Fiscal discipline and decentralization: the case of Germany
The Länder view

July 10th, 2008

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Fiscal discipline and decentralization: the case of Germany
The Länder view

- Germany: A political and financial survey
- Federalism and finance – a couple in constant trouble
- The federalism reform
- New rules to limit public debt
- The Länder point of view
- Demographic trends and their impact on public finance
- Current stage of proceedings in the Federalism Reform Commission

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Map of Germany

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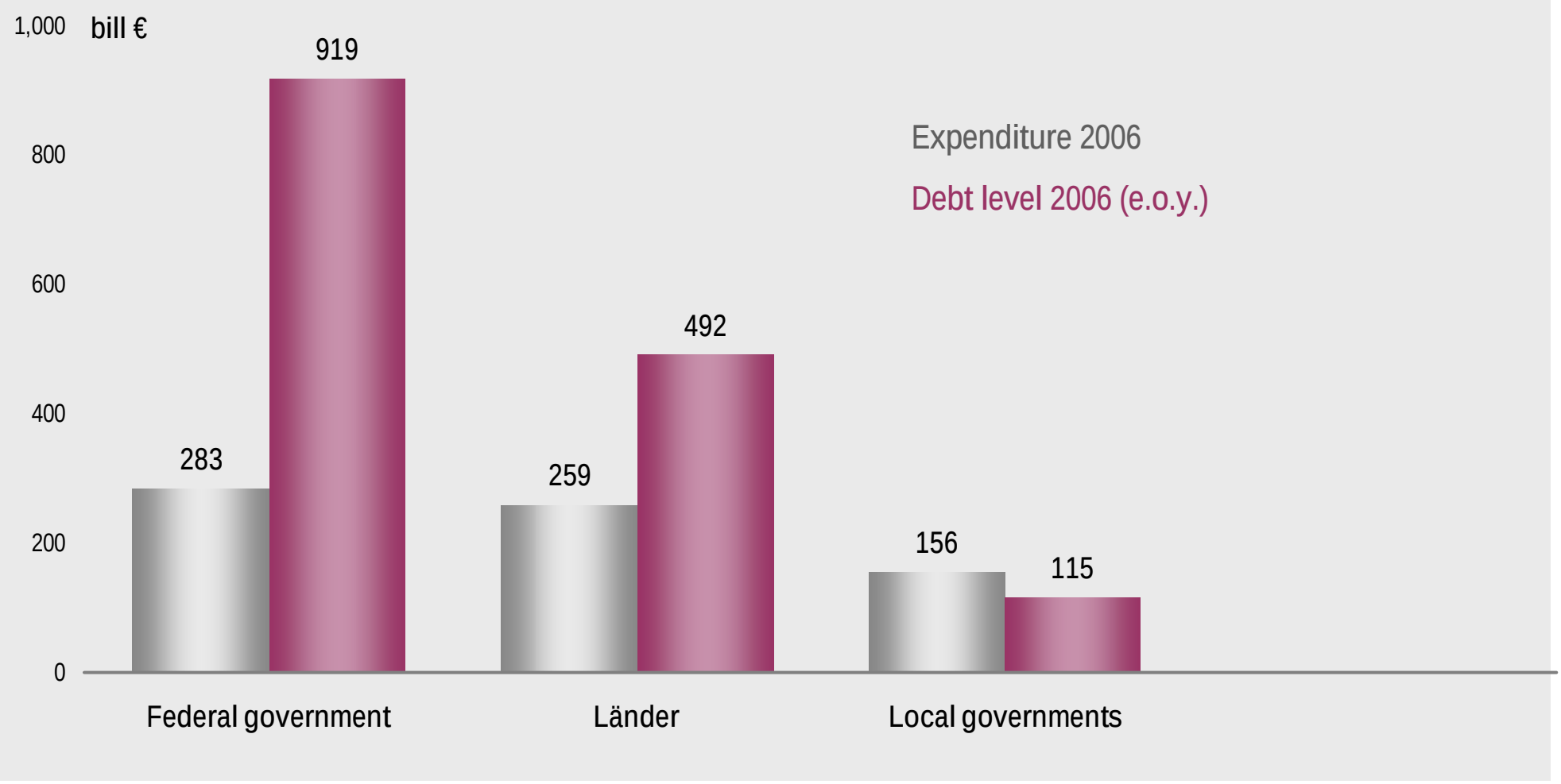
General government expenditures and debt in Germany



July 2008. Provisional data, partly estimated

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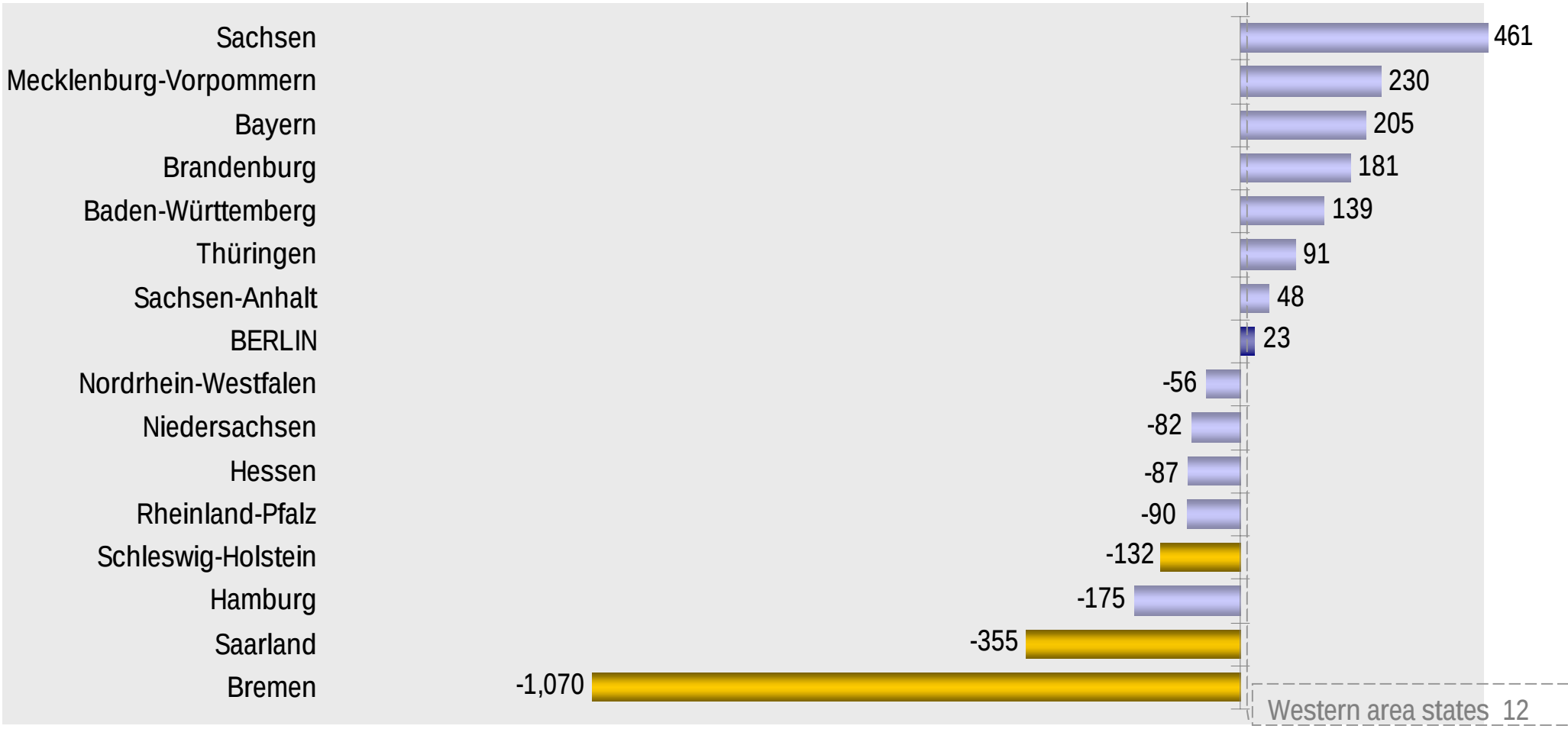
Net lending (+) / net borrowing (-) per capita 2007



