



POLITICS IN GERMANY

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Country Bio

GERMANY	Population	82.4 million
	Territory	137,803 square miles
	Year of Independence	1871
	Year of Current Constitution	1949

Head of State

President Horst Köhler

Head of Government

Chancellor Angela Merkel

Language

German

Religion

Protestant 34%, Roman Catholic 34%, Muslim 4%, unaffiliated or other 28%

The unusual outcome of the 2005 elections has shaped contemporary German politics. The election results were so close that even the next day it was unclear who “won” the election. This began a protracted process of coalition-building. Neither of the largest two parties had a majority of votes, and in such cases, one party normally forms a coalition with a smaller party. But after weeks of negotiation and false starts, a new solution appeared. The two major parties—Christian Democrats and Social Democrats—would form a Grand Coalition with **Angela Merkel** becoming Germany’s newest chancellor.

This result is unusual because these two parties were rivals in the just-completed election. It was as if the Democratic Party and the Republican Party in the United States decided to govern as partners despite their policy differences. The logic was that the two German parties could unite to address some of the nation’s political problems that required a broad political agreement. But this meant the parties forming the government held three-quarters of the seats in

the parliament and the opposition held only a quarter of the seats.

At another level Merkel’s selection as chancellor was an important result. She had never held a major elective office. Having grown up in East Germany, she had been a member of the Communist Youth League. Instead of seeking a political career, she worked as a chemist until the collapse of the Berlin Wall. Further, she was a woman in a society that had always been governed by men. Merkel’s election represents how much Germany has changed. Communism now seems like a memory from the distant past, and traditional social norms that shaped gender roles and political roles have changed.

The major achievement of contemporary German politics is the creation of a unified, free, and democratic nation in the short period since the unification of West Germany—the **Federal Republic of Germany (FRG)**—and East Germany—the **German Democratic Republic (GDR)**—occurred in 1990. A unified, democratic Germany has contributed to the

political stability of Europe and has given millions of Eastern Germans their freedom and new opportunities. Now the challenge facing the government is to maintain the social and economic vitality of the nation, to enact reforms to ensure that the German economy and political system continue to function effectively, and to build a policy consensus on the reforms to achieve these goals.

CURRENT POLICY CHALLENGES

What political problems do Germans typically read about when they open the daily newspaper or watch their favorite television newscast—and what political problems preoccupy policymakers in Berlin? Often the answer is the same as in most other industrial democracies. News reports analyze the state of the economy, report on crime, and generally track the social and economic health of the nation.

Economic issues are a recurring source of political debate. Germany still faces a series of economic and social problems that emerged from unification. Because the economic infrastructure of the East lagged far behind that of the West, the Eastern economy has struggled to compete in the globalized economic system. Eastern plants lacked the technology and management of Western firms, Eastern workers lacked the training and experience of their Western counterparts, and the economic infrastructure of the East was crumbling under the Communist regime. Consequently, government agencies and the **European Union (EU)** have invested more than 1,000 billion euros (€) in the East since unification—raising taxes for all Germans in the process. Still, the nightly news

routinely chronicles the continuing economic difficulties in the East, which still affect the entire nation (see Box 7.1).

The economic challenges have worsened with the worldwide recession that began in late 2008. In the mid 2000s, Germany's export-oriented economy benefited from global economic expansion and domestic economic reforms. However, when the recession decreased international trade and consumption within Europe, this created new economic strains. Merkel's government has moved very cautiously, enacting two modest stimulus bills in early 2009. The recession (and a looming election in 2009) ended plans for broad structural reforms of the economic system and social programs. The Federal Republic faces greater economic uncertainty than perhaps at any other time in its history. Germany has joined with other EU member states to strengthen the banking and credit system and now faces economic slowdown with an unreformed economic system. This will be a major challenge for the new government elected in 2009.

