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Germany Country Report

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1 General Information

1.1 Sources and Aims

The information given in this report is taken from different sources as mentioned in the appendix 6.6 “Literature”. The internet sources were visited from mid-December 2014 and 30 January 2015. Subsequent changes of the sites may occur. Some internet addresses are just of an informative nature. The internet addresses are not listed in the appendix but are linked directly to the text passages where they are used. The main source of the report is the latest data report “Datenreport 2013”¹ published by the Federal Agency for Civic Education (www.bpb.de), edited by the Federal Statistical Office of Germany (Statistisches Bundesamt, www.desatis.de) and the Berlin Social Science Centre (www.wzb.eu). Some recent data are directly taken from www.zensus2011.de, which were only occasionally recognized in the above-mentioned data report because of its expected publishing in mid-2015. Hence, data may differ in decimal places.

The aims of this report are the analysis and the description of the German state, its governmental systems, the administrations and their reforms and modernization. Therefore, the general structure is presented and the elements of reforms and modernization are depicted in this report. The focus on reforms and modernization can be found in each chapter. It is important to have in mind that Germany is a multi-level political system in which reforms and modernization are not a single governmental act. Chapter 4 shows especially those reforms which are linked to strategic and financial aspects. The conclusion highlights again the main elements and gives a prospective view on which challenges the German governmental systems and administrations have to work on in the future. The appendix provides lists of German administrations, federal ministries for strategic management and Bund-(federal level)-Länder-(constituent states/federal states)-tasks and figures. The figures are usually shown in their original German version. A translation follows each figure. Translations of specific German terms are given directly in the text.

1.2 Structural Aspect of the German State

Germany is – like other states – a political system of very high complexity. A report cannot give a complete picture of this, but can highlight specific key elements. The elements chosen for the report are in line with country reports, like the UK country report from February 2014. By using this format in general it should be possible to compare different reports even though all reports have to focus on quite different states and their specific characteristics. For Germany it is necessary to also focus on its form as a multi-level political system.

¹ Statistisches Bundesamt 2014a.

The General Structure of Germany as a democratic, social, federal republic under the rule of law is fixed in the Federal Basic Law (Grundgesetz) GG Article 20. It came into effect on 23 May 1949 and is the Basic Law for all people of Germany since the reunification of 3 October 1990. It has seen a number of amendments but cannot be changed in the fundamental rights and in the federal structure of **Bund (federal level) and Länder² (constituent/federal states)**. Those 16 Länder/federal states and the municipalities (Article 28 GG) have constitutional rights and are ruled by self-elected bodies. The public administrative service of Germany is divided into three levels³.

Municipalities are responsible – in addition to other obligations – for water and energy supply, street cleaning and waste disposal. Moreover, they are also responsible for fundamental social subsidies to inhabitants, kindergarten and pre-school education, school buildings, the setting up of industrial real estate, and the accommodation of refugees. Municipalities have – depending on each federal state – somewhere between some hundred inhabitants and a million inhabitants in some cities. The federal states of Berlin and Hamburg are municipalities of their own. The federal state Bremen has two municipalities, the City of Bremen and City of Bremerhaven. The other 13 Länder/federal states have administrative districts for the fulfilment of common administrative obligations of rural municipalities. Rural districts are not included in larger municipalities.

The law for the municipalities' structure and tasks is fixed in the constitutions of the Länder/federal states. Hence, it is difficult to describe obligations and sizes in general.

Agglomerations of cities and their surrounding rural districts cooperate in Metropolis regions in recent years.⁴

Länder/federal states⁵ have partial sovereignty as states. Their administrative responsibilities are – in addition to other obligations – education, police, culture, large parts of natural protection and municipality control as well as fiscal aspects. The big

Länder/federal states Baden-Württemberg, Bavaria, Hesse and North Rhine-Westphalia are subdivided into governmental districts. Lower Saxony and some smaller

Länder/federal states disestablished this second administrative lever since 2004. This report describes the four Länder/federal states Baden-Württemberg, Brandenburg, Lower Saxony and Saarland as examples.

The Federal level has sovereign rights – in addition to other obligations - in social security, foreign politics and scientific research.

²There are no correspondents in English for the German terms "Land" or „Länder“. They are narrowly compared with the terms "State" or "States" in the political system of the USA. Often "federal states" is used.

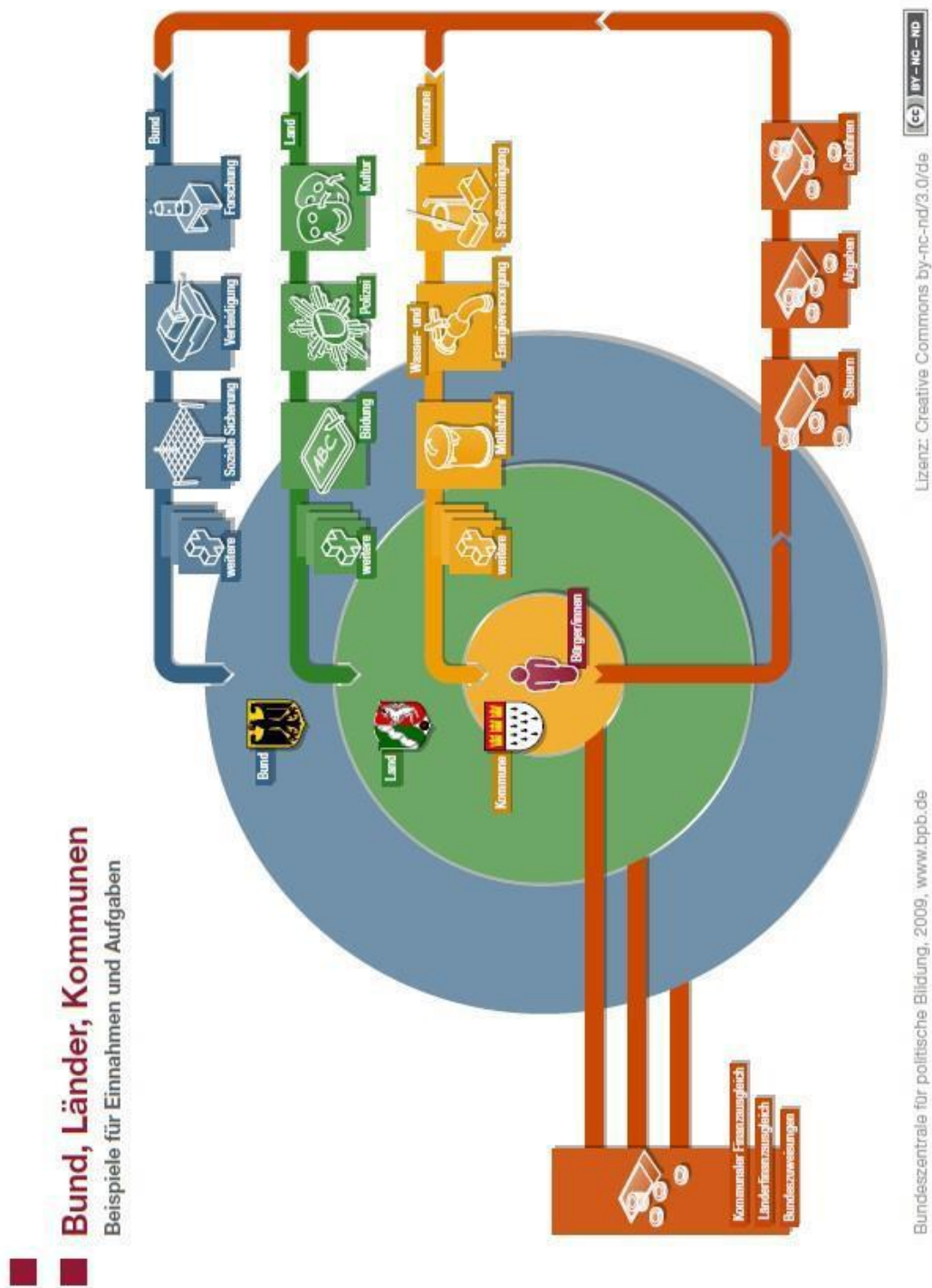
³See: Figure 1.

⁴See: Figure 9.

⁵See: Figure 3.

Figure 1: Federal Level, Länder (constituent/federal states), Municipalities.

Examples for Revenues and Tasks



Source: <http://www.bpb.de/politik/grundfragen/24-deutschland/40432/bund-laender-und-kommunen>

Translation of Figure 1 (according to the federal government, the federal states and the municipalities)

Kommunalen Finanzausgleich = revenue equalisation on the level of municipalities Länder Finanzausgleich = federal state financial equalisation Bundeszuweisungen = assignments from the federal level Bürger/innen = male and female citizens Steuern = taxes Abgaben = levies Gebühren = fees and charges	
Bund = federal level	Forschung = research Verteidigung = defence Soziale Sicherung = social security Weitere = other
Land / Länder = constituent/federal state / states	Kultur = culture Polizei = police service Bildung = education Weitere = other
Kommune / Kommunen = municipality / municipalities	Straßenreinigung = street cleaning Wasser- und Energieversorgung = water and energy supply Müllabfuhr = garbage disposal Weitere = other

1.3 Area and Population

The Federal Republic of Germany (Bundesrepublik Deutschland) has a total area of 357.340 km² since its reunification on 3 October 1990. The reunification was an act of accession of the five re-established eastern Länder/federal states Brandenburg, Mecklenburg-Vorpommern, Saxony, Saxony-Anhalt, and Thuringia to the scope of application of the German Basic Law (Grundgesetz, GG) on Article 23. This Article 23 GG for the application of Länder/federal states is since the reunification changed into the Basic Law provisions for European integration.

The former western Federal Republic of Germany (FRG) had a total area of 249,161 km². The former German Democratic Republic (GDR) had a total area of 108.179 km². The former eastern and western parts had a small rearrangement between Mecklenburg-Vorpommern and Lower-Saxony on 30 June 1993 (accession of the municipalities of Amt Neuhaus - east of the river Elbe – to Lower-Saxony with an area of 237 km²). The reunification has some important impacts on statistical data and on significant economic and social structures of Germany. This is why the date 1990 or 1991 (as the first complete year) is often chosen as the reference year for comparison.

The capital and seat of the federal government is the reunified city of Berlin since 3 October 1990. Parts of the federal government still have their primary seat in the former western German Seat of Government in Bonn.

Germany is a western and central European country surrounded by nine countries, i.e. Poland, Czech Republic, Austria, Switzerland, France, Luxembourg, Belgium, the Netherlands, and Denmark. Germany is, together with all his neighbours, except for Switzerland, a Member State of the European Union (EU).

Germany has a population of 80.2 million inhabitants. This data is taken from the first census of the reunified Germany in 2011. This data will be used in official statistical publications from mid-2015 (see above). The numbers used in this report are extrapolations from older data collections in both parts of Germany, in the Länder/federal states and in statistics of municipalities. These extrapolations amount to a population of 81.8 million inhabitants (see Figure 4). The 2011 census now indicated that Germany has 1.5 million or 1.8% fewer inhabitants. There are only 0.6% fewer Germans (by citizenship) and only 14.9% fewer foreigners than expected. Even though these new data are not unimportant, the complete picture given by the data still used does not differ too much. According to population Germany is the second largest country in Europe, after Russia, and the largest state in the EU. The size of about 80 million inhabitants is about 15 to 20 million higher than the size of France, the United Kingdom and Italy and it represents some 16% of the 507 million inhabitants of the EU. This has an impact on the role of the state in politics, economy, finance and statistics.

Figure 2: Länder (federal states), area, population, population density

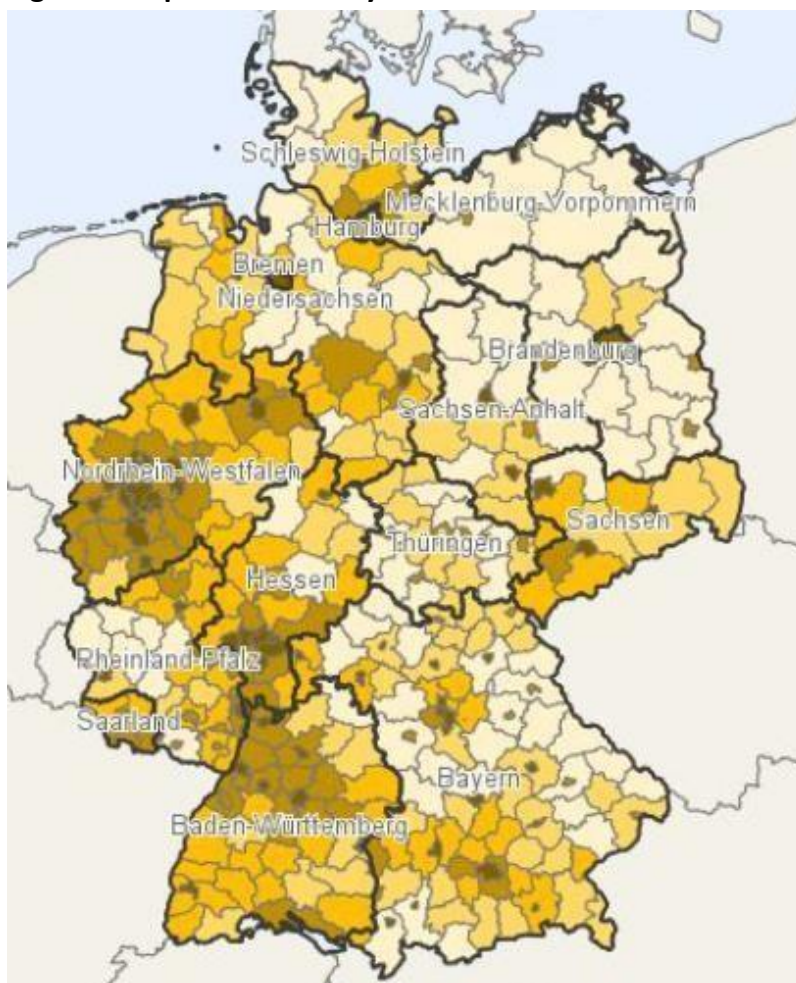
Federal state	Capital / seat of government	Area in 1000 km²	Population in 1000	Population per km²
Baden-Württemberg	Stuttgart	35.8	10 786	302
Bavaria	Munich	70.6	12 596	179
Berlin	Berlin	0.9	3 502	3 927
Brandenburg	Potsdam	29.5	2 496	85
Bremen	Bremen	0.4	661	1 577
Hamburg	Hamburg	0.8	1 799	2 382
Hesse	Wiesbaden	21.1	6 092	289
Mecklenburg-Vorpommern	Schwerin	23.2	1 635	70
Lower-Saxony	Hanover	47.6	7 914	166
North Rhine-Westphalia	Düsseldorf	34.1	17 842	523
Rhineland-Palatinate	Mainz	19.9	3 999	201
Saarland	Saarbrücken	2.6	1 013	394
Saxony	Dresden	18.4	4 137	225
Saxony-Anhalt	Magdeburg	20.5	2 313	113
Schleswig-Holstein	Kiel	15.8	2 838	180
Thuringia	Erfurt	16.2	2 221	137
Germany	Berlin	357.1	81 844	229
Source: Statistisches Bundesamt 2014 a, p. 13.				

German is the official language in Germany. Regional languages like Low Saxon or Low German in northern Germany, Frisian in northern Germany and Sorbian in Brandenburg and Saxony complete the linguistic picture.

Even though Germany is the most popular migration destination after the USA, the size of the population is shrinking and will meet the size of the growing neighbours France and United Kingdom in about the middle of the century. This demographic change is one of the most important drivers of reforms and modernization of state and administration in Germany.

Historically the highest population density has been in the southern and the western parts of Germany (along the Rhine River, the Ruhr valley, Baden-Württemberg). Eastern and northern parts of Germany are less inhabited. The demographic change and the immigration from eastern Germany to western Germany after the reunification supported this imbalance.

Figure 3: Population density



Source: <https://www-genesis.destatis.de/gis/genView?GenMLURL=https://www-genesis.destatis.de/regatlas/AI002-1.xml&CONTEXT=REGATLAS01>

Explanation of colours of Figure 3

Brown sectorial districts (Landkreise in 14 Länder or simply Kreise in Schleswig-Holstein and North Rhine-Westphalia) or district-free municipalities (kreisfreie Städte) – in Figure 3 - have a density from 849.7 up to 4,468.3 inhabitants per km²

yellow ones have - as the statistical middle - a density from 154.9 up to 274.8 inhabitants

pale white are the least inhabited districts with a density from 37.1 to 105.7 inhabitants per km².

Other colours are numbers in-between.

1.4 GDP and Financial and Budgetary Situation

The Gross Domestic Product (GDP) is the most important data for German statistics and the national accounting.

Figure 4: GDP of Germany in billion Euro (de: Mrd. Euro)				
	2011	2012	2013	2014
GDP nominal	2699.100	2749.900	2809.480	2903.220
Rate of change in %	+3.6	+0.4	+0.1	+1.5
Sources: https://www.destatis.de/DE/ZahlenFakten/GesamtwirtschaftUmwelt/VGR/Inlandsprodukt/Tabellen/Gesamtwirtschaft.html ; For the estimated 2014 data: Statistisches Bundesamt 2015, p. 7, 13.				