July 2008. € per capita. Statistisches Bundesamt (Federal Statistical Office)

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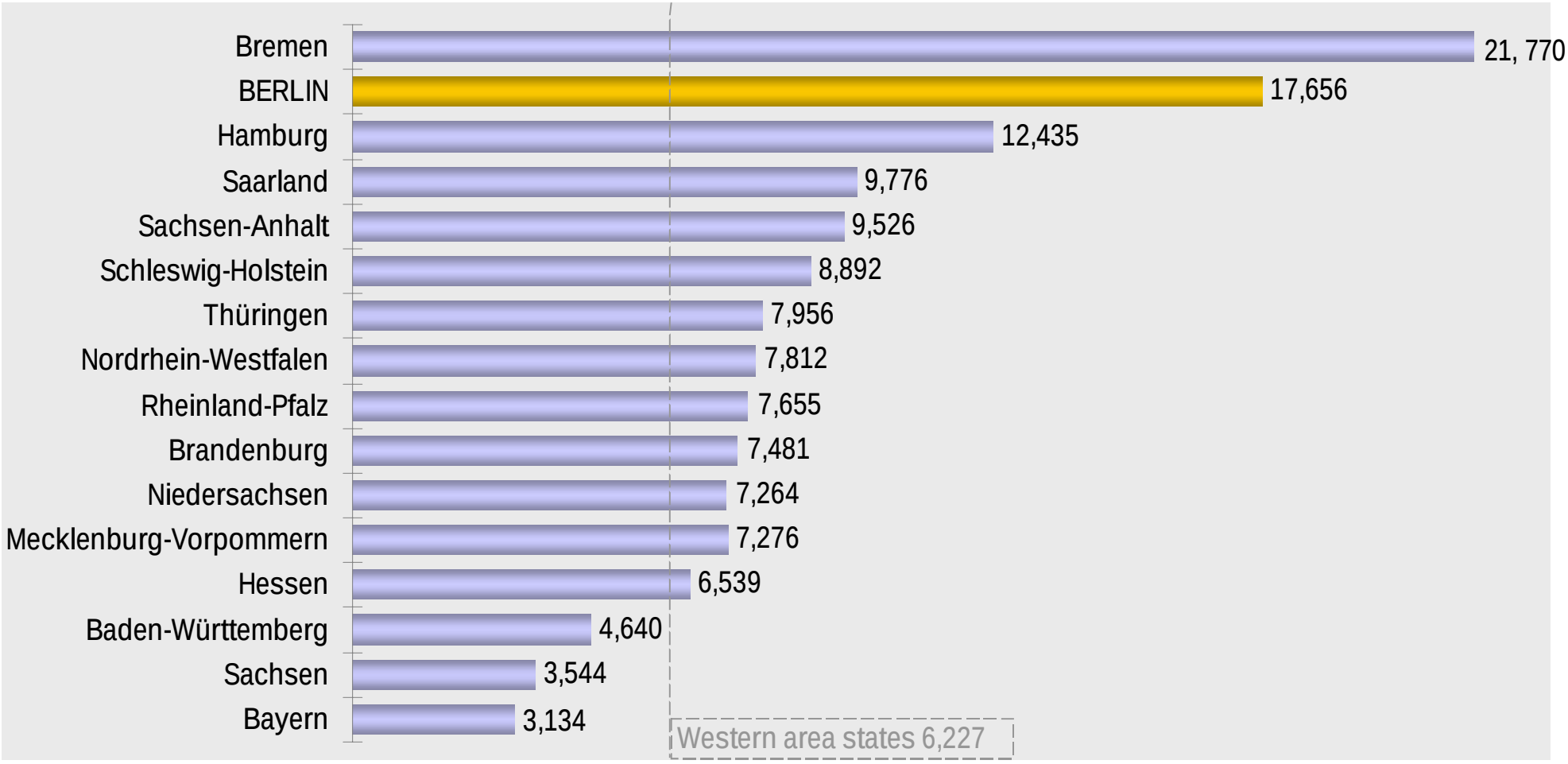
Debt level per capita 2007



July 2008. € per capita. Statistisches Bundesamt (Federal Statistical Office)