Social services represent another source of policy debate. Health, pension, and other social welfare costs have spiraled upward, but there is little agreement on how to manage these costs. As the German population ages, the demands being placed on the social welfare system are predictably increasing. Few economists believe that the present system of social benefits is sustainable in the future, especially as Germany competes in a global economic system and works to improve conditions in the East. As the federal elections approach in fall 2009, it is likely that partisan differences on economic or social services policy will widen between the governing partners and little policy reform will occur.

BOX 7.1

The Curse of Unification?

Germany's attempt to rebuild its once Communist East has been an unmitigated disaster, and the massive financial transfers from the West endanger the entire nation's economy, according to a government-commissioned report.

A panel of thirteen experts, headed by former Hamburg Mayor Klaus von Dohnanyi, was charged with examining the reconstruction of Germany's eastern states. The panel concluded that the estimated €1.25 trillion

(\$1.54 trillion) in aid has done little to help the economically depressed region.

Perhaps even more worrying, the experts fear the €90 billion spent by the government each year is slowly destroying the economy of western Germany, as growth stagnates and the eastern states fail to revive fourteen years after German reunification.

Source: *The Deutsche Welle Report*, April 4, 2004, p. 62.

that the current government has managed the current policy challenges, but has not taken decisive action to fully address them. These policy challenges will thus carry over to the new government elected in 2009.

THE HISTORICAL LEGACY

The German historical experience differs considerably from that of most other European democracies. The social and political forces that modernized the rest of Europe came much later in Germany and had a less certain effect. By the nineteenth century, when most nations had defined their borders, German territory was still divided among dozens of political units. Although most European states had developed a dominant national culture, Germany was split by sharp religious, regional, and economic divisions. Industrialization generally was the driving force behind the modernization of Europe, but German industrialization came late and did not overturn the old feudal and aristocratic order. German history, even to the present, represents a difficult and protracted process of nation-building.

The Second German Empire

Through a combination of military and diplomatic victories, Otto von Bismarck, the Prussian chancellor, enlarged the territory of Prussia and established a unified Second German Empire in 1871.¹ The empire was an authoritarian state, with only the superficial trappings of a democracy. Political power flowed from the monarch—the **Kaiser**—and the government at times bitterly suppressed potential opposition groups, especially the Roman Catholic Church and the Social Democratic party. The government expected little of its citizens: They were to pay their taxes, serve in the army, and keep their mouths shut.

The central government encouraged national development during this period. Industrialization finally occurred, and German influence in international affairs grew steadily. The force of industrialization was not sufficient to modernize and liberalize society and the political system, however. Economic and political power remained concentrated in the hands of the bureaucracy and traditional aristocratic elites. The authoritarian state was strong enough to resist the democratic demands of a weak middle class. The state was supreme: Its needs took precedence over those of individuals and society.

The challenges of becoming a multicultural nation create another new source of political tension. Germany already had a sizeable foreign-born population because of its foreign worker programs of the 1960s and 1970s. During the 1990s there was a large influx of refugees from the Balkan conflict, asylum seekers, and ethnic Germans from East Europe. Some people argue that “the boat is full” and new immigration should be limited, while others claim that immigration is essential for the nation's future. Policy reforms in the 1990s restricted further immigration, and the government changed citizenship laws in 2000 and reformed immigration legislation in 2002. However, the public is divided on the appropriate policies. Like much of the rest of Europe, Germany now struggles to address these issues, which are particularly difficult because of the legacy of Germany's past.

Finally, foreign policies are another source of public debate. The EU is an increasingly visible part of political reporting, and Germans are trying to determine their desired role in an expanding EU (see Chapter 12). Germany has been a prime advocate of the expansion of EU membership to include Eastern Europe, even though this may dilute Germany's influence within the EU. However, EU policies, such as monetary union and the development of a European currency, are creating internal divisions over the nation's relationship to the EU. The economic downturn in 2008 was exceptionally hard in Eastern Europe, prompting calls for Germany and other affluent western economies to support the new EU members in the East. This creates a joint economic and foreign policy challenge.