Germany's GDP has been growing in the recent years a bit higher than the Eurozone average. Nevertheless, the years after the worldwide economic and financial crisis lowered the German growth of wealth also. In 2009 the GDP shrunk over 5% in relation to 2008, which was already growing just 1.1% in relation to the last year before the crisis⁶. Just the comparison to other EU or Eurozone Member States gives Germany its momentum as the "European Power House".

The still better situation lowered the long-term debt of the entire state, including all levels, which grew up after the world financial and economic crisis as of 2008. One aspect of the German situation is the safe harbour reaction for international capital. This lowered the interest rates for Germany's state re-capitalization. Along with long running reforms of the budgetary planning and cost reductions Germany's federal budget was in

⁶ See Statistisches Bundesamt 2014a, p.94.

2014 the first time in a long period of time balanced without new debts, which was actually one year earlier than planned⁷.

Figure 5: Long-term debt and Maastricht debt-to-GDP ratio



Source: Statistisches Bundesamt 2014b, p. 20

Translation of Figure 5

Schuldenstandsquote = Long-term debt ratio

Maastricht Schuldenstand in % des BIP = Maastricht debt in percentage to the GDP

Referenzwert: 60 = reference value: 60 (the Maastricht debt-boundary value)

The German total public budget had a statistically adjusted volume of expenditures of 1,164 billion Euros in 2011⁸.

The total public budget includes core public budgets and the public extra budgets. The core public budget combines EU portions of budgets, the federal state budget, the budgets of the 16 Länder/federal states, the budgets of all municipalities and their communal associations as well as the social security budgets. All public funds, agencies and enterprises in which core public budgets are represented either by capital or voting rights, are public extra budgets. All other forms of public funds, agencies and enterprises

⁷ See Chapter 4.2.3.

⁸ Statistisches Bundesamt 2014a, p.101f.).

are statistically outside the total public budget. This statistical view is a consequence of an ongoing process of externalization of public activity out of the core public budgets.

The expenditure was balanced on the one hand by the revenues of taxes, tax-like revenues, income from rents, incomes from the selling of shares and assets and interests in total by 1,152 billion Euros. The rest was a new debt of 18.3 billion Euros.

The main tax for German total public budget revenues was the tax on wages, followed by the value-added tax. Both were nearly 140 billion Euros in 2011. Most German taxes do recharge different public budgets on the different levels EU, Bund (federal level), Länder (federal states) and municipalities. This structure is often seen as an aspect of reforms. Especially discussed is the solidarity tax contribution, which is limited until 2019 and adds 5.5% extra tax to income taxes and was established originally to pay for the costs of the reunification in 1990. The revenues from the solidarity tax contribution belong to the federal budget only.

The expenditure of the total public budget incurred in 2010 as 57% for social security, 12% for general administrative services, 10% for education, sciences, research and culture, 5% for supply payments of public employees like pensions, 5% for public debts, and 11% for diverse other budgetary positions.

1.5 Main Economic and Commercial Characteristics

Germany is the fourth largest economy (by GDP) in the world. Its industrial sector consists of some of the most prospering enterprises worldwide. Germany is the third largest importer and exporter of goods and by that one of the most highly-involved countries in globalization.

The percentages of the economic sectors on the economic performance of Germany have changed since the first year after the reunification. In 1991 the primary sector of agriculture, silviculture and fisheries was at about 1.2% of the gross value added (GVA, which is in short GDP plus subsidies minus taxes) and shrunk to 1% in 2012. The secondary sector of manufacturing and building was at about 36.3% of the GVA in 1991 and came down to 30.5% in 2012. Building alone went from 6.1% in 1991 to 4.5% in 2012. The Tertiary Sector of Services started at 62.5% in 1991 and was at 68.5% in 2012.

These data show how far the “tertiarization” of the German economy has come since the days of the reunification. Yet, it has to be mentioned that it is quite uncertain how much the out-sourcing of services formerly done in industrial enterprises and the growing usage of temporary employment count in this shift towards a service-dominated economy.

The DGP is mostly used by domestic consumption. The growth of the GDP, on the other hand, is primarily produced by external trade.

The biggest single employers in German industry and services (not including the financial sector) in 2000 were: Volkswagen (cars / Wolfsburg), Deutsche Post (postal service / Bonn), Siemens (mechanical engineering / Munich), REWE-Group (retail trade / Cologne), Schwarz-Group (cosmetics / Neckersulm), Bosch (mechanical engineering / Stuttgart), Edeka (retail trade / Hamburg).⁹ Even though these employers have had more than 300,000 employees each (VW with more than 550,000), the main work force was working in small and medium-sized enterprises (SME – up to 500 employees). More than 99% of all tax-paying enterprises in Germany were SMEs. They employed about 80% of all insurance contributing employees including apprentices in 2013¹⁰.

Export and import are key building blocks of Germany's economy. Germany's membership to the EU as well as Germany's internal market play an important role. Just Denmark profited more than Germany from the internal market in recent years¹¹. Next to mere geographic reasons (Germany is in the middle of Europe) these effects came from very long value creation chains of Germany's economy which involves the neighbouring European economic players in a very intensive way. It is reasonable to estimate that this development hasn't come to an end. Even though the free movement of goods is working very well, the freedom in the economically more important service sector is still not implemented in a sufficient way.

Under these circumstances the unemployment rate dropped – in contrast to nearly all EU Member States – down to 6%. This rate was the best performance of the labour market since 1990.

“The unemployment rate on the basis of all civilian labour force amounted to 6.4 percent in December. In comparison with the previous year, they decreased by 0.3 percentage points. The seasonally adjusted unemployment rate is lowered compared to the previous month by 0.1 percentage points to 6.5 percent. In East Germany the non-seasonally adjusted unemployment rate was with 9.3 percent significantly greater than in the west with 5.7 percent. However, the gap between the two parts of the quotas significantly reduced in recent years. In comparison to the previous year, the quota in eastern Germany by 0.6 percentage points and 0.2 percentage points lower in West Germany.”¹²

Beyond the fact that Eastern and Western Germany still differ not just in unemployment rates but within all fundamental economically key data, the industrial and service sectors came more and more to a specific problem. Germany is running out of well-educated workers in many fields of the labour market. This will be and already is a deceleration in coming years.

⁹ See Süddeutsche Zeitung, 13./14./15. August 2011.

¹⁰ IfM 2015.

¹¹ Bundesregierung 2014.

¹² Bundesagentur für Arbeit 2015, p.21.

The public expenditure quota - as the characteristic number for the public portion of the national economy - was in recent years always lower than 50% of the GDP. In years of highest public reactions to the worldwide financial and economic crises, i.e. 2009 and 2010, it was 48% of the GDP: in 2008 it was lower at 44% and in 2011 it was 46%.¹³

¹³ Statistisches Bundesamt 2014a, p.101.

2 Government and Public Administration on the Federal Level

German governmental, administrative, and society thinking is strongly based upon the history of independent states from which the Länder (federal states) are ancestors. If it comes from the history of political thoughts, Max Weber (1864-1920) was probably most influential. His thinking was closely linked to the “set rationalization” in state and society. Jürgen Habermas (born 1929) - as the most important exponent of the Frankfurt School of critical theory - and his work on pragmatism, communicative rationality and the public sphere, and Niklas Luhmann (1927-1998) and his systems theory, are as important as Weber.

2.1 Federal Constitutional Structure (head of state, head of government, parliament, judiciary)

The head of state in Germany is the federal president (Bundespräsident) Joachim Gauck.

As Germany is a classical type of a parliamentary system, the head of state – like the politically more important federal chancellor – is elected by a parliamentary body. The election body for the selection of the federal president is the federal convention (Bundesversammlung).

The Bundesversammlung (Article 54 GG) is formed by the federal parliament – second chamber - (Bundestag) and elected delegates of the parliaments of the Länder/federal states. The president of the Bundesversammlung is the president of the Bundestag (Article 40 GG), which is in the order of precedence the second highest constitutional office. The CDU politician Prof. Dr. Norbert Lammert has been Bundestagspräsident/federal president since 2005. All Members of the Bundestag and the equal number of Länder (federal state) delegates form the Bundesversammlung. The numbers of Länder(federal state) delegations are proportional to the number of inhabitants of each federal state. The Bundesversammlung is the biggest German parliamentary body. The Bundesversammlung has the only obligation to elect the head of state. Joachim Gauck was elected on 18 March 2012. He is the 11th Bundespräsident of the Federal Republic of Germany. In difference to all former federal presidents, Joachim Gauck is crossbench.

The president of the federal council (Bundesratspräsident of the Bundesrat) is the acting chairperson of the federal president. This office rotates annually between the heads of states of the Länder/federal states, which are usually called minister presidents (Ministerpräsidenten).

The head of the government is, in the German order of precedence the third highest office, Dr. Angela Merkel (CDU). The German federal government has its seat in Berlin and in Bonn.

The chancellor is a member of the second chamber of the federal parliament (Bundestag). The Bundestag (Article 38 GG) has 631 members since the last election on 23 September 2013. It has a minimum number of 598. The election takes place every four years in general by direct, free, equal and secret polls by the citizens of Germany in 16 federal state lists (Länderlisten). The main duties of the Bundestag are the legislation (often together with the Bundesrat), the federal budget law, the control of the federal government and the governmental administration, the election of the chancellor and the federal president (as one half of the federal convention), the declaration of a state of defence and the election of the half of the eight judges of the federal constitutional court (Bundesverfassungsgericht). The other half is elected by the Bundesrat.

The federal constitutional court is located in Karlsruhe. It is equal to the other constitutional bodies. Its main duty is the protection of the Constitutional Basic Law (Grundgesetz) (Article 93 GG). Therefore, it is self-dependent and independent from the other constitutional bodies. It has the competence to decide in conflicts between the highest federal bodies and in conflicts between the federal level and Länder/federal states as well as between the Länder/federal states among themselves. Municipalities and citizens can file a constitutional complaint at the federal constitutional court and the court can check the capability of legislation with the Basic Law. It uses this right actually quite often. A seldomly-used right is the possibility to deny the legal status of a political party. This is only used if an extremist party is unconstitutionally and goes against the Basic Law and the German democracy violently.

Not in the constitutional ranking are some other highest federal courts. Those are the federal court (Bundesgericht) in Karlsruhe, the federal labour court (Bundesarbeitsgericht) in Erfurt, the federal court of finance (Bundesfinanzhof) in Munich, the federal social court (Bundessozialgericht) in Kassel and the federal court for administration (Bundsverwaltungsgericht) in Leipzig. Three other courts are federal courts: the federal court for patents (Bundespatentgericht) in Munich, the court for the service in forces (Truppendienstgericht) north in Münster and the court for the service in forces south in Munich.

2.2 Central Bodies (chancellor, ministers)

The Federal Chancellor Angela Merkel came into office in November 2005 in a coalition of the two strongest political parties in Germany, the Christian-Democratic Union (CDU) and the Social-Democratic Party (SPD) as well as the regional Bavarian party Christian-Social Union CSU. She was re-elected in September 2009 as the head of a coalition of the CDU/CSU and the smaller Free Democratic Party (FDP) and again as the chancellor of a grand coalition of CDU/CSU and SPD in December 2013. The head of government is called the federal chancellor (Bundeskanzlerin). She is elected by an absolute majority in secret ballot out of the newly-elected second chamber of the federal parliament

(Bundestag). Every four years the Bundestag has to be elected. The voters are all citizens of Germany. The chancellor is a Member of the Bundestag herself. She is responsible for the entire federal government as the highest executive power in Germany and has the so called competence of guidance (Richtlinienkompetenz) (Article 65 GG). The federal chancellor is by far the most powerful representative in German politics. The second chamber of the federal parliament cannot remove the chancellor by a simple motion of no confidence. The Bundestag can only remove her or him by the election of a new chancellor. This process is called the constructive vote of no confidence (konstruktives Misstrauensvotum). This happened only one time in 1982 and is a symbol for the stability of Germany's chancellor system.

The Government is also called the federal cabinet (Bundeskabinett) and is built by the chancellor, federal ministers and the state chancellor. Each member has the responsibility for his or her ministry and the highest federal authorities linked to it. The ministers themselves are usually also Members of the Bundestag. Some come often from the federal state level like former ministers of the federal states. It is quite seldom that independent or crossbench persons become federal ministers, nevertheless it is possible. Members of the federal cabinet are usually leading politicians in their parties. Chancellor Merkel is the federal chairwoman of the CDU. The vice-chancellor Sigmar Gabriel is chairman of the SPD. The chairman of the Christian Social Union (CSU), the third coalition party and sister party to the CDU, is Horst Seehofer, the minister president of the Federal State of Bavaria. He was a federal minister in recent years too.¹⁴

2.3 Public Administration

2.3.1 Public Administration: employees

In the first years after the unification the public administration in Germany was characterized by quite high numbers of employees. One reason for this was the western German situation with a traditional form of administration and the educational expansion during the 1960s and 1970s. This educational modernization led to more public service personnel in schools and universities alike. A modernization of the core administrative service with fewer numbers of newly-employed employees started in the late 1980s. This movement and the out-sourcing of tasks in public agencies since the early 1990s, shrunk the numbers of administrative personnel slowly and only in part.

In eastern Germany the numbers of public service employees were much higher than in western Germany. The reduction of these numbers of personnel, mostly in the public service of the eastern federal states to a German average rate, lasted during the entire first decade after the unification. In the first decade of the new century the total number

¹⁴ See bpb.de/nachschlagen/lexika...,

of public service personnel only slightly declined. This is in part linked to the retirement of many of the new educational personnel of the 1970s.

In 1992 6.7 million employees worked in the public services of Germany. In the year 2000 the number of employees was at 4.9 million and came down to 4.5 million in the years 2007 to 2009. Since 2010 the numbers slightly went up to 4.6 million again. The increased numbers are mostly due to a higher number of part-time employees. Today about 16% of the 35.2 million dependent employees – in opposition to self-employment – are employed in the public services. 21% of them work in general educational and vocational schools. 16% work in the security services. 14% work in the sectors of public security like police forces and in the sector of legal protection like courts. 10% are employed in universities and another 10% in the political administration. 6% carry out their job in the defence sector, 5% are employed in health, environment, sports and recreation sectors. 4% of the public services personnel are working in the fiscal authorities.

Parallel to the sectors of employment it is obvious that most of the public services personnel are employed in the Länder/federal states¹⁵. In addition to 16 policy areas, school education as well as university education is an area of competence of the federal states.

Figure 6: Employees in the public service sector: 4,617,353

Beschäftigte im öffentlichen Dienst: 4.617.353



	Bund	513.926	11,13 %
	Länder	2.346.546	50,82 %
	Gemeinden	1.386.067	30,02 %
	Sozialversicherung	370.814	8,03 %

Source: dbb 2014, p. 11.

¹⁵ See Figure 6.

Translation of Figure 6

Bund = federal level

Länder = constituent/federal states

Gemeinden = municipalities

Sozialversicherung = social insurance

The situation of public services employment is criticised by the professional associations since many years. The president of the German federation of public service employees (Deutscher Beamtenbund) Klaus Dauderstädt lately asserted that 700,000 employees are lacking in the public service sector. Even though the population is shrinking in the process of the demographic change, the duties and responsibilities of the state and his service are not shrinking at the same rate. The drop in public service employment rates already endangers the fulfillment of duties.¹⁶

2.3.2 Public Administration: assessment and training

The public administration and the employees are in an ongoing process of modernization. This takes place at different levels. One is the permanent assessment of public service employees.

Germany's public administration is therefore taking part in the Europe-wide Common Assessment Framework (CAF). CAF is a European Network and quality standard for assessment since May 2000. In Germany CAF has its "Quality Management centre for the Federal Public Administration" in the federal authority for administration

(Bundesverwaltungsamt), an administrative body of the Federal Ministry of the Interior¹⁷. CAF is organized and realized as a self-controlled internal process and is not just the standard at the federal level but also on the level of the Länder/federal states as well as at the level of the local authorities. Moreover, CAF is a model, which has been successful in order to continuously improve the performance of administration.

Since the first European Quality Conference for the public service in May 2000 in Portugal, the ministers decided that CAF should be used in the EU Member States. CAF was developed by working groups of the EU Member States. For Germany the German

¹⁶ See <http://www.dbb.de/cache/teaserdetail/artikel/personalmangel-ist-wie-ein-tsunami-am-horizont.html>

¹⁷ http://www.bva.bund.de/DE/Organisation/Abteilungen/Abteilung_VMB/CAF/DeutschesCAFZentrum/deutsches_caf_zentrum_node.html

University of Administrative Sciences in Speyer participated in this important basis for assessment.

The benefits of CAF can be summarized as follows:

the quality of the service can be defined, developed and optimized;
the organization can recognize how good it is and develop a common understanding of where and how it can improve;
the relationships in the organization can be recognized and networked thinking can be strengthened;
communication barriers can be detected and corrected; learning takes place;
effectiveness and efficiency of the organization should be improved; the control expertise can increase.

CAF is a self-evaluation process and has the character of a dialog in which all levels of the organization participate. Views, experiences, and knowledge of the issues and indicators shall be discussed and compared with each other. A reflection of the current situation takes place and common goals can be developed. The CAF-process begins with a sound management decision on objective, project organization and resources of the overall process and ends with the implementation of an action plan in the organization.