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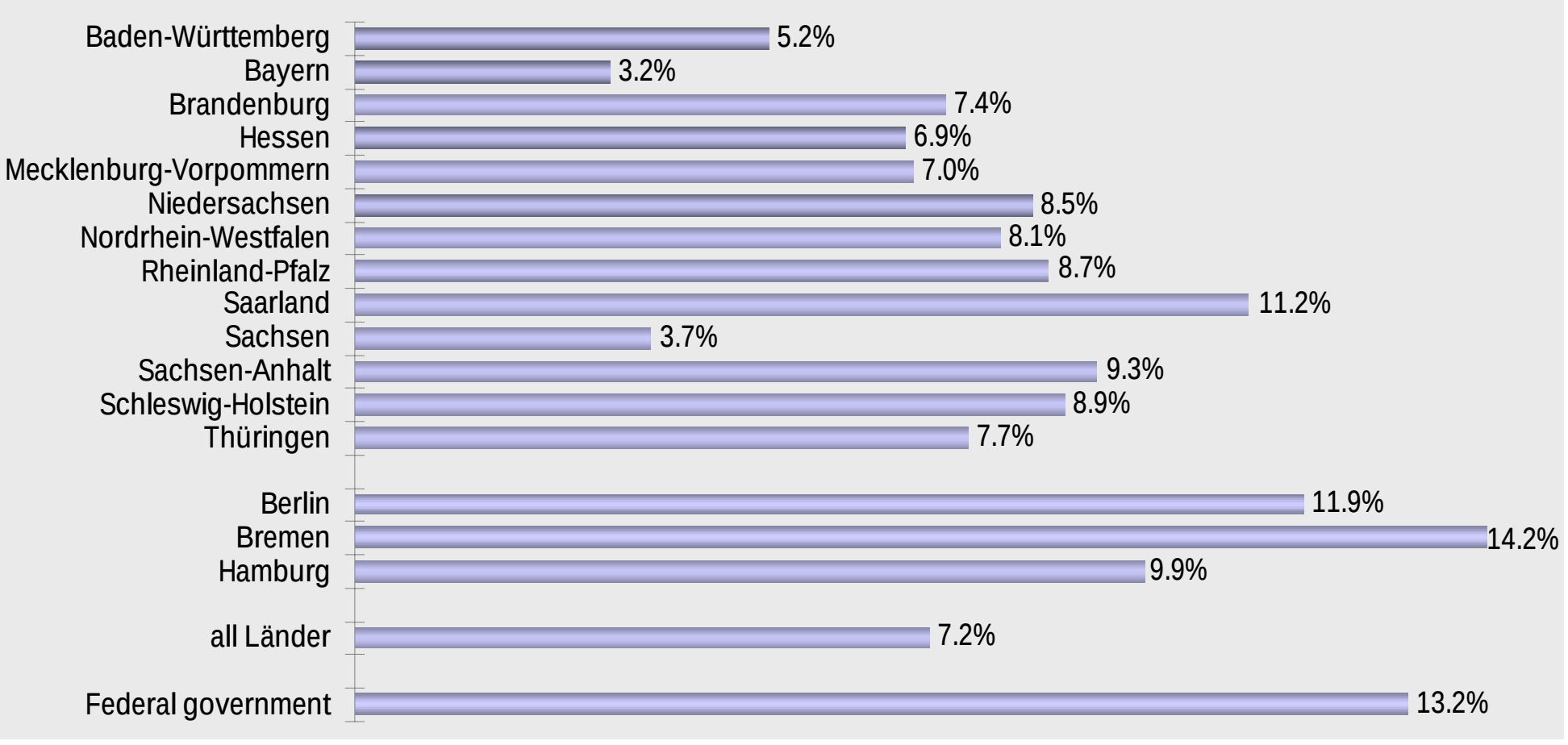
Interest obligations as a share of public expenditures 2007



July 2008. Provisional data. Statistisches Bundesamt (Federal Statistical Office)

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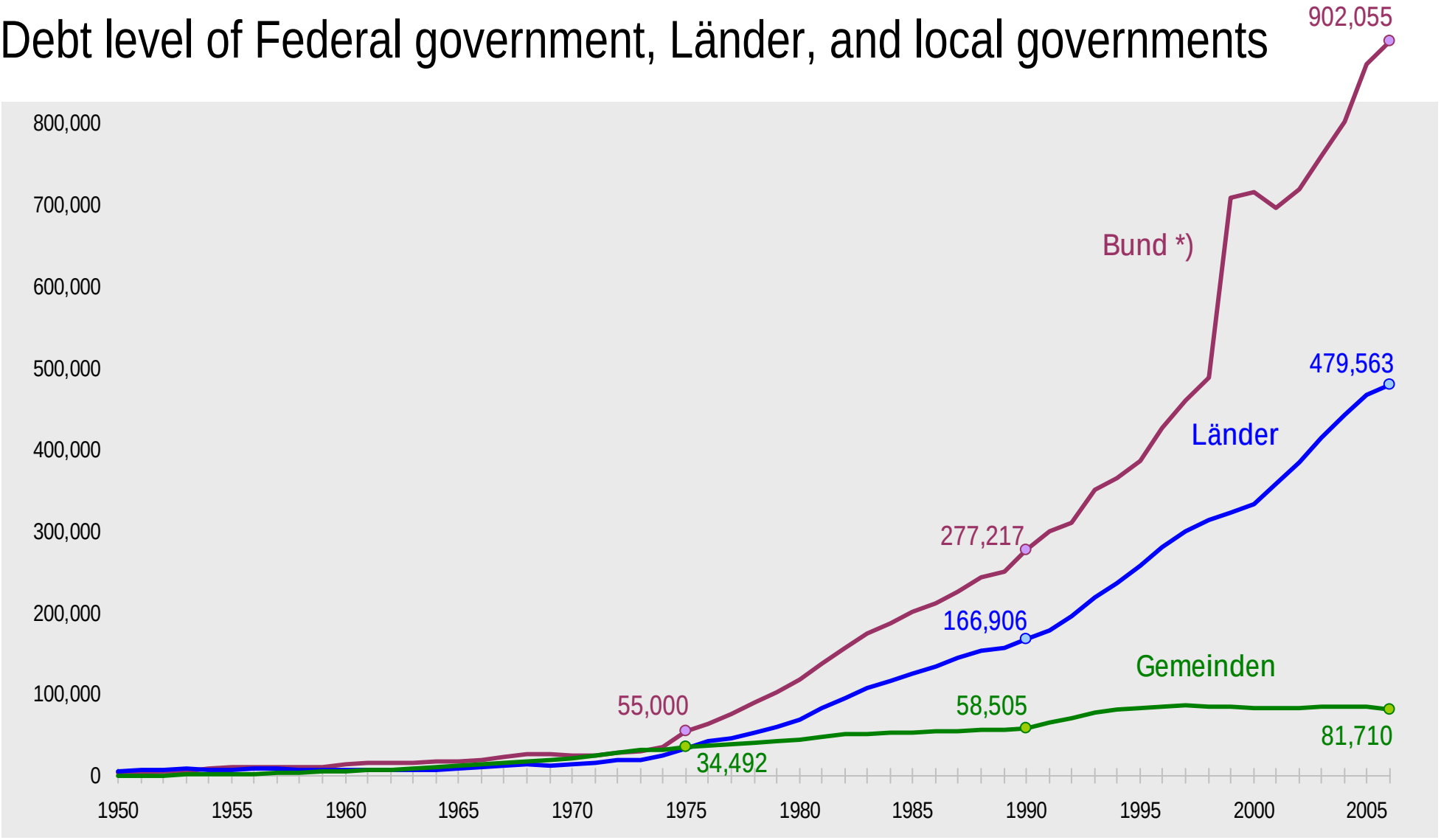
Debt level of Federal government, Länder, and local governments



July 2008. mill €. Statistisches Bundesamt (Federal Statistical Office). 2006 provisional data, partly estimated. *) incl. assumptions of debt by the Federal government (1980, 1999, und 2005) and singular revenues (UMTS 2000).