In addition, Germany is trying to define its role in the post-Cold War world. For the first time since World War II, German troops took part in a military action outside of German territory: in Kosovo in 1999 and in Afghanistan in 2001. However, Germany actively opposed the U.S. invasion of Iraq in 2003, and the current government remains critical of the U.S. actions in Iraq. Merkel, however, has worked to strengthen Germany's ties to the United States through the North Atlantic Treaty Organization (NATO) military alliance and other foreign policy activities.

The Federal Republic is one of the most successful and vibrant democracies in the world today. It has made substantial progress in improving the quality of life of its citizens, strengthening democracy, and developing a secure nation, and it has become an important member of the international community. But the continuing burdens of German unification and the lack of consensus on future policy directions mean

Failures of government leadership, coupled with a blindly obedient public, led Germany into World War I (1914–1918). The war devastated the nation. Almost 3 million German soldiers and civilians lost their lives, the economy was strained beyond the breaking point, and the government of the empire collapsed under the weight of its own incapacity to govern. The war ended with Germany a defeated and exhausted nation.

The Weimar Republic

In 1919 a popularly elected constitutional assembly established the new democratic system of the **Weimar Republic**. The constitution granted all citizens the right to vote and guaranteed basic human rights. A directly elected parliament and president held political power, and political parties became legitimate political actors. Belatedly, the Germans had their first real experience with democracy.

From the outset, however, severe problems plagued the Weimar government. In the Versailles peace treaty ending World War I, Germany lost all its overseas colonies and a large amount of its European territory. The treaty further burdened Germany with the moral guilt for the war and the financial cost of postwar reparations to the victorious Allies. A series of radical uprisings threatened the political system. Wartime destruction and the reparations produced continuing economic problems that finally led to an economic catastrophe in 1923. In less than a year, the inflation rate was an unimaginable 26 billion percent! Ironically, the Kaiser's government, which had produced these problems, was not blamed for these developments. Instead, many people criticized the empire's democratic successor—the Weimar Republic.

The fatal blow came with the Great Depression in 1929. The Depression struck Germany harder than most other European nations or the United States. Almost a third of the labor force became unemployed, and people were frustrated by the government's inability to deal with the crisis. Political tensions increased, and parliamentary democracy began to fail. **Adolf Hitler** and his **National Socialist German Workers' Party (the Nazis)** were the major beneficiaries. Their vote share grew from a mere 2 percent in 1928 to 18 percent in 1930 and 33 percent in November 1932.

Increasingly, the machinery of the democratic system malfunctioned or was bypassed. In a final attempt to restore political order, President Paul von Hindenburg appointed Hitler chancellor of the

Weimar Republic in January 1933. This was democracy's death knell.

Weimar's failure resulted from a mix of factors.² The lack of support from political elites and the public was a basic weakness of Weimar. Democracy depended on an administrative and military elite that often longed for the old authoritarian political system. Elite criticism of Weimar encouraged similar sentiments among the public. Many Germans were not committed to democratic principles. The fledgling state then faced a series of severe economic and political crises. Such strains might have overloaded the ability of any system to govern effectively. These crises further eroded public support for Weimar and opened the door to Hitler's authoritarian and nationalistic appeals. The institutional weaknesses of the political system contributed to Weimar's political vulnerability. Finally, most Germans drastically underestimated Hitler's ambitions, intentions, and political abilities. This underestimation, perhaps, was Weimar's greatest failure.

The Third Reich

The Nazis' rise to power reflected a bizarre mixture of ruthless behavior and concern for legal procedures. Hitler called for a new election in March 1933 and then suppressed the opposition parties. Although the Nazis failed to capture an absolute majority of the votes, they used their domination of the parliament to enact legislation granting Hitler dictatorial powers. Democracy was replaced by the new authoritarian "leader state" of the **Third Reich**.