Contact: Bundesverwaltungsamt - Deutsche CAF-Zentralstelle, Dr. Astrid Stein, D-50728 Köln, Tel.: +49-22899-358-4756, E-Mail: caf-netzwerk@bva.bund.de.¹⁸

Next to CAF, which is mostly for organisations and their existing working staff, the modern education of new employees is a central area for Germany's public administration. New employees of the public administration are educated and trained in specialized academic institutions. Modernization is as such a mainstreaming topic in all of these institutions.

Regular studies for a later work in the Federal, Länder/federal state or municipality administration or in the public service in general can be done in several universities in Germany and beyond. The institutions, which are named here, do direct educational services for later administrative staff, postgraduate studies, and specialized studies for employees of duties in special fields of administration. Universities for teaching, police forces, and military staff are not named in this description. The most important federal university of applied administrative studies (Fachhochschule des Bundes für öffentliche Verwaltung) www.fhbund.de is located in Brühl near Bonn. The Federal University of Applied Administrative Sciences is subdivided into a central branch and ten departmental branches.

¹⁸ See Bundesverwaltungsamt 2013.

Students of the departmental branches of general internal administration, the federal police, the intelligence services, the federal criminal police and the meteorological service receive instruction at the central branch in Brühl during their basic studies. The departmental branches of foreign affairs, financial, agriculture and social security, social security and federal defence administration provide instruction in basic studies at the location of the respective departmental branches. Depending on the course programme, instruction in main studies is provided at the departmental branches.

Addresses:

Central Branch: Willy-Brandt-Strasse 1, D-50321 Brühl, Tel.: +49-228 99 629-0

Departmental Branch of Foreign Affairs Administration: Schwarzer Weg 45, D-13505 Berlin, Tel.: +49-30 5000-1121.

Departmental Branch of Financial Administration, Gescher Weg 100, D-48161 Münster, Tel.: +49-251 8670-0.

Departmental Branch of Agricultural Social Security Administration, Weissenstrasse 70 - 72, D-34131 Kassel, Tel.: +49-561 9359-0.

Departmental Branch of the Intelligence Services: Federal Intelligence Service Division Wasserburgerstrasse 43 - 47, D-85540 Haar Constitutional Protection Division, Willy-Brandt-Strasse 1, D-50321 Brühl, Tel.: +49-2232 57939818

Departmental Branch of Social Security Administration, Nestorstrasse 23 - 25, D-10709 Berlin, Tel.: +49-30 865-1

Departmental Branch of the Meteorological Service, Frankfurter Strasse 135, D-63067 Offenbach am Main, Tel.: +49-69 8062-4259

Training is especially carried out at the Federal Academy of Public Administration (BaköV) (Bundesakademie für die öffentliche Verwaltung) (www.bakoev.bund.de) in Brühl. It shares its building with the Federal University of Applied Administrative Studies. Other locations are in Berlin (Johannisthal and Zeuthen) with a branch office and a seminar building in Boppard, also Rhineland. BaköV is an autonomous Institution of the Federal Ministry of the Interior. Contact: Willy-Brandt-Str. 1, D-50321 Brühl, Tel.: +49-228 99 - 629-0.

Federal administrative staff has access to the IFOS Bund. IFOS is an interactive advanced training system for the federal administration (Interaktives Fortbildungssystem für die Bundesverwaltung). The system is based on Internet technologies. All federal authorities and their staff now have access to the latest information about courses offered by the Federal Academy of Public Administration (BAKöV) and other federal training institutions.

Institutions the German Civil Service Federation and Collective Wage Union (dbb und tarifunion) (Deutscher Beamtenbund) (www.dbb.de) or the labour union for education

and science GEW (Gewerkschaft Erziehung und Wissenschaft [www.http://www.gew.de/Startseite.html](http://www.gew.de/Startseite.html)) offer training for administration and public services as well. Some have own institutions for further education (GEW: Arbeit und Leben [Work and Life] www.arbeitundleben.de) or academies (dbb academy, www.dbbakademie.de) with specialised training offers for civil service staff from all levels. Contact: dbb akademie, Dreizehnmorgenweg 36, D-53175 Bonn, Tel. +49-02 28 - 81 93 - 0. The dbb academy has branch offices in Berlin. Many of the seminars take place at the dbb forum conference hotel in Königswinter (near Bonn).

For some seminars the dbb academy with Institutions like the CIVIC-Institute for international Education (www.civic-institute.eu), which production this country report. The CIVIC-Institute also works for BaköV and other Länder/federal state academies for the training of administrative staff and in academies of other European Member States. For further education of public services like teachers, the CIVIC-Institute also cooperates with other institutions like "Arbeit und Leben".

2.4 Reforms to the Structure of Government (past, in progress, planned)

Germany is well-known worldwide as reform-orientated. This goes back to the agenda politics of the former German federal chancellor Gerhard Schröder (SPD). Since these reforms the labour market organisation and administration as well as the social security administration have been changed. Fundamentally modernized was also the cooperation between the different levels of administrations on federal, federal state and municipal levels. Even though the agenda reforms are seen as the decisive impulses for the long-term sinking of unemployment rates since 2006, the results have more objective reasons like relative low wage increases over a longer period. Nevertheless the reforms created a cut of administrative costs for labour market management and social security¹⁹ The two commissions on the reform of federalism (Föderalismuskommissionen) I and II were also important for structural reforms.²⁰

Today the focus of reforms is mainly on bureaucracy costs. The overall responsibility for the dismantling of bureaucracy and better regulation in the federal government lies with the head of the chancellery. He is supported by the committee of state secretaries

(Staatssekretärsausschuss) for dismantling the administrative bureaucracy. As operating level the chancellery has a committee's office especially for this task. It is coordinating and controlling the process for the entire federal government and is the contact point for all ministries and higher authorities. The head of the chancellery is also the contact point for the national council for the control of the compatibility of legislation with the Basic

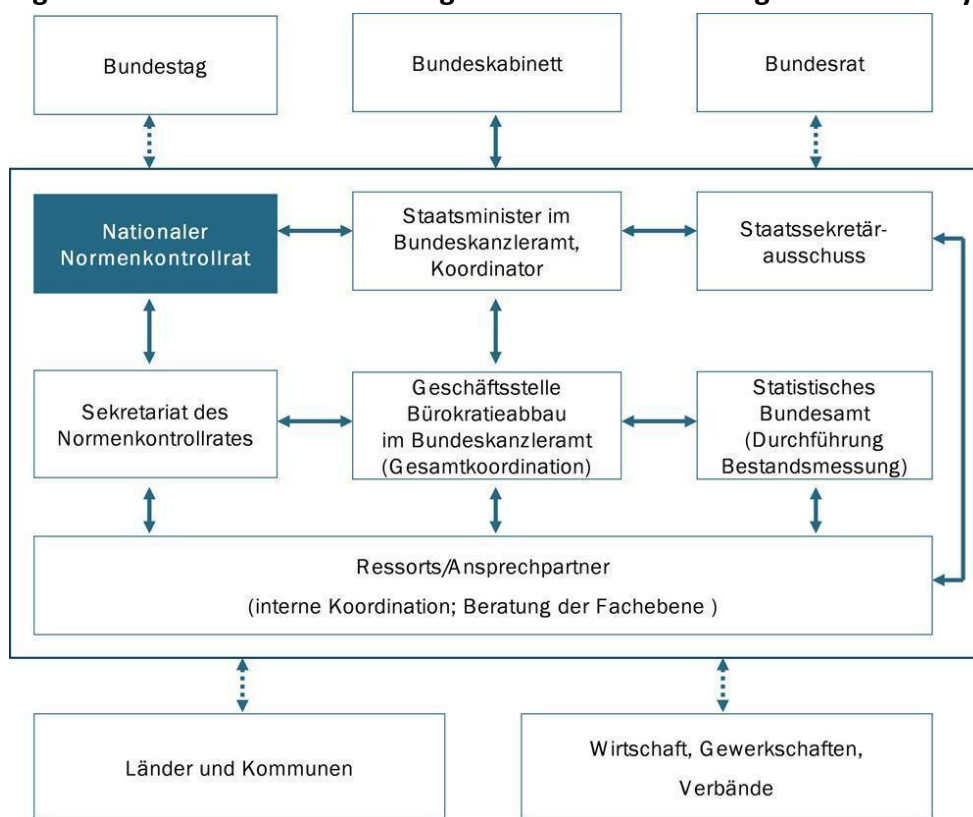
¹⁹ Statistisches Bundesamt 2014a, p.126.

²⁰ See Chapter 4.2.1 and 4.2.2.

Law (Normenkontrollrat)²¹. The council advises the federal government not just in questions of better regulation in line with the Basic Law but also in the task of better regulation in general²².

The aim is the relief of citizens, business and administration from excessive regulations and the associated burden of bureaucratic requirements and costs. In the "Bureaucracy Reduction and Better Regulation" program, the federal government has decided to identify administrative costs on the basis of the standard cost model. The second step will be the reduction of those regulations. The federal government published information on these efforts in a document entitled "bureaucracy-brake" in December 2014.

Figure 7: Common task better regulation and dismantling of bureaucracy



Source:

http://www.normenkontrollrat.bund.de/Webs/NKR/DE/BessereRechtsetzung_Buerokratieabbau/Gemeinschaftsaufgabe/_node.html

Translation of Figure 7 (top left to bottom right)

²¹ See http://www.normenkontrollrat.bund.de/Webs/NKR/DE/BessereRechtsetzung_Buerokratieabbau/Gemeinschaftsaufgabe/_node.html

²² See Figure 7.

Bundestag = Second Chamber of Federal Parliament

Bundeskabinett = Federal Cabinet (Federal Government)

Bundesrat = First Chamber of Federal Parliament

Nationaler Normenkontrollrat = National Council for the control of the compatibility of legislation with the Basic Law

Staatsminister im Bundeskanzleramt = Federal Minister for Special Tasks and Head of the Federal Chancellery

Staatssekretärsausschuss = Committee of State Secretaries

Sekretariat des Normenkontrollrates = Secretariat of the National Council for the control of the compatibility of legislation with the Basic Law

Geschäftsstelle Bürokratieabbau im Bundeskanzleramt (Gesamtkoordination) = Office for dismantling of bureaucracy in the Federal Chancellery (total coordination)

Statistisches Bundesamt (Durchführung Bestandsmessung) = Statistical Office of Germany (realization of research on stock)

Ressorts/Ansprechpartner (interne Koordination; Beratung der Fachebene) = Ministries/Contact Person (internal coordination / Advice of functional departments)

Länder und Kommunen = federal states and municipalities

Wirtschaft, Gewerkschaften, Verbände = Economy, trade unions, civil society organisations

"Federal Government decides bureaucracy-brake

The Federal Government has identified with today's decision, the "cornerstones for further relief of the SME sector bureaucracy". Among other things, this means not to establish any more additional administrative burdens: For the purposes of the so-called "one in, one out" principle, it should be stressed, that if necessary new rules will be introduced, the same extent will be reduced elsewhere.

State Minister Helge Braun, Federal Government Coordinator for reducing of administrative burdens and better regulation, said: "For the promise of no debt and no tax increase now the promise must be added that we build no more additional bureaucracy. Laws and regulations are crucial and indispensable conditions; but it may grow no additional burden on the German economy. The formula for success is

therefore in the future: One in, one out'[...]. The Federal Government defines this principle now quickly as possible in the practice of law and implementation. "²³

In addition to the chancellery, the Federal Ministry of Interior (BMI) is responsible for the strategic planning of the modernization of the administration. The portal of the Ministry of Interior for modernization of Administration is:

www.bmi.bund.de/DE/Themen/Moderne-Verwaltung/moderne-verwaltung_node.html

The BMI supports the project actively. The BMI has a seat in the committee of state secretaries (Staatssekretärssausschuss) to reduce bureaucracy staffed by permanent secretaries of all ministries. The BMI publishes all decisions of the cabinet and further information on the topic.²⁴

²³ <http://www.bundesregierung.de/Content/DE/Pressemitteilungen/BPA/2014/12/2014-12-11-buerokratieabbau.html?nn=392426>

²⁴ http://www.bmi.bund.de/DE/Themen/Moderne-Verwaltung/Buerokratieabbau/buerokratieabbau_node.html

3 Four examples of Länder/federal states (chosen according to size, history, economic structure, and geographic direction)

German Länder/federal states are not an administrative level of the federal level (Bundesrepublik) but are, as partial sovereign self-governing entities, characterized as states of Germany themselves. All of them have a constitution, a constitutional court, a parliament and a government.

The Länder/federal states of Germany do not just constitute the Federal Republic of Germany but are from their origins independent states also. Even though reforms in the beginning of the early western Federal Republic of Germany and later, during the transformation of the German Democratic Republic in 1989 and 1990, changed the Länder/federal states quite fundamentally, a specific form of sovereignty still exists. The four Länder/federal states chosen for this report are from very different in nature and show a variety of forms. The variety of size goes from the third largest according to number of inhabitants, i.e. Baden-Württemberg, to the smallest of the non-city states, i.e. Saarland. Their histories differ from 19th century kingdoms like Hanover to re-established but former parts of a historical region like Brandenburg. Their economic structures range from high-performance of global-oriented industries in Baden-Württemberg to mono-centred, rural situations in Brandenburg. The most obvious characteristic is probably the geographical location: South, West, North, and East.

All Länder/federal state administrations are in a permanent modernization process. Even if it has to be stated, that the challenges differ according to their specific geographic and economic situations, there are some common aspects in modernization. The government of Rhineland-Palatinate illustrated these common aspects in the following figure.

Figure 8: Administrative modernization (Verwaltungsmodernisierung) as an ongoing process planned by the Government of Rhineland-Palatinate



Source: <http://isim.rlp.de/moderne-verwaltung/verwaltungsmodernisierung/> **Translation**

of Figure 8 (starting with the top-most term, clockwise rotation)

Verwaltungspolitik = politics on administration

Aufgabenumbau = changing tasks

Organisationsentwicklung = development of organization

Planungs- und Prozessoptimierung = optimization of planning processes

Neue Steuerung = new steering

Personalentwicklung = human resources development

Regelungs-optimierung = regulation and control optimization

eGovernment = eGovernment

8 sectors of modern administration are identified to be permanently optimized. All sectors are linked and do influence each other. Active policies on administration is the starting and ending point of this structural thinking and action. In line with the recognition of permanently-changing tasks of administration in a permanently-changing economic and political environment, these policies have to provide the administration an optimal restructured organization. The development of organization shall enable the optimization of planning processes. A new steering mechanism is necessary for both, the human resources development and for regulation and control optimization. Modern administration also needs the intelligent usage of e-Government in order to optimize and reduce administrative action.

3.1 Baden-Württemberg - General Structure

Baden-Württemberg is the third largest federal state of Germany with 10.8 million inhabitants after North Rhine-Westphalia and Bavaria. The official language is German. Baden-Württemberg has borders to France to the west and Switzerland and Austria to the south. The border to Switzerland and Austria in Lake Constance (Bodensee) is not fixed. Neighbouring German Länder/federal states are Rhineland-Palatinate in the north, Hesse in the north-east and Bavaria in the east. It was founded in 1952 by the election of its first minister president Reinhold Maier (FDP) in a coalition with the SPD and a smaller party against the biggest party (CDU) by the constitutional assembly. One and a half years later the CDU came into office of the state government and stayed there until May 2011 when the Greens made up the government together with the SPD. The south west state, which was later named Baden-Württemberg, was a unification of the Länder Baden, Württemberg-Baden and Württemberg-Hohenzollern, which were founding bodies of the Federal Republic of Germany (Bundesrepublik Deutschland) in 1948. The assembly was an outcome of the unification plebiscite of December 1951. Württemberg was one of the four kingdoms of the Deutsches Reich (German Empire) before 1918. Baden had a strong independent history itself and the results of the plebiscites were not so distinct in Baden. Baden is, as is the western part of the federal state, defined by the Rhine River and the mountainous region Black Forest (Schwarzwald). Württemberg is very hilly and the source of western Europe's longest river, the Danube, lies here.

Today Baden-Württemberg is one of the economically most powerful regions in Europe and is in the center of the urban belt from Manchester and London in England, over the Randstad in the Netherlands and the Flemish Diamond in Belgium along the Rhine River in North Rhine-Westphalia, with its Ruhr Valley, and Rhineland-Palatinate in Germany, to Northern Italy with its Industrial Triangle, i.e. Milan, Turin, and Genoa. This so-called

“Blue Banana” agglomeration is very important for Baden-Württemberg and its very successful export-orientated economy. The economy is not just centered on global players like Mercedes Benz, Bosch or BASF. Strong networks of SMEs complete the picture of the German economic power house. The urban centers of Baden-

Württemberg are Stuttgart, as the capital of Baden-Württemberg and one of the biggest cities of Germany, Karlsruhe (the seat of the Federal Constitutional Court), Mannheim, and Freiburg.²⁵

3.1.1 Government and Public Administration

The government and parliament (Landesregierung and Landtag) are located in Stuttgart. The head of government is elected with absolute majority by the parliament. Since 2011

²⁵ See Landeszentrale für politische Bildung 2008.

the Green Party and the SPD built the government under the minister president Winfried Kretschmann. He is the first Green minister president in Germany. The minister president is also head of the state.²⁶ The constitutional court of Baden-Württemberg (Staatsgerichtshof) is open to citizen complaints since 2013. The seat of the court is in Stuttgart as well.

The administrative structure of Baden-Württemberg goes back to 1971, when the last resistance of Baden against the unification was failed in a further plebiscite in Baden under Article 29 (GG) of the Federal Basic Law, which would have given the opportunity to rearrange the structure of the Land/federal state. Baden-Württemberg has 9 cities without rural districts (Stadtkreise = City districts) and 35 rural districts (Landkreise).