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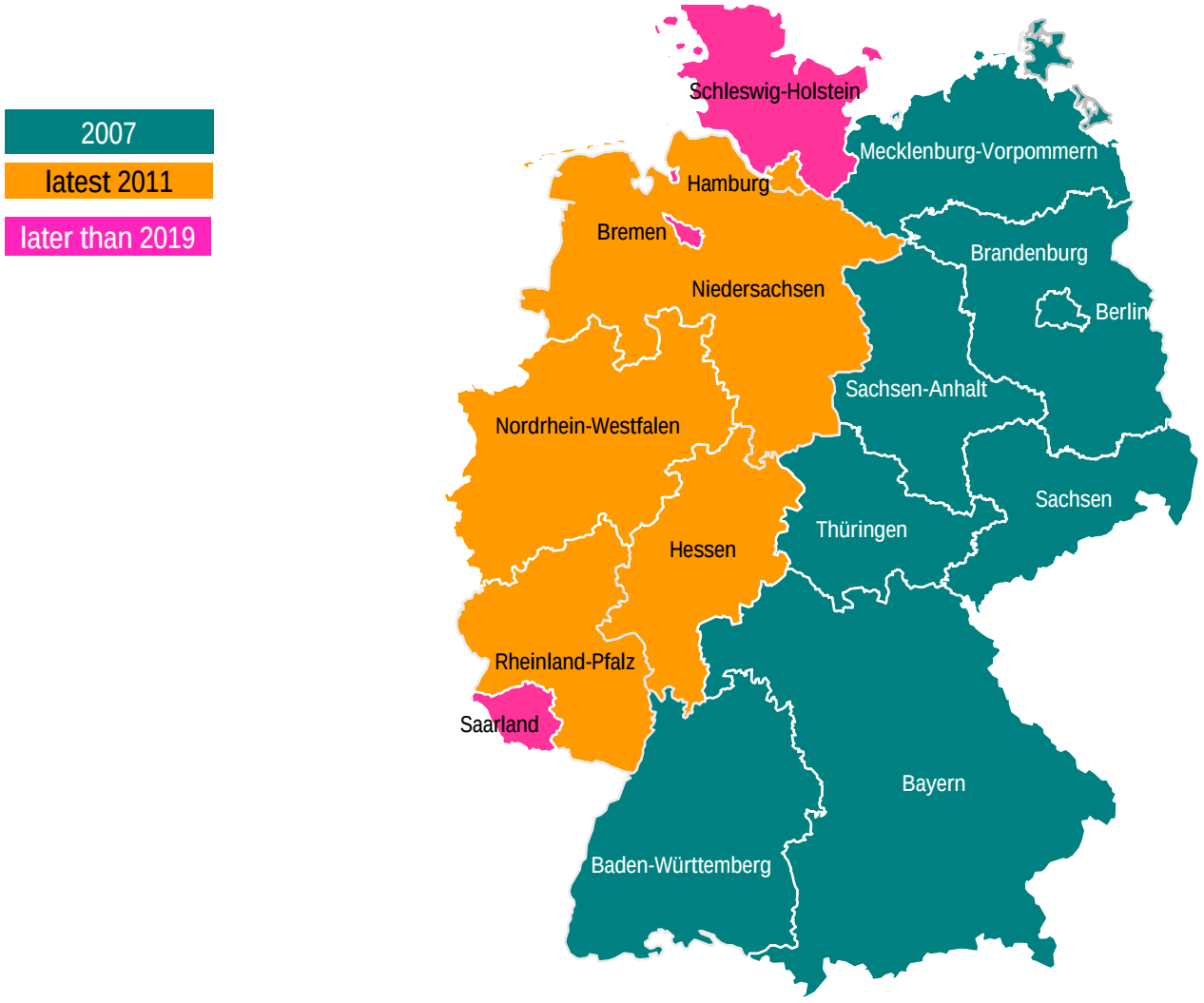
Balanced budgets and debt repayment beginning in ...



