other words, one third of its total spending is on pension. The actual demographic problem is still in the making: when the “baby boom generation” reaches retirement, starting in 2015, the ratio of those paying into the pension system and those receiving pension payments shifts from roughly 2 : 1 today, towards 1 : 1. Today’s pension system would no longer be functional in this situation.

Today, where the average person retires in his or her early sixties, about one fourth of the population is retired. In 2050, 37 per cent of Germany will have reached the age of 60. The size of the workforce contributing to the pension system will have diminished respectively.

**Portion of age groups in per cent of total population**
(Source: Federal Statistical Office Germany)

**Germany in 2005**

**Germany in 2050**
GERMANY IS SEPARATING INTO SHRINKING AND BOOMING REGIONS

Since reunification, approximately 1.5 million people have left East Germany. In the states of Thuringia, Saxony, Saxony-Anhalt and Mecklenburg-Western Pomerania, the population has reduced by between eight and twelve percent, since the time of reunification. In the western states there are also shrinking regions: in the Ruhr Basin, Saarland and along the former German-German border. Economically strong areas in the West have profited from the migration of young and qualified people. Particularly Bavaria and Baden-Wurttemberg have been able to increase their population, and both states continue to profit.
In its prognosis through 2020, the Federal Office for Building and Regional Planning calculates that this trend will persist. The East will continue to empty, as well as the Ruhr Basin, a comparably small region, in which half as many people live as in the new German states. People are rushing into the suburbs of large cities. Remote, rural regions, both in the East and West, are losing large numbers of residents. The shrinking regions are aging quickly and, in the future, will drastically decrease in population due to a surplus in deaths.
SOME TOWNS ARE LOSING THEIR PURPOSE

In many industrial cities in Germany, as employment opportunities vanished in the past ten years, so did the population. In Hoyerswerda, the one-time “most socialist city in the GDR” with Europe’s largest brown and black coal refinery, the population has decreased by 30 per cent since the collapse of industry after reunification. Meanwhile, this scenario can be found everywhere, since cities can only grow, where employment is available. Towns, like Gera and Dessau in the East and Pirmasens and Bremerhaven in the West, are carrying the stigma of decline. Everywhere, where traditional employers are disappearing and not being replaced by other opportunities, and due to aging population, there is little chance to alter the demographic development. In the 15 cities that have registered the largest population declines since 1995, a continuation of this process through 2020 is predicted. By 2009, 390,000 empty residences will be torn down in the East alone. This kind of “urban development” is unprecedented? What occurred in Manchester and Liverpool over three decades ago and is happening today in the Ruhr Basin, is based solely on industrial transitions, while the new German states are fighting against a deindustrialization.

Population development and the proportion of unemployed and social welfare recipients in the most strongly shrinking cities. For comparison, the two counties with the highest growth. (Source: Federal Statistical Office Germany, Federal Office for Building and Regional Planning)

Proportion of unemployed and social welfare recipients (ages 18-65) 2003
According to predictions, the number of people living in Germany will continue to decline. At the same time, the remaining population will shift more into metropolitan areas. While regional planners, economists and demographers are distressed, some environmentalists are pleased. Particularly in regions that are sparsely populated, a natural habitat has developed for small and large plants and animals. Low mountain ranges and forests in Germany’s lowland offer a potential habitat for lynx. This cat species is once again living in the Harz Mountains, the Eifel Region and the Palatine and Bavarian Forests. The wolf has also returned to Germany, migrating from Poland to the Saxon Lusatia. Currently there are two wolf packs with sufficient offspring in this region.

East Germany offers the most potential for renaturation. Especially, in already sparsely populated areas in Mecklenburg-West Pomerania and Brandenburg, but also in the low-mountain regions, a large, new habitat is being established. It stretches from the north over the Harz Mountains, through the Thuringian Forest to the Rhoen and the Franconian Spessart; to the East past the mountains of Erzgebirge, the Sächsische Schweiz, or so-called “Saxon Switzerland”, into the Zittauer Gebirge; as well as to the south through the Franconian Forest to the Bavarian-Bohemian Forest.

Kleinräumige Bevölkerungsdichte und -trends 2005
(Datengrundlage: Statistisches Bundesamt)

Shrinking regions with
- more than 150 residents per km²
- 25 - 150 residents per km²
- 25 and less residents per km²

Growing regions with
- more than 150 residents per km²
- 25 - 150 residents per km²
- 25 and less residents per km²

constant sightings
single animals sighted
FOUNDING AWARENESS

The Berlin Institute for Population and Development is an independent think tank, which deals with questions of global demographic changes and development policy. The Institute was founded in 2000 as a non-profit organization aiming to improve the perception of and dealing with international demographic changes in the context of sustainable development. In this respect, the Berlin Institute concentrates on the development and promotion of concepts and scientific findings to contribute to a sustainable future.

The Berlin Institute generates studies, discussion and background papers, prepares scientific information for political decision-making processes and operates an online handbook on the topic of population.

More information, as well as subscription information for the online newsletter “Demos” is available at www.berlin-institut.org.

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The population structure in Germany has changed considerably in the past 41 years – and it will continue to change dramatically. The “pine tree” from 1965 continues to evolve into a mushroom.
Die demografische Lage der Nation
Wie zukunftsfähig sind Deutschlands Regionen?
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+++ growing East-West gaps +++ Saxony: region with problems +++ economic miracle in the South +++ Berlin: ailing capital, blossoming surrounding region +++ declining port cities +++ West Pomerania is emptying +++ growing debt in Saxony-Anhalt +++ the Renaissance of cities +++ Small-Europe in