



Demographic Change : Country Profiles

Demographic Profile Germany: United in Decline

Nearly two decades after German reunification, demographic trends in the country's formerly divided eastern and western states differ greatly. One thing, however, is common both in the east and west – a shrinking population.



Korean artist Eun Sook Lee's illuminated installation, "Vanished Berlin Wall," on display in Berlin in 2007 (Photo: Reuters)

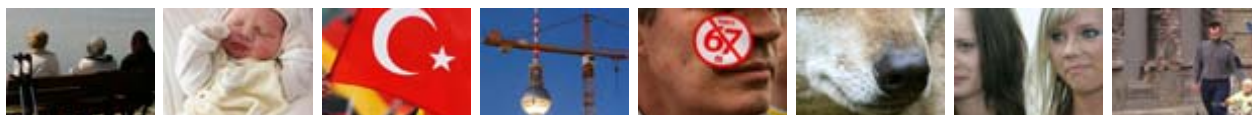
Former U.S. Secretary of State Henry Kissinger once said that Germany was too big for Europe, but too small for the world. But after forty years of division, the reunification of Germany's eastern and western states in 1990 once again established the country as the most populous in Europe.

But nearly two decades later, Germany still bares the scars of the Cold War division. In parts of the former East Germany, hard-to-miss, Soviet-style concrete apartment blocks still dominate urban skylines. Derelict factories, vacant buildings, and empty streets all symbolize the region's industrial decline.

It is this decline and economic stagnation that has prompted 1.7 million people to move away from eastern Germany since reunification, leaving behind empty and aging towns and villages. Some eastern German cities have lost 20 to 30 percent of their populations since 1990. Nowhere in Europe are the demographic challenges as daunting.

Population decline, however, is not limited to eastern Germany; it is a nationwide trend. Fertility rates on both sides of the wall fell to 1.4 children per woman during the 1970s, when Italy, Spain, and Greece - all of which have lower fertility levels than Germany today - were still reporting rates of over 2.

Germany Gallery



Thirty years of low fertility are now taking their toll on German demographics. Germany's population officially began to decrease in 2003, and is set to drop to between 69 and 71 million people by 2050, down from around 82 million today. By then, Germany will have to compete with Britain and France for the European Union's largest population (assuming Turkey does not become a member state).

Although state intervention in population and family planning was long considered taboo in postwar Germany, the government has now begun to take some action. Following the example set by Scandinavian countries during the 1970s-80s, Germany began offering working parents generous leave-with-pay packages in 2007. And while the number of births in Germany in 2007 did rise for the first time in a decade, it was only by about 12,000 births.

Incentives alone cannot deliver Germany from demographic decline. Even with small increases in the birthrate, Germany's population will continue to age and dwindle. This, along with increasing life expectancy, threatens Germany's pay-as-you-go social security system, which relies largely on worker contributions. The government already spends about 80 billion euros a year on pensions, about a third of its total expenditure. Reforms are in the works to adapt the system to the sharp increase in Germany's over-60 population. For a start, Germany will gradually increase its official retirement age to 67.

Related Articles

Demographic Profile France: Liberté, Égalité, Fertilité

An Ocean Apart: European and U.S. Demographics Compared

Another option is to encourage immigration, but so far the integration of foreigners into German society has not been easy. While Germany is contemplating loosening immigration for highly qualified workers like engineers and programmers, current unemployment figures make unlikely that German will open its borders to foreign like it did to Gastarbeiter (foreign "guest workers") during the 1950s and 1960s.

Read the following articles for more information on demographic trends and government action in Germany:

[Fact Sheet - German Demographics](#)

[Demographic Trends & Impacts in Germany](#)

[Government Policies](#)

[Demographic Outlook](#)

[Interview: "We Are Still a Divided Country"](#)

editor: Valdis Wish

publishing date: July 21, 2008

© Allianz 2007, All Rights Reserved