July 2008. States' financial departments

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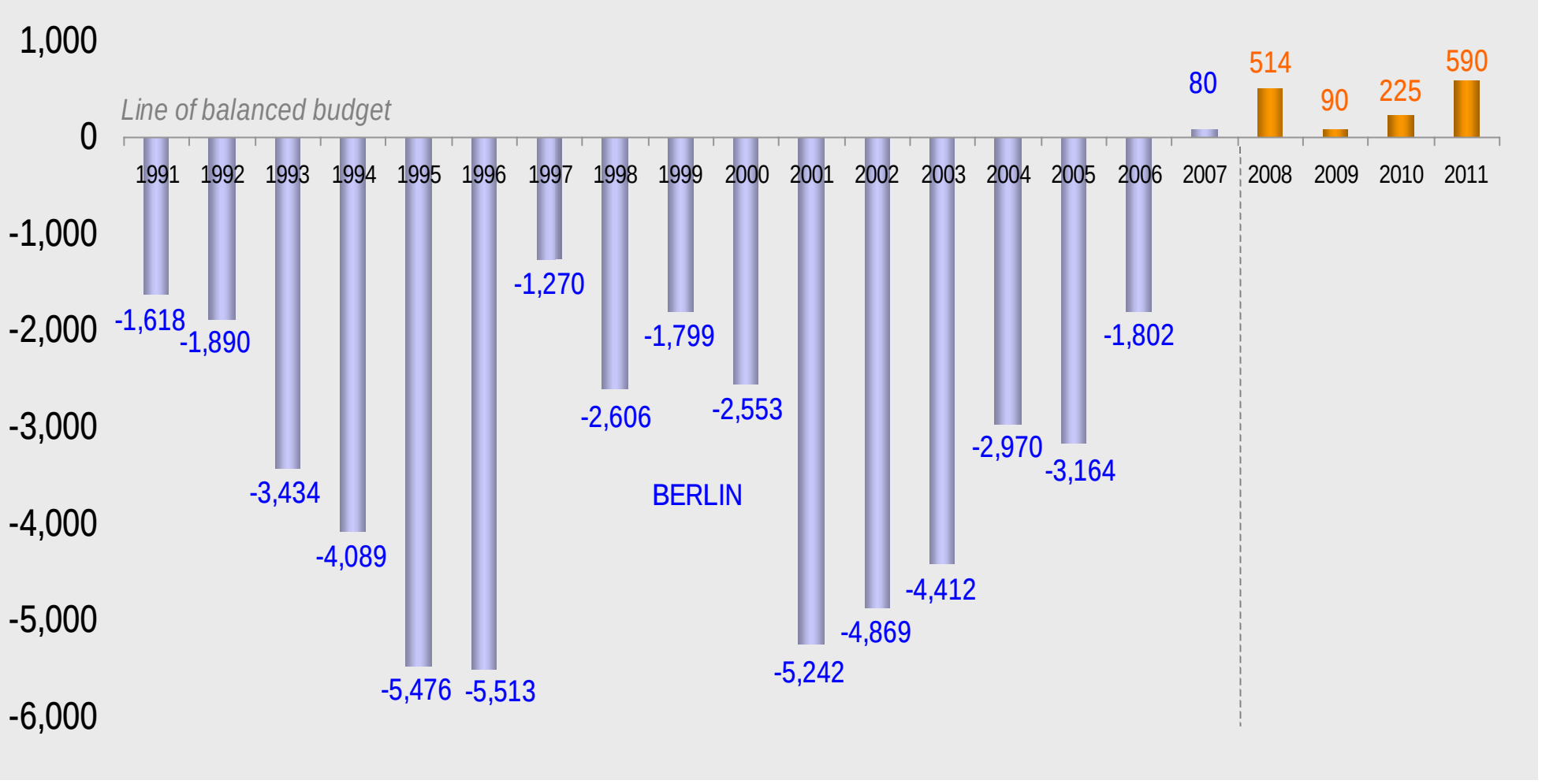
Berlin‘s financial surpluses / deficits 1991 - 2011



July 2008. mill €. 1991 to 2006 actual results, 2007 provisional data, 2008 ff. budget plan

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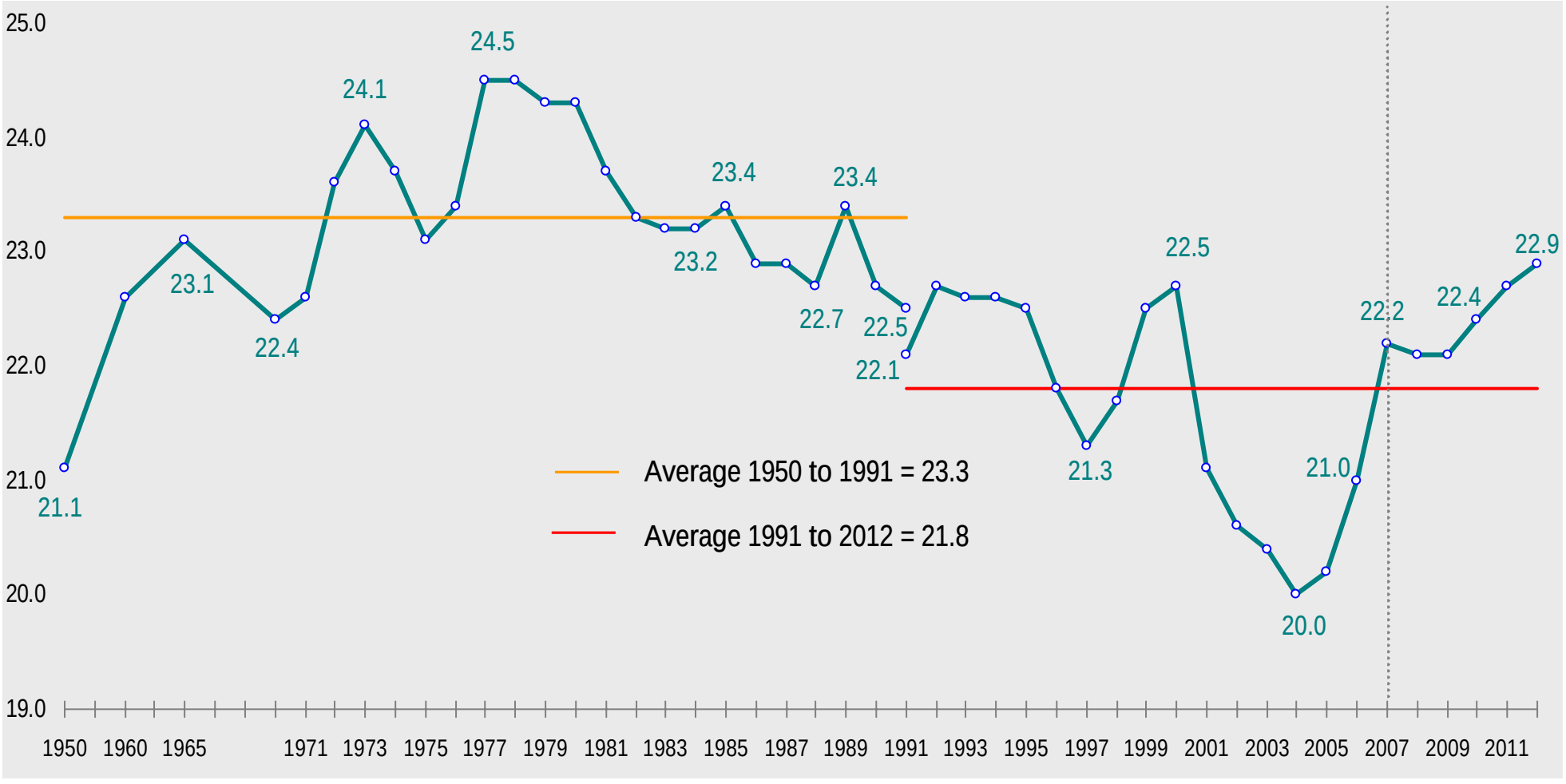
Overall tax ratio



July 2008. Ratio of overall tax receipts to GDP (percentage). 2008 ff. estimated data.