Stadtkreise (city districts) are named kreisfreie Städte (district-free cities) in the other Länder/federal states. Part of the rural districts are made up of over 1000 municipalities. Part of the Landkreis Constance is a municipality, totally surrounded by Switzerland and thereby the only German exclave village. All cities and rural districts belong to one of the four administrative districts, i.e. Karlsruhe, Freiburg, Stuttgart and Tübingen. The administrative districts are a second level of the governmental administration and have obligations in the implementation of political decisions. A reform of the communal structure did not happen since 1977. The only exception to this was a smaller merger of two municipalities in 2006.

Education (studies and vocational training) for later administrative staff is carried out in Baden-Württemberg by the following institutions:

School of Baden for Municipality Administration (Badische Gemeindeverwaltungsschule) www.badische-gvs.de.

Administrative School of the Association of Municipalities (Verwaltungsschule des Gemeindetags Baden-Württemberg) www.verwaltungsschule-bw.de.

University of Applied Sciences for Public Administration (Fachhochschule für öffentliche Verwaltung) in Kehl www.hs-kehl.de.

University for Public Administration and Finance (Hochschule für öffentliche Verwaltung und Finanzen) in Ludwigsburg www.fh-ludwigsburg.de.

University of Applied Sciences Schwetzingen for Administration of Justice (Fachhochschule Schwetzingen Hochschule für Rechtspflege) www.fh-schwetzingen.de.

Training is especially done in the Academies for Administration and Economy of Württemberg and Baden (Verwaltungs- und Wirtschafts-Akademie Baden and württembergische Verwaltungs- und Wirtschafts-Akademie. (www.w-vwa.de and www.vwa-baden.de) in Stuttgart for VWA-Württemberg and in Karlsruhe for the VWA-Baden.

²⁶ Constitution of Baden-Württemberg Article 27ff. (Verfassung des Landes Baden-Württemberg).

Contact for Baden: Kaiserallee 12 e, D-76133 Karlsruhe, Tel.: +49-0721-985 50-0, E-Mail: info@vwa-baden.de. Contact for Württemberg: Wolframstraße 32, D-70191 Stuttgart, Tel.: 0049-0711-21041-0, E-Mail: info@w-vwa.de.

3.1.2 Reforms

Baden-Württemberg implemented some general administrative reforms in 2004 and established a system of “unity of administration”. 450 authorities have merged or were disestablished and their obligations were transferred to higher or lower authorities²⁷. The backgrounds were financial obstacles of a bigger group of municipalities and a long running accretion of tasks of the public services. The reform affected several parts of the structure and obligations of administration and was a kind of entire renewal of the administration of Baden-Württemberg.²⁸

Hence, the 2004 reforms were so fundamental. Later reforms have been more gradual and indirect. Today the challenge is an ongoing administrative modernization even though Baden-Württemberg has a well-functioning modern administration. In the past responsibilities have been combined to allow a time- and cost-saving administrative action. To simplify business processes and expand the range of services for citizens and businesses of the country, remains a constant challenge.²⁹

For the structure of Baden-Württemberg it is quite important to have in mind that the industrial heart is in the Stuttgart Metropolis region and in the Metropolis region Rhine-Neckar³⁰. The central region is in the middle of Baden-Württemberg; the other industrial centre region is along the border to the neighbouring Land Rhineland-Palatinate. The cooperation in the Rhine-Neckar region therefore is not just depending on a well-functioning of Baden-Württemberg administration but also on that of the neighbouring federal state. The Metropolis region Rhine-Main is also affecting the northern municipalities of Baden-Württemberg. The municipalities are not structured in sectorial districts in circles around the Metropolis regions like in Brandenburg.

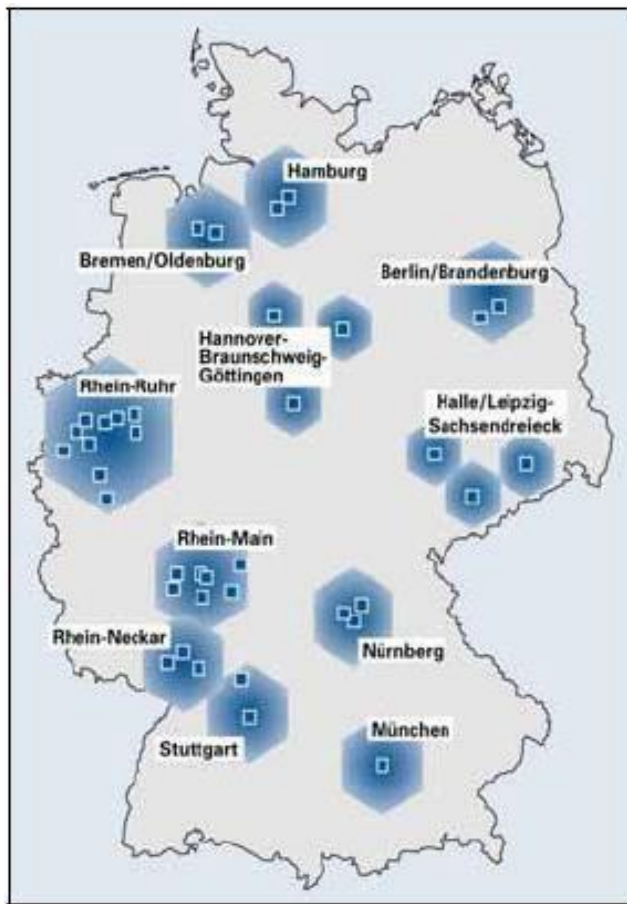
²⁷ Ministry of Interior Baden-Württemberg 2004, 11ff.

²⁸ Ibid.

²⁹ <https://im.baden-wuerttemberg.de/de/innovatives-land/moderne-verwaltung/>

³⁰ See Figure 9.

Figure 9: Metropolis Regions in Germany



Source: Knieling 2007, p.7.

Translation of Figure 9

Hamburg = Hamburg

Bremen/Oldenburg = Bremen/Oldenburg

Hannover-Braunschweig-Göttingen = Hanover-Brunswick(Braunschweig)-Göttingen

Berlin/Brandenburg = Berlin/Brandenburg

Rhein-Ruhr = Rhine-Ruhr

Halle/Leipzig-Sachsendreieck = Halle/Leipzig-Saxonian Triangle

Rhein-Main = Rhine-Main

Nürnberg = Nuremberg

Rhein-Neckar = Rhine-Neckar

Stuttgart = Stuttgart

München = Munich

3.2 Brandenburg - General Structure

Brandenburg is the heartland of old Prussia. It was founded in 1990 and acceded to the Federal Republic of Germany in the same year together with Mecklenburg-Vorpommern, Saxony, Saxony-Anhalt, and Thuringia. Saxony and Saxony-Anhalt, and Mecklenburg-Vorpommern in the North are neighbouring Länder/federal states to the south and to the west as well as Lower Saxony to the northwest. Brandenburg surrounds the German federal capital Berlin completely. Poland is the neighbour to the east on the other side of the Oder River. Potsdam is the capital of Brandenburg to the southwest of Berlin. Potsdam is the only city of Brandenburg with more than 100,000 inhabitants. With respect to its size in square kilometers Brandenburg is one of the middle-sized federal states, but with only two and a half million inhabitants, it's one of Germany's smallest federal states. Together with Mecklenburg-Vorpommern it has the lowest density of inhabitants of all Länder/federal states³¹. Brandenburg has three spoken languages: German, Low German to its far northwest and Sorbian in the southeast. The landscape of Brandenburg is characterized by glacial moraines with some glacial valleys.

Brandenburg has lost high numbers of inhabitants after 1990. It is one of the Länder/federal states with the highest impact of demographic change. The highest density as a kind of suburban sprawl (Speckgürtel) is found near Berlin. Berlin itself is not one of Germany's industrial cores.³²

3.2.1 Government and Public Administration

The head of government and state is minister president Dietmar Woidke (SPD). His government is a coalition of the SPD and the eastern German regional party Die Linke, which is an ancestor of the former GDR-ruling Party SED. The parliament (Landtag Brandenburg) elected him in November 2014. The parliament has its seat in the newly-built city castle of the last monarchy of Germany. It only has 88 members, but enough seats for about double the size as a possible parliament of a unified Brandenburg-Berlin in the future. Berlin is historically a City State only since the German division, but unlike Bremen or Hamburg, which have been independent Hanseatic Cities since mediaeval times. A unification of both federal states Berlin and Brandenburg was tried in 1996, but the quorum of voters was not reached in Brandenburg and a majority of votes denied a merger. Later some institutions were merged nevertheless, like the public radio Radio Berlin-Brandenburg (broadcasting is an area of competence of the federal states), the high administrative court and the agency for statistics.

The constitutional court of the federal state Brandenburg (Verfassungsgericht des Landes Brandenburg) has its seat in Potsdam.

³¹ See Figure 2.

³² See Büchner / Franzke 2009.

Brandenburg has 5 regions for regional planning. They consist of the 4 district-free cities and the 14 rural districts. Only the capital of Brandenburg, Potsdam, which is located directly on the border to Berlin, is designated as a city by the size of its population. 8 of the rural districts also on the direct border to Berlin. These districts were – in line with the entire communal structure – established in 1993 as sectorial districts (Sektoralkreise). Sectorial districts are located on the border on the one side of an urban, metropolis region and profit structurally from this geographic situation as a suburban sprawl (Speckgürtel). Their district capital is usually situated on the other side, which is rural and economically underdeveloped. The form of the district is used to give structural impulses to the less developed parts. Brandenburg established these sectorial districts in an ideal way. 7 of the sectorial districts of Brandenburg are located on the border of the neighbouring federal states Saxonia-Anhalt or Mecklenburg-Vorpommern or to Poland.

Brandenburg has one university for applied studies for finance (Fachhochschule für Finanzen des Landes Brandenburg) in Königs-Wusterhausen near Berlin (www.fhf-kw.brandenburg.de). Contact: Fachhochschule für Finanzen im Aus- und Fortbildungszentrum (Center for Further Education) Königs Wusterhausen, Schillerstraße 6, D-15711 Königs Wusterhausen, Tel.: +49-3375-672-0, E-Mail: afz-kw@fhf.brandenburg.de.

Training is especially done in the State Academy for Public Administration (Landesakademie für öffentliche Verwaltung) Brandenburg (www.lakoev.brandenburg.de) in the Centre for Further Education Königs Wusterhausen (Aus- und Fortbildungszentrum). Contact: Schillerstraße 6, D-15711 Königs Wusterhausen, Telefon: 03375 672-501, E-Mail: akademie@lakoev.brandenburg.de.

3.2.2 Reforms

The district structure of Brandenburg, especially the sectorial districts around Berlin, gives some advantages for development. The city proximity of the one end provides economic impulses to the rest of it. The 5 regional planning regions support this structure. The NUTS 2 (second level of the Nomenclature of Territorial Units for Statistics) arrangement, which is especially important for EU structural policies, has been changed in 2010. Before 2010 Brandenburg has had 2 NUTS-2-regions: Northwest-Northeast and Southwest-Southeast. Since 2010 Brandenburg has been just one NUTS-2-region.

The government of Brandenburg is still interested in unification with Berlin, but this is still out of reach. Modernization of administration nevertheless takes place during this period of time. Therefore, the federal state government stays in contact with chambers and associations, and has contacts with other federal states as well as with the federal government. The aim is to take up suggestions for reducing bureaucracy and to transfer

good practice examples to the state of Brandenburg. In addition to these methods of modernization, four thematic priorities have been identified as tasks. First of all, there is the task to simplify administrative action for citizens, for example, projects for better living and parental benefits and educational subsidies. Secondly, a reduction of administrative costs by using the standard cost model is foreseen. Thirdly, experiments with deviations from state law standards in local authorities are possible and evaluated. Finally, new legislation will be tested on unnecessary administrative burdens (Central Standard Test).³³

3.3 Lower Saxony - General Structure

Lower Saxony is a unification of the former Prussian province of Hanover (a kingdom until 1866), the state Oldenburg in Oldenburg, the state Braunschweig (Brunswick) and the state Schaumburg-Lippe. The unification took place under the British administrative rule after World War II in November 1946. Bremenhaven, at the mouth of the Weser River, was a part of the province of Hanover until 1947, but was as an US-administrated harbour to the state of Bremen. Lower Saxony was – in contrast to Baden-Württemberg, Brandenburg and Saarland - one of the founding Länder/federal states of the Federal Republic of Germany in 1949. Until 1976 the former independent parts of the federal state served as the orientation for administrative districts. After 1976 administrative and rural districts (Regierungsbezirke und Landkreise) were reformed to establish a more efficient and larger administrative structure. In 1993 the former GDR municipality “Amt Neuhaus” was re-united with Lower Saxony. The name “Niedersachsen” was in popular use since the 19th century for the flatland region, where the Anglo-Saxons came from.

Lower Saxony is the second largest federal state after Bavaria as concerns total square kilometres and the fourth largest in terms of population. It has nine German federal states as neighbours, more than any other federal state. To the north is Hamburg and Schleswig-Holstein; their common border is the Elbe River. To the northeast is Mecklenburg-Vorpommern, to the east is Brandenburg, Saxony-Anhalt and Thuringia, and to the south is Hesse and North Rhine-Westphalia. The cities of the federal state of Bremen, i.e. Bremen and Bremerhaven, are both surrounded by Lower Saxony. To the west is the Netherlands. The official spoken languages are Frisian (as Saterfrisian) in the northwest, Low German in the north and west, and German.

Lower Saxony is characterized by flat lands, coast and islands, the Ems, Weser and Elbe rivers and several tributaries as well as mountainous regions in the south. The highest mountains range is the Harz in the southeast. The density of inhabitants is the lowest³⁴ of all western federal states. Metropolis regions are the capital of Hanover together with

³³ See <http://www.buerokratieabbau.brandenburg.de/cms/detail.php/bb1.c.215886.de>

³⁴ See Figure 2.

Brunswick (Braunschweig) and Göttingen, Bremen/Oldenburg and Hamburg³⁵. Osnabrück is another city. The central regions, the west and the northeast/east are rurally structured and have high productions of agricultural products. The industrial centre is the Hanover-Brunswick (Braunschweig) region with the VW production plants especially in Wolfsburg.³⁶

3.3.1 Government and Public Administration

Lower Saxony's constitution came into effect only in 1993, but is basically the older temporary constitution from shortly after the war with some amendments. The minister president is elected by the state parliament (Landtag) in Hanover with the absolute majority of votes. Since 2013 this is minister president Stephan Weil from the SPD. His cabinet is built by a coalition together with the Green Party. Weil is also the head of state and has his seat in Hanover. The state government represents this federal state in Berlin within the chamber of the Länder/federal states (Bundesrat) where Lower Saxony has the same amount of votes as North Rhine-Westphalia, Bavaria and Baden-Württemberg. The only constitutional body, which is not seated in Hanover, is the constitutional court (Staatsgerichtshof) in Bückeburg.³⁷

The rural districts close to Bremen are sectoral districts like those in Brandenburg close to Berlin. They were – like other rural districts – formed after 1976 to enforce their ability to attract economic stimulation either by housing or by establishment of ventures. Hanover and its surrounding rural district as well as its municipalities were merged in 2001 into the Hanover Region as a municipality association of its own. The Hanover Region is part of the Metropolis region Hanover-Brunswick(Braunschweig)-Göttingen³⁸.

The administrative districts (Regierungsbezirke) were disestablished in 2005 to give the political administrative steering competence to the ministries in Hanover and to cut administrative costs by eliminating the second administrative level. After 2013 a softer form of the second level of administration, the so-called state commissioner for regional development (Landesbeauftragter), was re-established to come closer to the basic concept of New Public Management³⁹. These new regional administrative offices mostly have the task to organize regional development more directly and closer to the region itself. They have as regions the borders of the former administrative districts. The seat of the federal state representative of Southeast Lower Saxony is Brunswick (Braunschweig); Hildesheim is the seat of the central region called Leine Weser Region (the old structure had Hanover as its seat); the Northeast Lower Saxony is governed out

³⁵ See Figure 9.

³⁶ See <http://www.niedersachsen.de/portal> and more detailed: http://www.niedersachsen.de/portal/live.php?navigation_id=6871&article_id=19804&psmand=1000

³⁷ See www.niedersachsen.de.

³⁸ See: Figure 9.

³⁹ See Hirsch et.al. 2012, p.7f. and chapter 4.1.

of Lüneburg; and West Lower Saxony is governed out of Oldenburg. In contrast to the former administrative districts the new form is not an administrative middle or second level but is rather a unit of the Ministry of Interior. Some of the competencies, which were given to the administrative services of the municipalities after 2005, were re-transferred to this new kind of level of governing administration.⁴⁰

The public service and public administration of Lower Saxony had a total number of 146,168 employees in 2011. This total excludes 8,560 trainees. Slightly more than half of the employees in Lower Saxony were women (50.5%). Of the civil servants in 2011 nearly 30% were in the age group 55 and over.⁴¹

The education (studies and vocational training) for administrative staff is carried out in Lower Saxony in the following institutions:

Lower Saxony Institute for Studies on Municipal Administration (Niedersächsisches Studieninstitut für kommunale Verwaltung) and the Communal University for Applied Sciences for Administration in Lower Saxony (Kommunale Hochschule für Verwaltung in Niedersachsen) www.nsi-hannover.de. Contact: Wielandstr. 8, D-30169 Hannover, Tel.: +49-511-1609-0, E-Mail: info@nds-sti.de.