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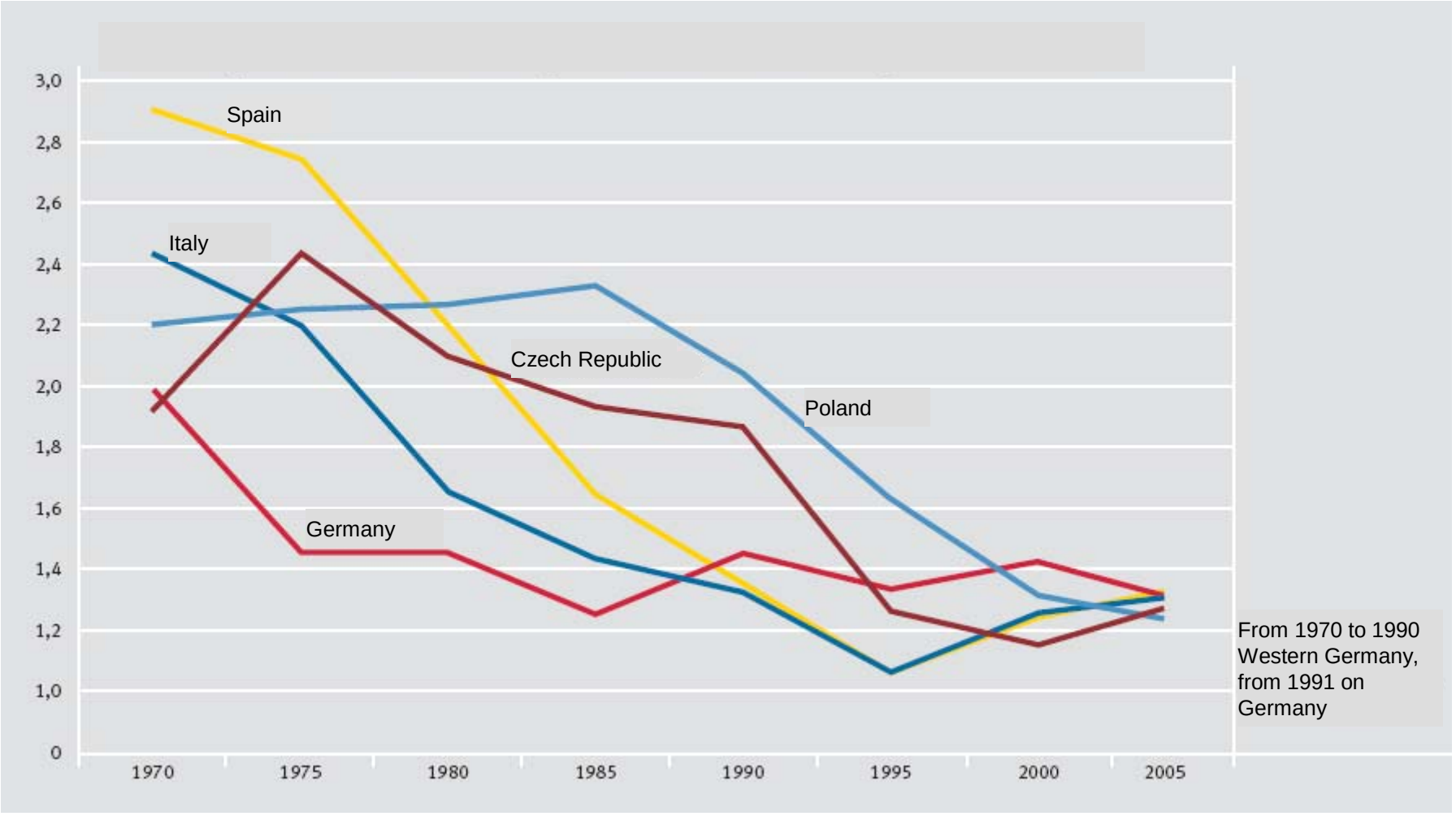
Total fertility rates (TFR) in Germany an other European countries



July 2008. Statistisches Bundesamt (Federal Statistical Office)

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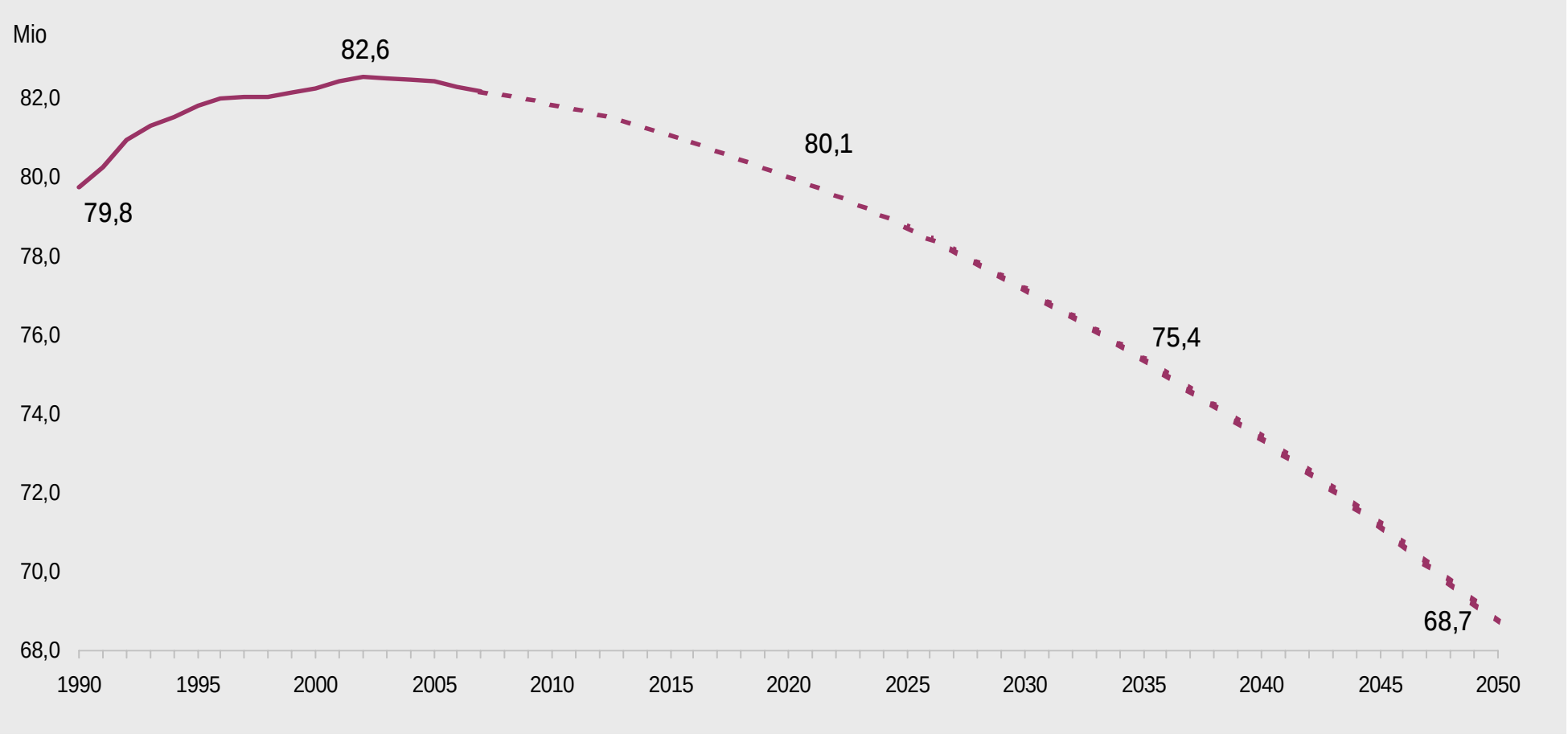
Demographic trends in Germany, 1990 - 2050



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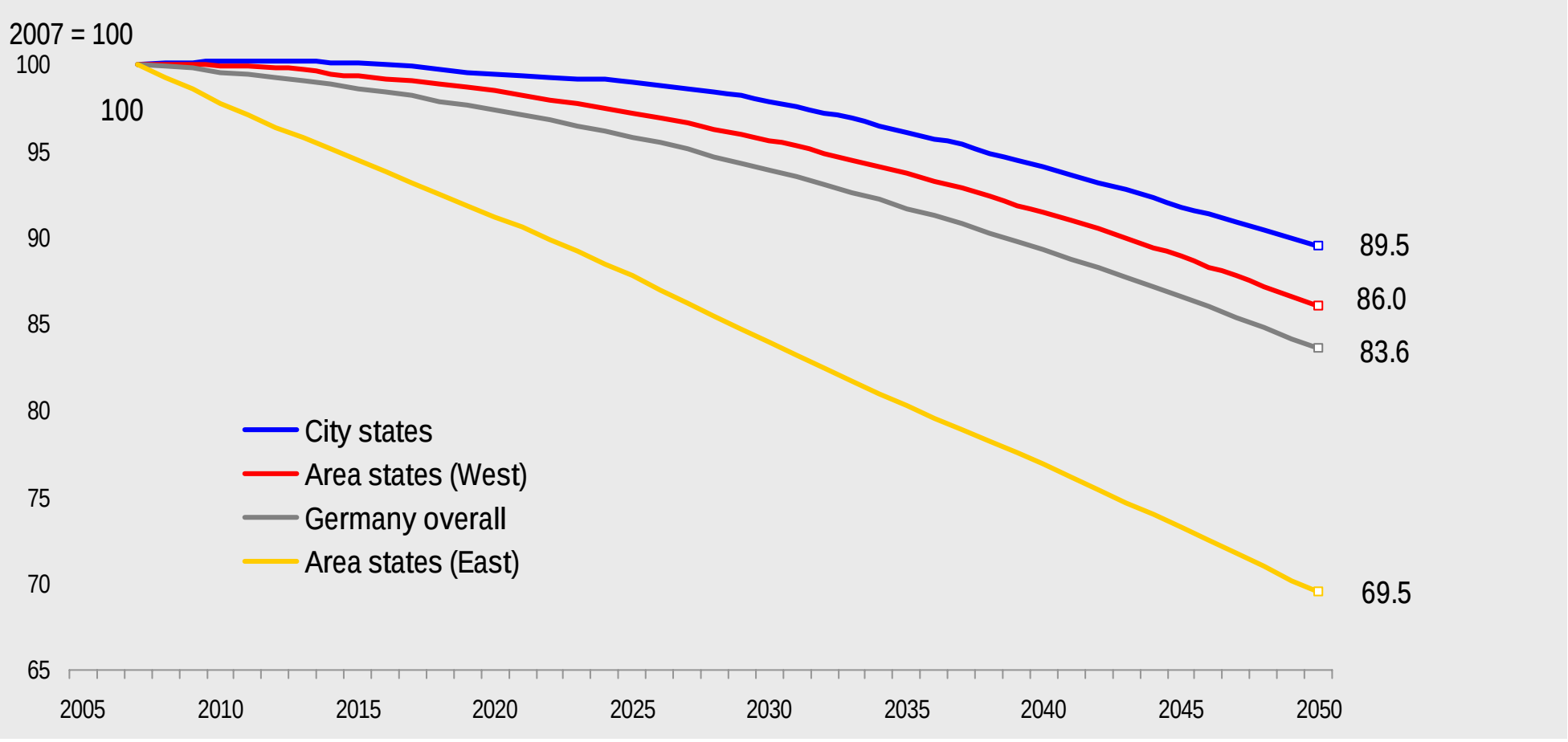
July 2008. Statistisches Bundesamt (Federal Statistical Office).
1990 - 2006: actual data (e.o.y.); 2007: provisional data; 2008 - 2050 projection (medium level of extrapolation concerning TFR (1,4), life expectancy, and migration balance (+100,000 p.y.).

Demographic trends in different parts of Germany



July 2008. Statistisches Bundesamt (Federal Statistical Office), projection (medium level of extrapolation)