Northern German University for Applied Sciences for the Administration of Justice (Norddeutsche Hochschule für Rechtspflege) www.fhr-nord.niedersachsen.de. Contact: Norddeutsche Hochschule für Rechtspflege (HR Nord) Godehardsplatz 6, D-31134 Hildesheim, Tel.: +49-5121-17-91020, E-Mail: [fhrhi-poststelle\(at\)justiz.niedersachsen.de](mailto:fhrhi-poststelle(at)justiz.niedersachsen.de)

Academy on Taxes of Lower Saxony (Steuerakademie Niedersachsen) www.stakad.niedersachsen.de. Contact: Bahnhofstr. 5, D-31707 Bad Eilsen, and for studies for the upper grades of the civil service: Wilhelm-Busch-Weg 29, D-31737 Rinteln, Tel.: +49-5751-92156-0, E-Mail: geschaeftsleitung@stakad.niedersachsen.de

Training is especially carried out in the Institute for Studies of Lower Saxony (Studieninstitute des Landes Niedersachsen) www.sin.niedersachsen.de. Contact: Studieninstitut des Landes Niedersachsen (SiN), Lange Str. 86, D-31848 Bad Münder, Tel: +49-5042-941-0, E-Mail: poststelle@sin.niedersachsen.de.

3.3.2 Reforms

With the four newly-created offices of regional development, the government tries to strengthen governmental administration in the area of Lower Saxony. The task of the

⁴⁰ See http://www.stk.niedersachsen.de/startseite/staatskanzlei/landesaemter_regionalentwicklung/

⁴¹ Landesamt für Statistik Niedersachsen 2014, p. 169.

state commissioner for regional development is to provide positive incentives for sustainable development in all parts of Lower Saxony and help resolve regional imbalances. Lower Saxony is still a federal state with high regional disparities. Until 2013 Lower Saxony was the only western German federal state with a region (Northeast Region) with the highest subsidies by EU funds.⁴²

“Administrative modernization” was the title of a working group within the Ministry of Interior, i.e. the department “IT security and infrastructure, geographic information, administrative modernization”. Its task was administrative restructuring and it completed its work in October 2011. The federal state government has set afterwards the target to perform comprehensive policy areas of all tasks identified by the working group and for budget analysis. Therefore, in the Ministry of Interior a new office was established. The activities carried out by the ministries are currently subject to a survey and are currently undergoing a technical and policy review. Initial results were already used in the budget preparation process for the 2015 budget.⁴³

Some regional rationalisations are currently being discussed. The merger of some municipalities – like that of the Hanover Region – are foreseen, planned or are being discussed in the northwest and the southeast of Lower Saxony. However, those reforms are necessarily linked to the will of the people of the affected municipalities. This is why they are often rejected. The financial situation is, on the other hand, a massive push factor. A special long-term structural challenge is the relationship between the federal states of Lower Saxony and Bremen. A merger of both federal states is often on the discussion table. In particular Bremen is heavily indebted and the surrounding sectorial districts in Lower Saxony have had tax revenues by housing projects for decades. Finally, in 2009 a merger was planned. However, the government of Bremen understood that the people of Bremen were not in favour of such a merger. The government of Lower Saxony is not following the idea of a merger massively, but strengthens a more direct cooperation of administration in the Metropolis region of Bremen-Oldenburg. A merger with Hamburg is not an option. Hamburg and Schleswig-Holstein nevertheless do have a merger discussion. Both administrative challenges are part of a mega-merger discussion together with Mecklenburg-Vorpommern.⁴⁴

⁴² See

http://www.stk.niedersachsen.de/startseite/themen/regionale_landesentwicklung_und_eufoerderung/eufoerderung/efre_esf/foerderperiode_2007_2013/foerderperiode-2007-2013-124139.html

⁴³

http://www.mi.niedersachsen.de/portal/live.php?navigation_id=14930&article_id=94848&_psmand=33⁴⁴
See Naumann 2010.

3.4 Saarland - General Structure

In terms of population and area Saarland is (by far!) the smallest of all territorial federal states (those federal states, which are not the cities of Berlin, Hamburg and Bremen). It has, on the other hand, the second highest population density of all territorial federal states after North Rhine Westphalia.⁴⁵ After World War II Saarland was integrated into the French economic administrative system but kept a partial autonomy. In 1955 a plebiscite denied a treaty, which would have given the Saarland a Europeanized status. The treaty was elaborated by the French government and the federal government of Germany. In 1957, Saarland became the 10th federal state of the Federal Republic of Germany. In 1959 it was reintegrated into the German economic administrative system.⁴⁶ Its only German neighbouring federal state is Rhineland-Palatinate to the north and west. In southern Saarland shares a border with France and to the west a small border with Luxembourg. Saarland is part of a mountain chain and is characterized by the two rivers, the Mosel and the Saar, from which its name is derived. Saarland's only major city with more than 100,000 inhabitants is Saarbrücken, which shares no Metropolis region.⁴⁷

The coal industry of the Saarland was one factor of the strong economic development in Western Germany in the late 1950s and 1960s, which produced jobs, wealth and high living standards.

In 2008 coal mining in Saarland was stopped. This industry had structured the economic, social and administrative systems of Saarland over centuries.⁴⁸ After this shut-down, which was the outcome of a longer period of structural change, the government of Saarland has made tremendous efforts to strengthen the structural situation of this small and very peripheral federal state in Germany. Saarland is losing inhabitants as part of the German demographic change, but also as a result of the closure of its former main industrial production.

3.4.1 Government and Public Administration

The constitution of the federal state of Saarland passed in 1947 and had some amendments concerning the unification with the Federal Republic in 1956. The parliament (Landtag) of Saarland in Saarbrücken elects the minister president with a majority of its members. This takes place shortly after the parliamentary elections, which take place every five years. The minister president chooses her ministers. Since

⁴⁵ See Figure 2.

⁴⁶ See <http://www.saarland.de/geschichte.htm>

⁴⁷ See Figure 9.

⁴⁸ See http://saarland.de/6767_35641.htm

2001 state secretaries can be members of the federal state government as well. Annegret Kramp-Karrenbauer (CDU) has been the minister president of a coalition of CDU and SPD since 2012. She represents the federal state in external relations, which, in the case of Saarbrücken, are also EU concerns. The highest jurisdiction level is the constitutional court (Verfassungsgerichtshof des Saarlandes) and has, like the other three constitutional bodies, its parliament and government in Saarbrücken.

Saarland is administratively structured into 6 rural districts (Landkreise). The district of Saarbrücken is a regional association of its own type due to the major city nature of Saarbrücken. This structure was established in an administrative reform in 1974. A second administrative level does not exist. Saarland has close administrative cooperation with its neighbours in the Saar-Lor-Lux region. A merger with Rhineland-Palatinate is seldom discussed, even though it could make sense.

Saarland has one university of applied sciences for administration (Fachhochschule für Verwaltung) and one vocational school for administration (Saarländische Verwaltungsschule) www.verwaltungsschule-saar.de. Contact: Heuduckstraße 1, D-66117 Saarbrücken, Tel.: +49-681-92682-0, E-Mail: info@verwaltungsschule-saar.de.

Training is mostly carried out by the University of Applied Sciences for Administration (Fachhochschule für Verwaltung Saarland) www.saarland.de/fhsv.htm. Contact: Am Campus 7, D-66287 Quierschied-Göttelborn, Tel.: +49-681-501-7638/7639, E-mail: c.maurer@fhsv.saarland.de or i.durh@fhsv.saarland.de.

3.4.2 Reforms

A reform of the administrative structure of the Saarland is, after the reform of 1974, again in the political discussion arena. The mayor of Saarbrücken is in favour a system of only three rural districts and the administrative district of the capital itself.⁴⁹ The task would be the strengthening of the higher education sector.

Another task of modernization of the administration is to lessen the bureaucratic hurdle for investors. Therefore, the openness of the authorities to the public has been widened. Information can be received – for a variety of administrative services – under a unitary authority's number (not yet everywhere). Even the state chancellery is called citizen-friendly as it is open for citizen consultations.

A number of administrative actions have already been reduced by approximately 60%. A five-year automatic expiration mechanism has been introduced. Administrative provisions, for which needs cannot be identified or justified in a certain period, are

⁴⁹ See http://www.sronline.de/sronline/nachrichten/politik_wirtschaft/sommerinterview_britz100.html

automatically forfeited. The remaining administrative provisions generally apply only for five years and must demonstrate their necessity according to this stipulation. The remaining regulations are transparent in an accessible electronic administrative action information system called ELVIS.⁵⁰

Part of the modernization of the federal state is the new internet presentation at www.saarland.de, which is organised by the state chancellery.

⁵⁰ http://www.saarland.de/moderne_verwaltung.htm

4 Strategic Planning and Public Budgeting

Reforms and modernization of governments and administrations of Germany are ongoing processes. Both are described in chapters 2 and 3. One is focussing more on the federal level; the other one is directed to the level of the Länder/federal states. When it comes to the strategic plan for modernization and the long-term fiscal management, the federal level is in a leading position. However, the federal level cannot force the level of Länder/federal states to follow. Strategic planning and public budgeting are special areas of co-ordination in the multi-level political system of Germany.

4.1 The Process of Strategic Planning and Management

The task to let the state serve the civil society and the economy likewise is difficult to realize in a complex state and administrative system like the German. Therefore, a strategy is needed and it takes quite an effort to implement the strategy in and by the public service.

Central steering unit on the federal level is the O-department (Abteilung O) of the Ministry of Interior⁵¹. This department is responsible for administrative modernisation and organisation⁵². It is the motor of modernisation and initiates innovations for the federal level administration and for the dismantling of bureaucracy. One instrument is the analyses of bureaucratic costs of laws and the depiction of time and financial efforts to implement a planned law. The overall coordination of dismantling of bureaucracy lies within the chancellery, but the O-department initiates and coordinates the implementation of all administrative policies of the federal government in the administration of the federal level. Therefore it develops for all ministries and their departments guidelines and working supports for administrative organisation and is responsible for the communication and the knowledge flow in-between all governmental departments and international organisations like the EU and others. The set of priorities of the strategic planning is fixed by the political level beginning within the coalition agreement⁵³. All policies concerning the dismantling of bureaucracy within this strategic planning is prepared and implemented under the administrative management of the Federal Ministry of Interior and the O-department. During the legislative period since 2013 the special focus is the law on e-Governance and related actions.

⁵¹See: 6.1 List of the Cabinet of Chancellor Merkel

⁵² http://www.bmi.bund.de/DE/Ministerium/Struktur-Abteilungen/Aufgaben-Abteilung-O/aufgaben-abteilung-o_node.html

⁵³ Coalition agreement between CDU, CSU und SPD from 27.11.2013, p. 25. See: http://www.bundesregierung.de/Content/DE/_Anlagen/2013/2013-12-17-koalitionsvertrag.pdf?blob=publicationFile

4.1.1 Situation of Strategic Planning in Germany

Since 2010 the working party “Strategic Management and Controlling in public organisations” is operating within the Federal Ministry of Interior. The task of the members from out of 17 federal and Länder/federal state authorities under the scientific chair of the University of the Bundeswehr (German army) is to encourage developments in the public service organisation towards an outcome orientated management.⁵⁴ An empirical study indicated that the basic concepts of New Public Management in the German public administration are seldom implemented.

New Public Management is described as the clear separation of competencies between politics and administration. Politics has the competence to give the guiding idea for strategic development to an authority or body. The administration should transform this into concrete actions and implementation. The separation should be organised in the area of politics, represented by a ministry, and in the area of administration, represented by an authority. In reality a strong link between managing politics and implementing authorities is present. Problems concerning competences and coordination also arise.

The managing system, which the working party promotes in the administration of the federal level and the federal states, is structured along a functional chain with four aspects and two principles. The principles are: 1. the development of patterns by the political setting of a focal point and target and 2. the formulation of priorities of actions and financial resourcing. The aspects are: citizen orientation, sustainability, efficiency, and effectiveness.

The political administrative system is at the heart of the managing system and has to formulate the targets for each policy field on the one hand. On the other hand, it has to manage the target-orientated implementation for each policy. External framework conditions are the brake of debt (Schuldenbremse Article 109 GG), the demographic change and shrinking subsidy sources (EU funds etc.). Internal conditions are fiscal consolidation and budgeting in inter-generation fairness.

In this system the controller is on the input side. His target is citizen orientation and his resources are the taxes of the state. At the output side of this process is the accountable public service and the sustainable outcome. The efficiency of the outcome and the service itself has to be controlled; its effectiveness has to be evaluated. Both aspects of the measuring system have to flow back into the controller sector of the entire system again to enforce and promote citizen orientation and the facilitation with public resources.⁵⁵

⁵⁴ Hirsch et.al. 2012, p.7f.. ⁵⁵
Ibid.

4.1.2 Coordination as the Central Instrument in the Federal System

The Länder/federal states have a direct representation in their institution at the federal level, the Bundesrat (first chamber of the federal parliament). The Bundesrat is a chamber of the federal state governments like the Council of the European Union and in contrast to a directly-elected body like the US Senate. The Länder/federal states have a special voting system in the Bundesrat, which gives North Rhine-Westphalia more votes than Saarland for example. The rural districts and municipalities (Landkreise and Kommunen) have representation through their associations such as the German Conference of Administrative Districts DTL (Deutscher Landkreistag), the German Federation of Cities and Municipalities DStGB (Deutscher Städte- und Gemeindebund), and the German Conference of Cities DST (Deutscher Städtetag).

At federal and at federal state level, these associations are the exclusive partners for consultation on intermediary and/or local level. There is no direct linkage between the local and the federal level. This is because municipalities are subject to the Länder/federal states, not to the federal Government or Parliament. All new draft legislation, at federal and federal state level, will be sent to the associations of the municipalities if it has an effect on the competences of the municipalities. At federal state level, the legal framework for consultation of municipalities with or within federal states varies from those which include it in their constitutional framework and those which limit it to laws and the rules of procedure.

At the federal level, the Länder/federal states participate in new legislation through the Bundesrat. The Bundesrat has no right to participate in just a few parts of the legislation. In times when the majority of the federal state governments is in opposition to the government of the federal level, the Bundesrat has the possibility to block acts of the federal government. Obviously this is related to the parties, which built the governments. Since the 1960s the majority of the federal state governments have been opposing the federal level. It is therefore necessary to stay in permanent dialog to soften the risk of a block.

The heads of the federal and state governments meet twice a year to discuss substantive issues at the federal level – federal state relationship. The meetings facilitate consultation and clarification processes and are prepared in advance by a meeting of the heads of state and senate offices of the city states under the chairmanship of the head of the chancellery.⁵⁶ It is important to understand that there is no hierarchy in the relationship itself. The form of meeting, discussion, common decision-making, and coordinating is not a system of effectiveness but of participation.

⁵⁶ See <http://www.bundesregierung.de/Content/DE/StatischeSeiten/Breg/element-chef-des-bundestkanzleramtes.html?nn=391346#doc131058bodyText3>

The Bundesrat has to give its consent on numerous areas of the federal level decisions. However, since the reforms of 2006, the areas for which consent is required have been reduced. In 2006 the results of the first commission of reforms of federalism came into force with the law on the change of the Basic Law.⁵⁷ Furthermore, since 2006, the Länder/federal states acquired the possibility to represent the federal level in the EU on matters which fall in the areas of exclusive competence of the Länder/federal states. The delegate from the Länder/federal states representing the federal level in the EU will be appointed by the Bundesrat after consultation with the federal government. The Länder/federal states have 21 representatives in the EU Committee of the Regions CoR. Additionally, the rural districts, municipalities and the cities have in total 3 representatives in the CoR.⁵⁸ For the multi-level system of Germany the multi-level system of the EU is another area of co-ordination.

4.2 The Process of Public Budgeting

The budgets of the Länder/federal states have been presented in general in the four sample states⁵⁹. The first headline (4.2.1) of this chapter will describe the budgetary cycle at the federal level and the system of financial equalisation only. The second one (4.2.2) nevertheless comes back to the federal state level for certain specific topics which are connected to the central strategies of the German public budget system.

4.2.1 Federal Level (budgetary cycle and central strategies)

The German budget process follows the norms of Article 110 GG and takes about one year, i.e. the fiscal year. Usually the outcome is an annual budget.

⁵⁷ Scharpf 2006, p. 6-11.

⁵⁸ CoR 2012, p. 319f.

⁵⁹ See Chapter 3.

Figure 10: Setting the federal budget



Source:

<http://www.bundesfinanzministerium.de/Content/DE/Bilderstrecken/Mediathek/Infografiken/oeffentlich-e-finanzen-allgemein.html?notFirst=true&docId=173490&countI=7>

Translation of Figure 10 (starting at “Start”, clockwise rotation)

Start + Ziel = Start + End; 1. Technical circular letter of the Federal Ministry of Finance to all federal ministries for budgeting; 2. Annual economic report including the projection of macroeconomic benchmarking data; 3. Government internal top-down decision on the benchmark data of the budget; 4. Decision of the Cabinet on the benchmark data of the technical budget; 5. Circular letter of the Federal Ministry of Finance to the ministries for implementation of the benchmark data decision; 6. Incoming proposals of the

ministry at the Federal Ministry of Finance; 7. Starting of governmental internal talks on budget; 8. Medium-term forecast on economic development and tax revenue forecasting; 9. Cabinet decision on the government draft of the total budgetary plan; 10. Supply of the governmental draft to both chambers of the federal parliament; 11. First reading in the Bundestag (second chamber), first consultation in the Bundesrat (first chamber); 12. Consultations in the committees of the Bundestag; 13. Short-term forecast on economic development and tax revenue forecasting; 14. Final consultation in the financial committee of the Bundestag; 15. Second and third reading in the Bundestag and voting; 16. Second consultation in the Bundesrat; 17. Promulgation and entering into force of the budget law and plan.