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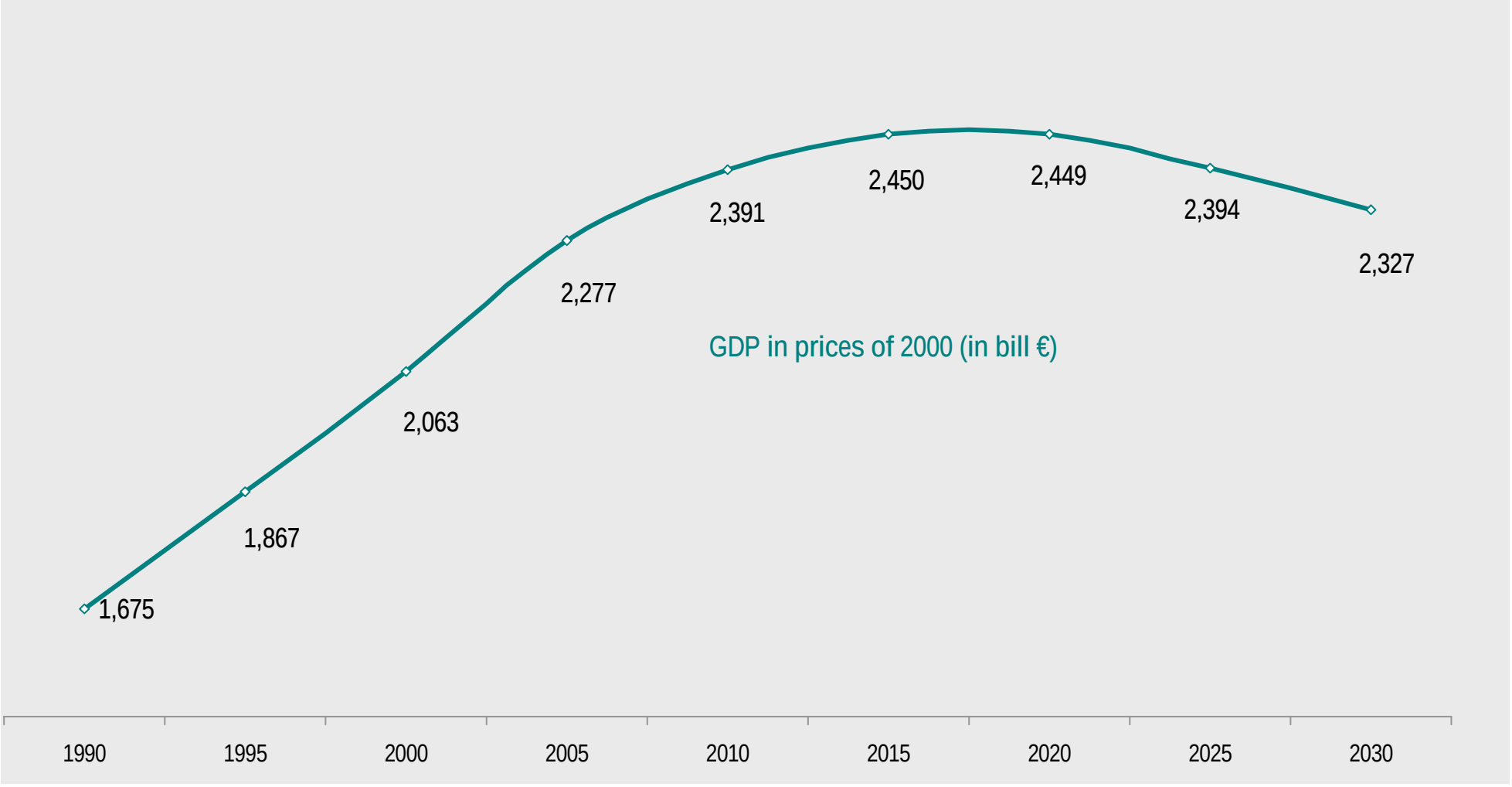
Development of GDP, 1990 to 2030 (in constant prices)



July 2008. Forecasting calculation, based on the assumption that the GDP will develop according to the 20-65 age bracket

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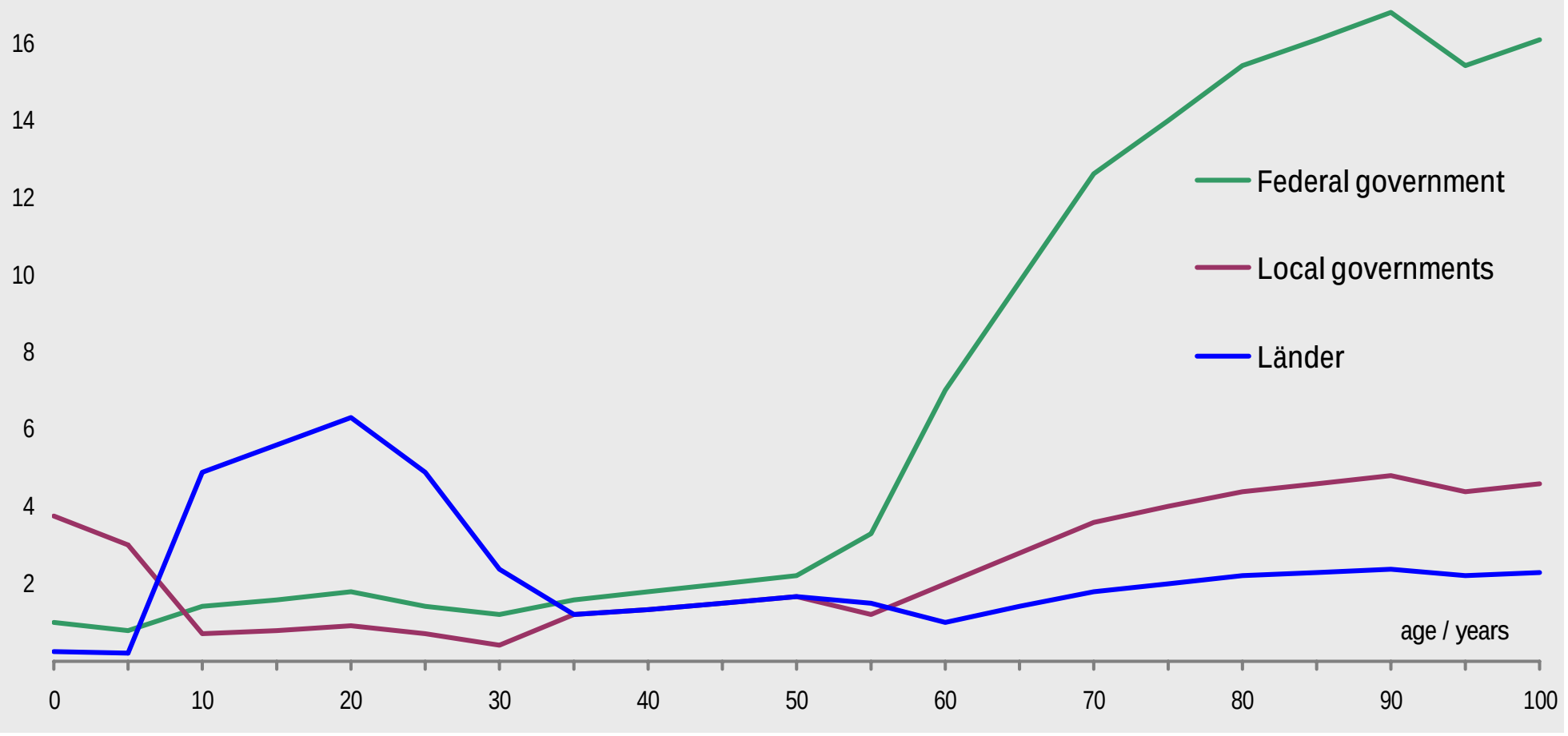
Age-specific expenditures‘ profile*



July 2008. Expenditures per capita (virtual figures). H. Seitz, Demographieabhängigkeit der Ausgaben und Einnahmen der öffentlichen Haushalte, Dresden 2007
*) Schematical illustration of public expenditures per capita depending on age structure

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