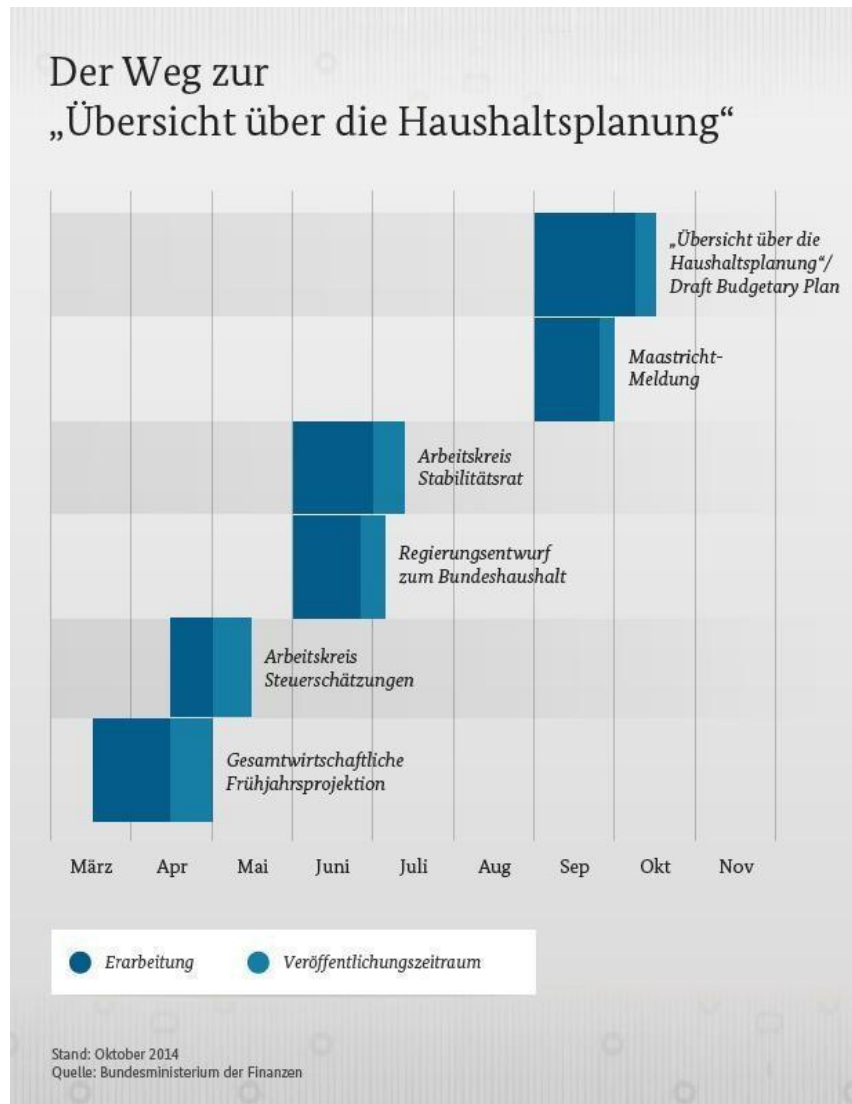
Early each year the Federal Ministry of Finance sends an official request to all federal ministries and higher federal authorities. Their budgetary departments have to prepare proposals for their budgets including all expected expenditures and revenues. In- and out-positions have to be balanced. The process has been a bottom-up-procedure for the internal collection in the ministries since 2012. The Ministry of Finance uses these data together with the annual economic report (Jahreswirtschaftsbericht) of the federal government, which has to be published end of January, and the government commentary to the advisory opinion of the expert council for the assessment of macroeconomic development.

The Federal Minister of Economics and Energy is in charge for the government commentary. The cabinet decides on this basis on so called “Eckwerte”, which are benchmarking data for the foreseen economic development and the consequences for the budget. The Eckwerte have to be set by the cabinet during March and include the central strategies of the government. The benchmarking data are used in the ministries and authorities for a review of the proposals. The new proposals are transferred back to the Ministry of Finance. The cabinet now starts internal discussions about the total federal budget plan. The forecast of the working party on Tax Revenue Forecasting, which is an expert board of ministerial experts from different ministries as well as research institutions, within the Federal Ministry of Finance will be reflected in these discussions and decision-making process. At the end of June the total budgetary plan has to be published.

The government draft of the total budgetary plan is sent to both chambers of the parliament Bundestag and Bundesrat. The Draft Budgetary Plan has to be presented to the EU and respectively to the European Commission during September. The complete legislative process is scheduled usually from September to December. After the first reading in the Bundestag and the first consultation in the chamber of the Länder/federal states, Bundesrat, the draft budget plan will be discussed in the Bundestag committees. The committees use the short-period prognoses of economic development and tax

revenue forecasts by the specialists advice boards presented during the meetings and to the public. Both chambers can decide on amendments, but the Bundestag is the final decision partner. After the second and third reading in the Bundestag respectively the second consultation in the Bundesrat the budgetary plan is decided on and enters into force by the designation of the head of state (Bundespräsident) as the head of state.

Figure 11: The way towards “Overview of budgetary planning”



Source:

<http://www.bundesfinanzministerium.de/Content/DE/Bilderstrecken/Mediathek/Infografiken/oeffentliche-finanzen-allgemein.html?notFirst=true&docId=328596&countIx=4>

Translation of Figure 11 (chronological from March to November)

Dark blue = formulation; light blue = time of publication

März/April Gesamtwirtschaftliche Frühjahrsprognose = March/April total economic spring forecast

April/Mai Arbeitskreis Steuerschätzung = April/May tax revenue forecasting

Juni Regierungsentwurf zum Bundeshaushalt = June Government draft on the federal budgetary plan

Juni/Juli Arbeitskreis Stabilitätsrat (Bund-Länder-Arbeitskreis) = June/July working group council for stability (Federal level-federal states committee)

September Maastricht-Meldung = September Maastricht report to the EU

In 2009 the second federal government-federal state commission for federalism reforms (Föderalismuskommission II from 2007-2009) decided on a balanced budget amendment to the Basic Law. Both chambers, Bundestag and Bundesrat, agreed on this reform of the Basic Law with a two-thirds majority. The context is the high long-term debt above the Maastricht limit of 60% of the GDP⁶⁰. The Stability and Growth Pact (Article 121 and 126 of the Treaty on the Functioning of the European Union) bounds Germany to this compliance of the Maastricht limit. Roughly 60% of the debt is at the federal level, 30% at the federal state level and 6% at the level of municipalities.⁶¹ Germany's decision was taken together with other EU and Eurozone Member States. At the federal level the balanced budget amendment was fixed in Article 109, paragraph 3 GG. Starting in 2016 the federal level will be bound to a maximum borrowing of 0.35% of the GDP. Only natural disasters and massive recessions allow an exception to the rule.

In the long-term planning of the Ministry of Finance the budget should have been balanced by 2015. Indeed the circumstances (higher tax revenue, lesser expenditure) made it possible to reach the "Black Zero" of new indebtedness already one year earlier.

"German Minister of Finance Wolfgang Schäuble (CDU) has already reached the 2014 "black zero". [...], Schäuble was thus able to balance its budget a year earlier than planned. Originally he had expected this for 2014, with a net borrowing amounting to 6.2 billion Euros. As a result of the good performance of the budget, the low interest rates for the debt and the better development of tax revenues apply."⁶²

⁶⁰ See Figure 5.

⁶¹ See Statistisches Bundesamt 2014a, p.103ff.

⁶² Handelsblatt, 13.1.2015.

4.2.2 Länder/Federal State Level (budgetary sovereignty and system of financial equalisation)

German Länder/federal states have partial budgetary sovereignty. Some of the taxes belong to the Länder/federal states; others are shared with EU, federal and municipal levels.

The balanced budget amendment⁶³ is a change of the Federal Basic Law and the Basic Law of the Länder/federal states (Landesverfassungen) alike. The commission on the reform of federalism (Föderalismuskommission) of 2009 decided not just to cut the indebtedness of the federal level but of the total state. The Bundesrat agreed on the amendment of the Federal Basic Law with a two-thirds majority on 12 June 2009. Berlin, Mecklenburg-Vorpommern and Schleswig-Holstein did not agree but are bound to the decision. Schleswig-Holstein was the first state to change its own Basic Law with a balanced budget amendment.

The rate of 0.35% of the GDP as the maximum for new indebtedness is not allowed for the Länder/federal states. Their net borrowing is fixed at 0%. For the Länder/federal states this ban is binding as of 2020. For the federal level it is already binding as of 2016.

Along with the balanced budget amendment, the commission on the change of federalism of 2007-2009 agreed on a general reform of the system of financial equalisation (Länderfinanzausgleich).

The budgetary and financial situations of the Länder/federal states are, given their different economic disparities, very unbalanced. Germany is a social state (Article 20 GG) and the Federal Basic Law (Grundgesetz) gives the state the task to balance the situation of the citizens in aspects of wealth (Artt. 72, 106, 107 GG) inter alia by financial equalisation between the Länder/federal states. The Länder/federal state financial equalisation⁶⁴ consists of the two parts of horizontal equalisation between Länder/federal state and vertical equalisation by the federal level. The orientation is the average taxpaying ability of a citizen. If it is lower in one federal state this means that federal state receives equalisation payments by others and the federal level. If it is higher this means a federal state pays into the equalisation system. Baden-Württemberg has been a payer since the system was established in 1950. Hamburg and Hesse, but also North Rhine-Westphalia, were payers most of the time. Bavaria is a payer since the mid-1980th. All eastern federal states are among the recipients. In 2011 the total amount was at 7.3 billion Euros.⁶⁵

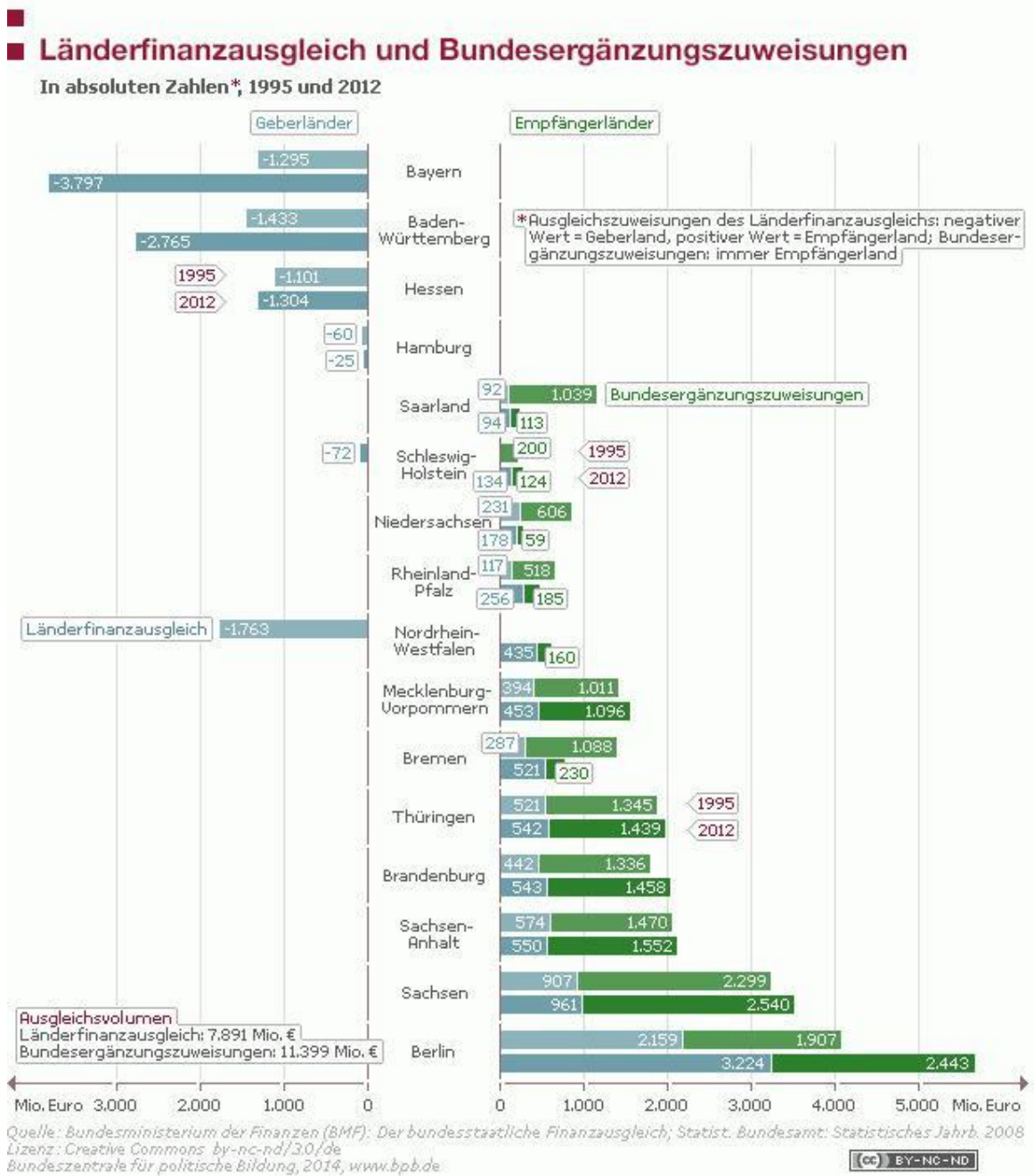
⁶³ See Chapter 4.2.1.

⁶⁴ See Figure 12.

⁶⁵ Statistisches Bundesamt 2014a, p. 104f.

Figure 12: Horizontal and vertical financial equalisation

In absolute numbers in 1995 (light blue) and 2012 (dark blue) in million Euros



Source: <http://www.bpb.de/nachschlagen/zahlen-und-fakten/soziale-situation-in-deutschland/61877/laenderfinanzausgleich>

Translation of Figure 12 (Top down)⁶⁶

Geberland = donor federal state – Empfängerland = recipient federal state

⁶⁶ For the English names of the Länder see: Figure 2.

„Ausgleichszuweisungen des Länderfinanzausgleichs: negativer Wert = Geberland, positiver Wert = Empfängerland; Bundesergänzungszuweisung immer Empfängerland“ = „Equalisation payment of the Länder/federal states financial equalisation: negative account = donor federal state, positive account = recipient federal state; Federal extra allocation always recipient federal state“

Bundesergänzungszuweisung (in grün) = Federal extra allocation (in green)

Länderfinanzausgleich (in blau) = Länder/federal states financial equalisation (in blue)

„Ausgleichsvolumen: Länderfinanzausgleich: 7.891 Mio €, Bundesergänzungszuweisung: 11.399 Mio.€“ = „Volume of equalisation payments: Länder/federal states financial equalisation: 7,891 million Euros; Federal extra allocation: 11,399 million Euros.“

The data of the financial equalisation system show how in-coherent the economic and financial situation of the German federal states is. The growing in-balance is becoming more and more a problem for the inner-state solidarity. The few donor federal states felt the imbalance obviously more intense than the recipient federal states. This is why some donor federal states try to clear the system with a decision of the constitutional court rather than by a political modernization of the system.

„Länder/federal state financial equalisation hit a record high.

The highly controversial fiscal equalisation has achieved in the past year a new record level. For the first time donors paid more than nine billion Euros to the recipient states. [...] 600 million Euros more than in the previous year were redistributed. Thus, the redistribution volume increased significantly more than the tax revenue.

By far the largest payer is and remains Bavaria. The Free State (Freistaat = Land) had to shoulder alone almost the entire increase. The contribution of Baden-

Württemberg as the second largest payer actually fell slightly, and Hesse only paid 50 million Euros more than 2013. Unlike 2013, Hamburg joined yet again in the circle of donors. The remaining twelve federal states remained recipients. The biggest beneficiary was once again Berlin.

The data is likely to newly inflame the negotiations to reform the federal-state financial relations. Bavaria and Hesse had appealed against the existing system before the Federal Constitutional Court (Bundesverfassungsgericht) because they feel overwhelmed. Regardless of the application, the current rules expire in 2019.”⁶⁷

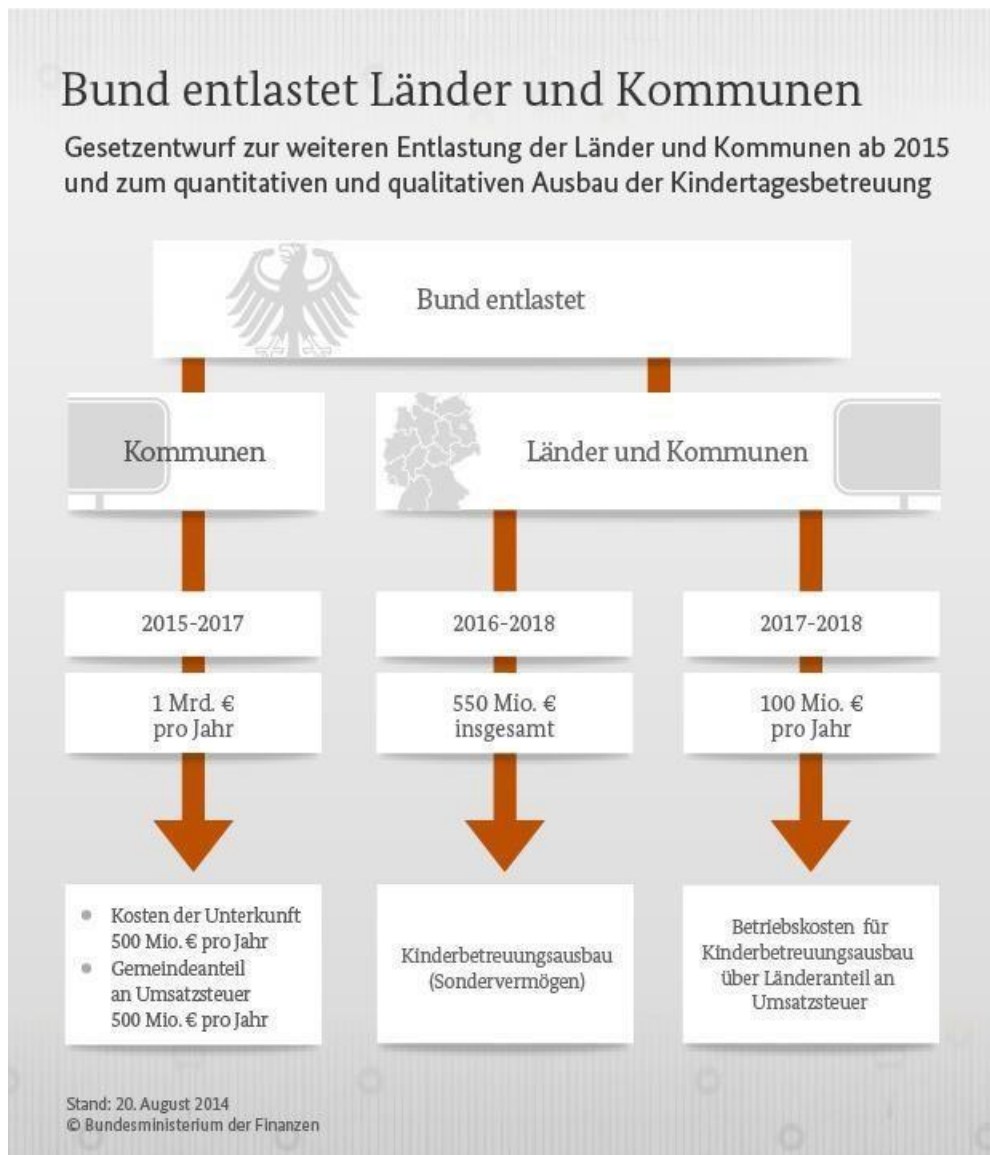
As it can be seen by the figure, the inner-state financial equalisation loses its meaning by the growing volume of the federal extra allocation. This process is not just a creeping

⁶⁷ Source: Handelsblatt, 14.01.2015.

decline of the power of Länder/federal states. It also stems from the shift of decision-making at a higher level and leaves the financial aspect at a lower level. At the federal level decisions are taken quite often, which binds the other levels. Even when those reforms are welcomed in terms of content, they are sometimes criticized in terms of funding. Early childhood education, for example, is one of those reforms which should empower subsequent generations but brings extra costs to today's municipalities.

Therefore, the federal level will co-fund the municipalities for this specific task in the coming years. Generally it is difficult for a federal system like Germany to mix-up the different levels. Actually it should be as transparent as possible concerning which level fulfills which obligations. In addition, the funding of each level should be saved by its own resources. Nevertheless, this example shows that Germany is a cooperative federal system with common tasks like the social state principle (Article 20, paragraph 1 GG).

Figure 13: Federal Level discharges Länder/Federal States and Municipalities



Source:

<http://www.bundesfinanzministerium.de/Content/DE/Bilderstrecken/Mediathek/Infografiken/oeffentlich-e-finanzen-allgemein.html?notFirst=true&docId=325024&countI=5>

Translation of Figure 13 (Top down by arrows, from left to right)

Draft law for further discharge of Länder/federal states and municipalities as of 2015 and for quantitative and qualitative extension of early childhood education.

Federal level discharges –

Municipalities – 2015-2017 - one billion Euros per year – costs of accommodation 500 million Euros per year / municipalities share of the value-added tax 500 million Euros per year

Länder and municipalities – 2016-2018 – 550 million Euros in total – child care extension (separate fund)

- 2017-2018 – 100 million Euros per year – operating costs of the child care extension by Länder/federal state share of value-added tax

The obligation and costs of early childhood education is actually a question addressed to the municipality level of the multi-level system Germany. However, the municipalities themselves belong to the level of Länder/federal states.

One of the particular Länder/federal state expenditure budget lines is the financial aspect of universities. Even though the universities are a part of the Länder/federal state competencies, the higher education funding is seen as a responsibility of the total state. Therefore, the ban of cooperation (Kooperationsverbot) in Article 91b of the Federal Basic Law was untightened in this financial task on 13 November 2014⁶⁸. The ban was a result of a reform on federalism in 2006.

4.2.3 Reform Efforts

Bottom-up-procedure in the budgetary procedure and the new form of “Eckpunkte” (benchmarking data) setting by the cabinet are reform efforts already implemented in the financial cycle. Achieving the “Black Zero” goal is another one. Together with some important reform steps on labour-markets and more efficient administration, the budgetary logic of growing expenditure was turned around.

The process of federal budgeting itself is less open for reforms. Only beginning in 2000 the Federal Ministry of Finance tried a product budgeting with pilot testing of some areas with a strong cost accounting dimension. An initiative for modernisation of the

⁶⁸ <http://www.tagesschau.de/inland/kooperationsverbot-101.html>

budgeting and accounting system (MHR = Modernisierung des Haushalts und Rechnungswesens) started as an outcome of the experiences of this testing in 2006. A project group was founded to form a comprehensive model of product budgeting. In 2010 this development was stopped. Since the decision of the federal parliament (second chamber = Bundestag) to stall the reform of the federal budgeting process into a performance based budgeting in 2010, there have been only little efforts to go in this direction. In their model of "Types of Performance Budgeting" the Organisation for Economic Cooperation and Development (OECD) considers Germany as on the way towards the modest end of the spectrum of "presentational performance budgeting".⁶⁹

The budget parliamentarians have seen in an out-come performance budget the risk of losing the control over the financial aspect of governmental action. If a parliament is recognizing such risks in its democratic obligations it should indeed react like this. Especially under the impression of the global financial crisis. Today the German federal budget is a traditional document with 3000 pages and nearly 6600 line items⁷⁰ which have been debated one by one by the parliaments committees. The dimension of the budget document limits on the other side the parliamentarian's possibility to over-look the entire budget.

This is why soft versions of reforms on a pilot basis go on. Background is the question of efficiency and the global competition of governmental systems. Three ministries had to prepare their single budget chapters with a one-page foreword to context the main policy fields and "indicate the performance elements that are anticipated to accompany successful implementation" in 2013.⁷¹ Such an information page is also at the beginning of each subject chapter. Administrative costs and pure programme expenditures are separated to structure the chapters more readable and to give the parliamentarians the possibility to analyse the political dimensions of the budget first. The parliamentarians appraised the new form already. Since the 2014 budget more and more ministries are preparing their budget chapters in the reformed way.

The control of the budget – the argument for the parliament's decision in 2010 – stays within the parliament. The reform nevertheless strengthens the parliaments role in the political control of the budget. For the control of detailed expenditures on the more administrative level of the budget the German Federal Court of Auditors (Bundesrechnungshof) is an external federal institution. It gives reports to the parliament and the government likewise. The Federal Court of Auditors is independent from governmental influence and was founded already with the German Basic Law (GG Article 114) in 1950. It has its equivalent bodies in the Länder/federal states and on the EU-level since 1977. Its obligation is auditing, reporting and counselling. As an institution outside the separation of powers it is free to choose its topics of examinations. Even though the

⁶⁹ OECD 2014,

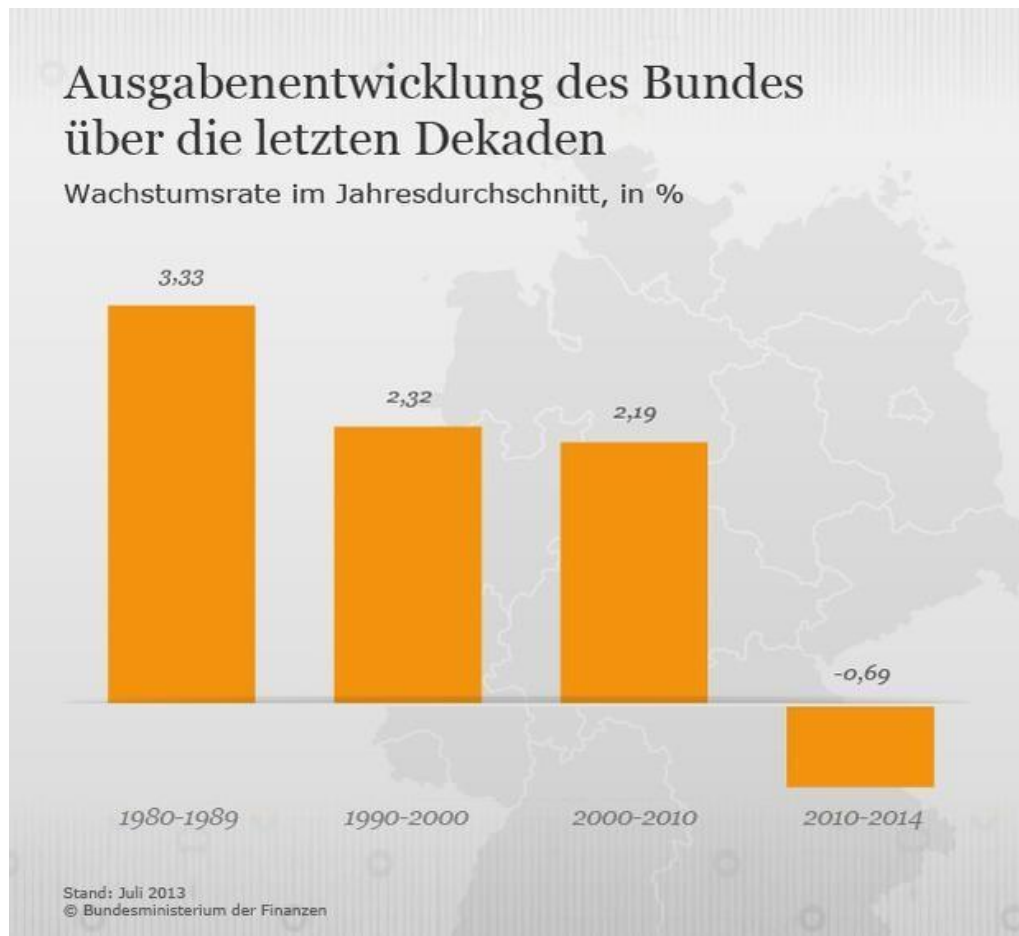
http://www.bundesfinanzministerium.de/Content/DE/Standardartikel/Themen/Oeffentliche_Finanzen/Bundeshaushalt/2014-12-05-oecd-haushaltssystem-des-bundes-bericht.pdf?blob=publicationFile&v=3

⁷⁰ Ibid: p. 27.

⁷¹ Ibid: p.29.

parliament cannot force the Court of Auditors to analyse certain budgetary position, it can ask and usually gets information by the financial controllers.

Figure 14: Federal budgetary spending development in recent decades



Source:

<http://www.bundesfinanzministerium.de/Content/DE/Bilderstrecken/Mediathek/Infografiken/oeffentlich-e-finanzen-allgemein.html?notFirst=true&docId=290708&countlx=12>

Translation of Figure 14

Wachstumsrate im Jahresdurchschnitt, in % = Growth rate annual average, in %

The reforms in the fiscal arena brought the state budget from growing expenditures to a shrinking expenditure in recent years. In the long run it is necessary to not just have a balanced or even a constantly surplus budget but also good governance and stable finances with high rates of investment. Today's level of total investment rate is very low at only 17.2% of the GDP compared to a rate in the first year after the reunification (1991) at 23.3% of the GDP. The investment quota is not just a task of the state, but of the entire national economy. Nevertheless it is still also a task for the state budget.

“Germany faces a paradoxical situation. The success of past reforms, coupled with short-term growth and employment, shift attention away from serious long-term structural challenges resulting from demographics and protracted underinvestment.

No other leading economy worldwide has weathered the storm of the crisis as well as Germany. Over the past three years, average growth rates were higher in Germany than in any other major Euro area country, unemployment rates dropped to historic lows (7.7%, the lowest level since 1991), the debt-to-GDP ratio fell, and a smart model of industrial innovation – combined with a multi-lateral value chain – generated an unprecedented strength in exports (trade currently accounts for nearly 50% of German GDP). Germany proudly looks back on reforms undertaken a decade ago that changed the rules of the game and are now viewed as explaining its current success.

At the same time, few leading economies worldwide face medium- to longer-term challenges as fundamental as Germany does. The population has started to shrink: by around 2050, Germany's population will probably be smaller than that of France or Britain. Today, Germany has around 2.3 workers for every single retired person; by 2060, there will be only about 1.3 workers per retiree. Also, there is a large private and public investment gap. According to the German economic research institute DIW, the public-private investment gap amounts to €75 billion (or 3% of GDP) per year and accumulated from 1999 to 2012 to about €1 trillion (or 40% of GDP). Also, the German financial position is characterised by high savings and large financial outflows to the rest of the world whose returns are low, if not negative. Domestic demand is weak. Education indicators are not strong. Income inequality is rising with clear risks of poverty among elderly people. [...]

The last time Germany faced such fundamental challenges was from 1995 to 2005.

The selection in 1997 of "Reformstau" (reform backlog) as the word of the year signalled the widespread awareness of need for structural change at the time. In

1999, the Economist famously called Germany the "sick man of the Euro", but it took four more years before Gerhard Schröder launched the Agenda 2010 reforms and two additional years before the reforms entered into effect. The 2005 reform package combined quick-win elements, as well as enabling and catalytic reforms. Yet, 2005 also marked the culmination of several incremental reform steps that had been undertaken since 1995 in a variety of areas, including the financial industry, wage-bargaining, industry structure, taxation and pensions.

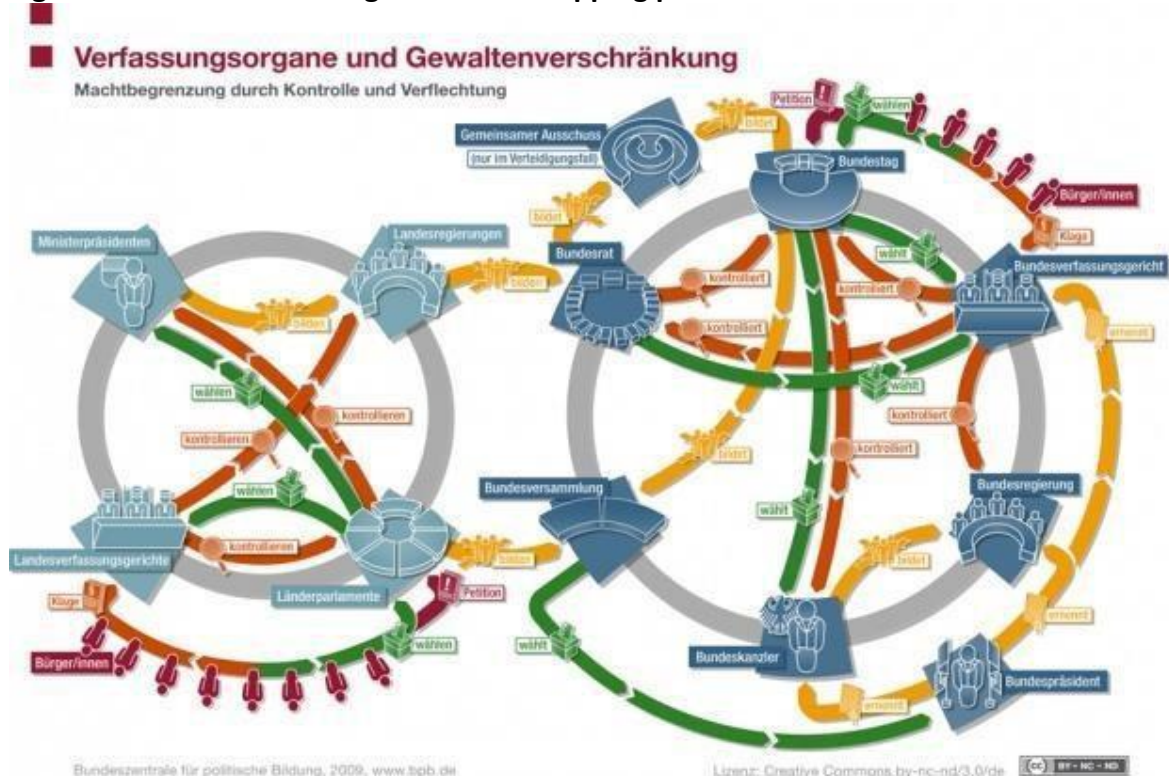
We believe Germany needs to initiate yet another wave of reforms. In contrast to France, where reforms are urgent and specific, the German reform needs are more fundamental in nature, require societal transformation and will likely need considerable time for implementation. Our main concern is that procrastination will prevail."⁷²

⁷² Enderlein / Pisani-Ferry 2014, p.16.

5 Conclusions

The Federal Republic of Germany has, on the one hand, a long and quite successful history of strategic planning and reforming its economies and policies. On the other hand, there are obvious long-term challenges and a shrinking ability to carry out big steps to meet those challenges. Next to demographic change, with needed increasing immigration and better family supports, the industrial potential of the state needs a transition into a carbon dioxide-free production, ongoing improvements of the educational sector at all levels, and a stable high investment quota. The federal system produces sustainable results with lasting solutions, which cannot be cancelled so easily. However, the system itself is very slow and seldom as efficient and transparent as a central decision system. Reforms of the federal system itself, restricted anyway by a not-changeable constitutional law (eternity clause Article 69, Para 3 GG), are only in time-consuming consultative ways possible and depend on the will of the leading parties. If this will is limited over longer periods of time, the ability for strategic planning and reforms can fail over decades. In changed political circumstances like under higher pressure from left wing and right wing parties, the time-consuming consultative way of sustainable solution finding process is not just time-consuming but is endangered to work properly.

Figure15: Constitutional organs and overlapping powers



Source: <http://www.bpb.de/politik/grundfragen/24-deutschland/40501/verfassungsorgane-und-gewaltenteilung-interaktive-themengrafik>

Translation of Figure 15 (clockwise rotation, left circle first)

Green arrows = vote/elect

Orange arrows = control/take to court/petition

Yellow arrows = form

Bürger/innen = Citizens male/female

Landesregierungen = federal state governments

Landesparlamente = parliaments of the Länder

Landesverfassungsgerichte = Constitutional Courts of the Länder

Ministerpräsidenten = Minister Presidents

Bundestag = Second chamber of the federal parliament

Bundesverfassungsgericht = Federal constitutional court

Bundesregierung = Federal government

Bundespräsident = Federal president

Bundeskanzler = Federal chancellor

Bundesversammlung = Federal convention

Bundesrat = First chamber of the federal parliament

Gemeinsamer Ausschuss (nur im Verteidigungsfall) = Common Committee (only in the case of defence)

The biggest risk for Germany in the coming decades is not left or right wing parties but the missing reform and strategic structures towards a higher birth-rate in the last decades. Hans-Werner Sinn, macro-economist and head of the ifo Institute for economic research, as one of the few really influential economists in German politics, stated in one of Germany's most respected newspapers in early January 2015:

"Because of the aging of the society fewer and fewer young people will have to finance more and more old. By 2035 there are 32 million migrants needed to stable pension levels and rates at the current level; the integration capacity of the society would probably be exceeded.[...] The politics - in spite of warnings from the science - did nothing against the dramatic fall in the birth rate. It is too late now. Therefore, we need more migration. This will change the culture of this country. However, we can

not only depend on migration, we need a lot more children also. [...] I would copy the successful French system: free kindergartens and nursery schools, all-day schools and a child-related breakdown for taxes. I would also introduce a pension for having children. It would be in addition to the existing pension scheme – it is not infringed upon - a supplementary pension, which is based on the number of children. Those who have no children, must save for the supplementary pension."⁷³

The demographic change already has and will have more and more impacts on the public administration. If Germany is becoming Europeanized and globalized progressively in the coming years, the labour force of the public administration has to reflect that. Integration will not just be a task of public services but will be done in public services as well.

Still an aspect of modern administration is the growing burden of tasks with limited resources of finance and labour force. In the municipalities this will be a question of size and structure on the one hand and of reachability for citizens on the other hand. This is a pressing problem of modernization for some of the Länder/federal states, not. The size and structure of the Länder/federal states itself nevertheless is also such a problem.

There is no easy solution for both areas of structural modernization. Nevertheless it indicates that administration modernization is not without its doubts and does not make politics easy.⁷⁴

⁷³ Die Zeit, 8.1.2015, p. 21.

⁷⁴ see <http://www.bmas.de/DE/Themen/Arbeitsrecht/Mindestlohn/inhalt.html>

6 Annexes

6.1 List of the Cabinet of Chancellor Merkel

Office	Name / functions of the ministry	Party
Chancellor	Dr. Angela Merkel	CDU
	<ul style="list-style-type: none"> • determines the guidelines for all policy areas; • sets the framework for government action that the individual ministers then flesh out with content; • is the central executive authority; • is elected by a majority of the federal parliament (second chamber = Bundestag); • forms the federal cabinet/government, chooses members 	
Vice-Chancellor, Federal Minister of Economics and Energy	Sigmar Gabriel	SPD
	<ul style="list-style-type: none"> • is in charge of economic policies under the principles of the social market economy; • keeps the German economy innovative in the long term and strengthens the social fabric; • is guided by the vision of the “Enabling State” and of modernisation of state and administration; • priorities: investment, innovation, infrastructure, internationalisation, integration of qualified employees into labour market, energy reforms 	
Federal Minister of Foreign Affairs	Dr. Frank-Walter Steinmeier	SPD
	<ul style="list-style-type: none"> • keeps German interests in the world under the principles of peace and multilateral cooperation; • coordinates EU policies and cares for a consistent German international appearance of all German ministries; • cornerstones are European integration and the transatlantic partnership; • over 450 embassies, consulates and permanent representations 	
Federal Minister of Interior	Dr. Thomas de Maizière	CDU
	<ul style="list-style-type: none"> • is in charge of the federal public administration, inner security, law enforcement, protection of the constitution, information technologies, civic education, sport; • is responsible for the organisation of the dismantling of bureaucracy and the modernisation of public administration 	
Federal Minister of Justice and Consumer	Heiko Maas	SPD
	<ul style="list-style-type: none"> • is in charge of the protection and the enhancements of 	

Protection	<p>the constitutional state;</p> <ul style="list-style-type: none"> • consumer protection; • analysis of the legality and constitutionality of laws in preparation; • federal courts are under its scope 	
Federal Minister of Finance	Dr. Wolfgang Schäuble	CDU
	<ul style="list-style-type: none"> • is in charge of the federal budget, fiscal organisation and macroeconomic questions, taxes, federal and Länder (federal state)-financial cooperation, finance markets and related European policies; • is responsible for balancing the budget and the modernisation of fiscal and budgetary policies 	
Federal Minister of Labour and Social Affairs	Andrea Nahles	SPD
	<ul style="list-style-type: none"> • is in charge of labour market policies, German labour law, social security and pensions; • tries to intensify international cooperation and promotion of the German model of labour market organisation 	
Federal Minister of Food and Agriculture	Christian Schmidt	CSU
	<ul style="list-style-type: none"> • is in charge of food policies and food safety, animal health, rural development, agricultural and fishery policies and sustainability, related EU policies and international cooperation 	
Federal Minister of Defence	Dr. Ursula von der Leyen	CDU
	<ul style="list-style-type: none"> • in charge of defence of Germany and allies; • commands German armed forces 	
Federal Minister for Family Affairs, Senior Citizens, Women and Youth	Manuela Schwesig	SPD
	<ul style="list-style-type: none"> • in charge of policies in the sectors: family, seniors citizens, women, children and youth, public welfare and voluntary work programme, and civil engagement 	
Federal Minister of Health	Hermann Gröhe	CDU
	<ul style="list-style-type: none"> • in charge of the functioning and enhancements of the national health insurance, the health systems, medicines and medical devices as well as related topics; • is responsible for European and international health policies 	

Federal Minister of Transport and Digital Infrastructure	Alexander Dobrindt	CSU
	<ul style="list-style-type: none"> • is in charge of federal routes of transport, civil aviation, waterways and shipping, land transport, road construction, digital society and related policies 	
Federal Minister for the Environment, Nature Conservation, Building and Nuclear Safety	Dr. Barbara Hendricks	SPD
	<ul style="list-style-type: none"> • is in charge of environmental policies, climate protection, nuclear security and transition, building, development of urban areas and housing; • international co-operations; • priorities: reforms related to climate policies, nuclear power phase-out and energy reforms 	
Federal Minister of Education and Research	Prof. Dr. Johanna Wanka	CDU
	<ul style="list-style-type: none"> • in charge of vocational trainings and lifelong learning, science, research for innovation in key technologies, life sciences and related policies 	
Federal Minister for Economic Cooperation and Development	Dr. Gerd Müller	CSU
	<ul style="list-style-type: none"> • in charge of the design and realization of the German development policies; • cooperation in European and international organisations like the IMF, World Bank, UN 	
Federal Minister for Special Tasks and Head of the Chancellery	Peter Altmaier	CDU
	<ul style="list-style-type: none"> • assists the Chancellor; • coordinates the federal government with representatives of each federal ministry and leads the federal intelligence service; • coordinates federal level-Länder/federal states working groups; • coordinates modernisation working groups at the federal level and between the federal level and the Länder/federal states 	

6.2 Lists of Cabinets of Federal States presented in this report

Government of Baden-Württemberg		
In office since 12 Mai 2011		
Minister President	Winfried Kretschmann	BÜNDNIS 90/DIE GRÜNEN
Minister of Finance and Economy, Vice Prime Minister	Nils Schmid	SPD
Minister in the State Chancellery	Silke Krebs	BÜNDNIS 90/DIE GRÜNEN
Minister for Federal Parliament (Bundesrat), Europe, and international Affairs, Attorney for Federal Affairs	Peter Friedrich	SPD
Minister for Education, Youth and Sports	Andreas Stoch	SPD
Minister for Science, Research and Culture	Theresia Bauer	BÜNDNIS 90/DIE GRÜNEN
Minister of Interior	Reinhold Gall	SPD
Minister for Environment, Climate and Economy of Energy	Franz Untersteller	BÜNDNIS 90/DIE GRÜNEN
Minister for Labour, Social Structure, Family, Women and Seniors	Katrin Altpeter	SPD
Minister for Rural Development and Consumer Protection	Alexander Bode	BÜNDNIS 90/DIE GRÜNEN
Minister of Justice	Rainer Stickelberger	SPD
Minister for Transport and Infrastructure	Winfried Hermann	BÜNDNIS 90/DIE GRÜNEN
Minister for Integration	Bilkay Öney	SPD
State Secretary in the Ministry for Transport and Infrastructure	Gisela Splett	BÜNDNIS 90/DIE GRÜNEN
State Secretary for Civil Society and Citizen Participation	Gisela Erler	BÜNDNIS 90/DIE GRÜNEN

Source: <http://www.baden-wuerttemberg.de/de/regierung/landesregierung/>

Government of Brandenburg		
In office since 15 November 2014		
Minister President	Dietmar Woidke	SPD
Minister of Interior and Municipals	Karl-Heinz Schröter	SPD
Minister of Justice and for Europe and Consumer Rights	Helmuth Markov	Linke
Minister of Finance	Christian Görke	Linke

Minister of Economy and Energy	Albrecht Gerber	SPD
Minister for Rural Development, Environment and Agriculture	Jörg Vogelsänger	SPD
Minister for Infrastructure and State Planning	Kathrin Schneider	crossbench, SPD
Minister for Education, Youth and Sports	Günter Baaske	SPD
Minister for Labour, Social Affairs, Health, Women and Families	Diana Golze	Linke
Minister for Science, Research and Culture	Sabine Kunst	crossbench, SPD

Source: <http://www.brandenburg.de/de/landesregierung>

Government of Lower Saxony		
In office since 19 February 2013		
Minister President	Stephan Weil	SPD
Minister for Environment, Energy and Climate Protection, Vice Prime Minister	Stefan Wenzel	BÜNDNIS 90/DIE GRÜNEN
Minister for Interior and Sports	Boris Pistorius	SPD
Minister for Finance	Peter-Jürgen Schneider	SPD
Minister for Social Affairs, Health and Equalisation	Cornelia Rundt	SPD
Minister for Science and Culture	Dr. Gabriele Heinen-Kljajic	BÜNDNIS 90/DIE GRÜNEN
Minister for Education	Frauke Heiligenstadt	SPD
Minister for Economy, Labour and Transport	Olaf Lies	SPD
Minister for Food, Agriculture and Consumer Protection	Christian Meyer	BÜNDNIS 90/DIE GRÜNEN
Minister of Justice	Antje Niewisch-Lennartz	BÜNDNIS 90/DIE GRÜNEN

Source:

http://www.niedersachsen.de/portal/live.php?navigation_id=6804&article_id=20076&psmand=1000

Government of Saarland		
In office since 9 Mai 2012		
Minister President, Minister for Science, Research and Technology	Annegret Kramp-Karrenbauer	CDU
Minister for Economy, Labour, Energy and Transport, Vice Prime Minister	Anke Rehlinger	SPD
Minister of Finance and for Europe	Stephan Toscani	CDU
Minister of Interior and Sports	Klaus Bouillon	CDU
Minister for Social Affairs, Health, Women and Family	Monika Bachmann	CDU
Minister of Justice, Environment and Consumer Protection	Reinhold Jost	SPD
Minister for Education and Culture	Ulrich Commeçon	SPD
State Secretary, Head of the State Chancellery, Attorney for Federal Affairs and Europe	Jürgen Lennartz	CDU

Source: <http://www.saarland.de/12291.htm>

6.3 Website Addresses of Federal Ministries with Strategic Planning Tasks

Ministry	Address
Federal Ministry of Economics and Energy	www.bmwi.de
Federal Ministry of Foreign Affairs	www.auswaertiges-amt.de
Federal Ministry of Interior	www.bmi.bund.de
Federal Ministry of Finance	www.bundesfinanzministerium.de
Federal Ministry of Labour and Social Affairs	www.bmas.de
Federal Ministry of Transport and Digital Infrastructure	www.bmvi.de
Federal Ministry of Education and Research	www.bmbf.de
Federal Ministry for Special Tasks and Head of the Chancellery	www.bundesregierung.de

6.4 Examples of Consultative Boards to Federal Ministries for Strategic Development and with Federal-Federal State Tasks

Advisory Boards to the Federal Government	
Name	Address
Arbeitskreis Steuerschätzung (BMFi) (Working Party on Tax Revenue Forecasting)	http://www.bundesfinanzministerium.de/Content/DE/Standardartikel/Themen/Steuern/Steuerschaetzungen_und_Steuereinnahmen/Steuerschaetzung/arbeitskreis-steuerschaetzungen-en.html
Arbeitskreis "Steuerung und Controlling in öffentlichen Institutionen" (BMI) (Working Party "Strategic Management and Controlling in public organizations")	http://www.verwaltung-innovativ.de/DE/Steuerung/Arbeitskreis_Steuerung_und_Controlling/arbeitskreis_steuerung_und_controlling_node.html
Beratende Kommission im Zusammenhang mit der Rückgabe NS-verfolgungsbedingt entzogener Kulturgüter, insbesondere aus jüdischem Besitz, Geschäftsstelle: Koordinierungsstelle für Kulturgutverluste (Federal Government and Ministers of Culture of the Länder/Federal States) (Advisory Commission on the return of cultural property seized as a result of Nazi persecution, especially Jewish property)	http://www.lostart.de/Webs/DE/Kommission/Index.html
Bioökonomierat (Bioeconomy Council)	biooekonomierat.de
Deutscher Ethikrat (German Ethics Council)	ethikrat.org
Expertenkommission Forschung und Innovation (kurz <i>EFI</i>) (BMBF) (Commission of Experts for Research and Innovation)	e-fi.de
Hauptausschuss für Mindestarbeitsentgelte nach dem Mindestarbeitsbedingungengesetz (BMAS) (Main Committee for Minimum Wages according to	http://www.bmas.de/DE/Themen/Arbeitsrecht/Meldungen/hauptausschuss-mindestarbeitsentgelte.html

the Minimum Working Conditions Law)	
Innovationsdialog zwischen Bundesregierung, Wirtschaft und Wissenschaft (Dialog for Innovation between the Federal Government, Economy and Science)	innovationsdialog.acatech.de
Monopolkommission (BMWi) (Monopoly Commission)	monopolkommission.de
Nationale Stelle zur Verhütung von Folter (National Agency for the prevention of torture)	nationale-stelle.de
Nationaler Normenkontrollrat (BK) (National Council for the control of the compatibility of legislation with the Basic Law)	normenkontrollrat.bund.de
Rat für Nachhaltige Entwicklung (kurz: RNE) (BKAm t) (German Council for Sustainable Development)	nachhaltigkeitsrat.de
Sachverständigenrat für Umweltfragen (UBA) (German Advisory Council on the Environment)	umweltrat.de
Sachverständigenrat zur Begutachtung der gesamtwirtschaftlichen Entwicklung (BMWi) (Expert Council for the Assessment of the Macroeconomic Development)	sachverstaendigenrat-wirtschaft.de
Sachverständigenrat zur Begutachtung der Entwicklung im Gesundheitswesen (BMG) (Expert Council for the Assessment of the Developments in Health Services)	svr-gesundheit.de
Wissenschaftlicher Beirat der Bundesregierung Globale Umweltveränderungen (German Advisory Council on Global Change)	wbgu.de
Wissenschaftsrat (German Council of Science and Humanities)	wissenschaftsrat.de

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