Once entrenched in power, Hitler pursued extremist policies. Social and political groups that might challenge the government were destroyed, taken over by Nazi agents, or coopted into accepting the Nazi regime. The powers of the police state grew and choked off opposition. Attacks on Jews and other minorities steadily became more violent. Massive public works projects lessened unemployment, but also built the infrastructure for a wartime economy. The government enlarged and rearmed the military in violation of the Versailles treaty. The Reich's expansionist foreign policy challenged the international peace.

Hitler's unrestrained political ambitions finally plunged Europe into World War II in 1939. After initial victories a series of military defeats beginning in 1942 led to the total collapse of the Third Reich in May 1945. A total of 60 million lives were lost worldwide in the war, including 6 million European Jews who were murdered in a Nazi campaign of systematic genocide.³

Germany lay in ruins: Its industry and transportation systems were destroyed, its cities were rubble, millions were homeless, and even food was scarce. Hitler's grand design for a new German Reich had instead destroyed the nation in a Wagnerian *Götterdämmerung*.

The Occupation Period

The political division of postwar Germany began as foreign troops advanced onto German soil. At the end of the war, the Western Allies—the United States, Britain, and France—controlled Germany's Western zone, and the Soviet Union occupied the Eastern zone. This was to be an interim division, but growing frictions between Western and Soviet leaders increased tensions between the regions.

In the Western zone, the Allied military government began a denazification program to remove Nazi officials and sympathizers from the economic, military, and political systems. The occupation authorities licensed new political parties, and democratic political institutions began to develop. These authorities also reorganized the economic system along capitalist lines. Currency and market economy reforms in 1948 revitalized the economic system of the Western zone, but also deepened divisions between the Eastern and Western zones.

Political change followed a much different course in the Eastern zone. The new **Socialist Unity Party (SED)** was a mechanism for the Soviets to control the political process. Since they saw capitalism as responsible for the Third Reich, the Soviets tried to destroy the capitalist system and construct a new socialist order in its place. By 1948 the Eastern zone was essentially a copy of the Soviet political and economic systems.

As the political distance between occupation zones widened, the Western allies favored creation of a separate German state in the West. In Bonn, a small university town along the banks of the Rhine, the Germans began to create a new democratic system. In 1948 a parliamentary council drafted an interim constitution that was to last until the entire nation was reunited. In May 1949 the state governments in the Western zone agreed on the **Basic Law (Grundgesetz)** that created the FRG, or West Germany.

These developments greatly worried the Soviets. The Soviet blockade of Berlin in 1948, for example, partially sought to halt the formation of a separate West German state—though it actually strengthened Western resolve. Once it became apparent that West Germany would follow its own course, preparations began for a separate East German state. A week after the formation

of the FRG, the People's Congress in the East approved a draft constitution. On October 7, 1949, the GDR, or East Germany, was formed. As in earlier periods of German history, a divided nation was following different paths (see Figure 7.1). It would be more than forty years before these paths would converge.

FOLLOWING TWO PATHS

Although they had chosen different paths (or had these paths chosen for them), the two German states faced many of the same challenges in their initial years. The economic picture was bleak on both sides of the border. Unemployment remained high in West Germany, and the average wages were minimal. In 1950 almost two-thirds of the West German public felt they had been better off before the war, and severe economic hardships were still common. The situation was even worse in East Germany.

West Germany was phenomenally successful in meeting this economic challenge.⁴ Relying on a free enterprise system championed by the **Christian Democratic Union (CDU)**, the country experienced sustained and unprecedented economic growth. By the early 1950s, incomes had reached the prewar level, and growth had just begun. Over the next two decades, per capita wealth nearly tripled, average hourly industrial wages increased nearly fivefold, and average incomes grew nearly sevenfold. By most economic indicators, the West German public in 1970 was several times more affluent than at any time in its pre-World War II history. This phenomenal economic growth is known as West Germany's **Economic Miracle (Wirtschaftswunder)**.

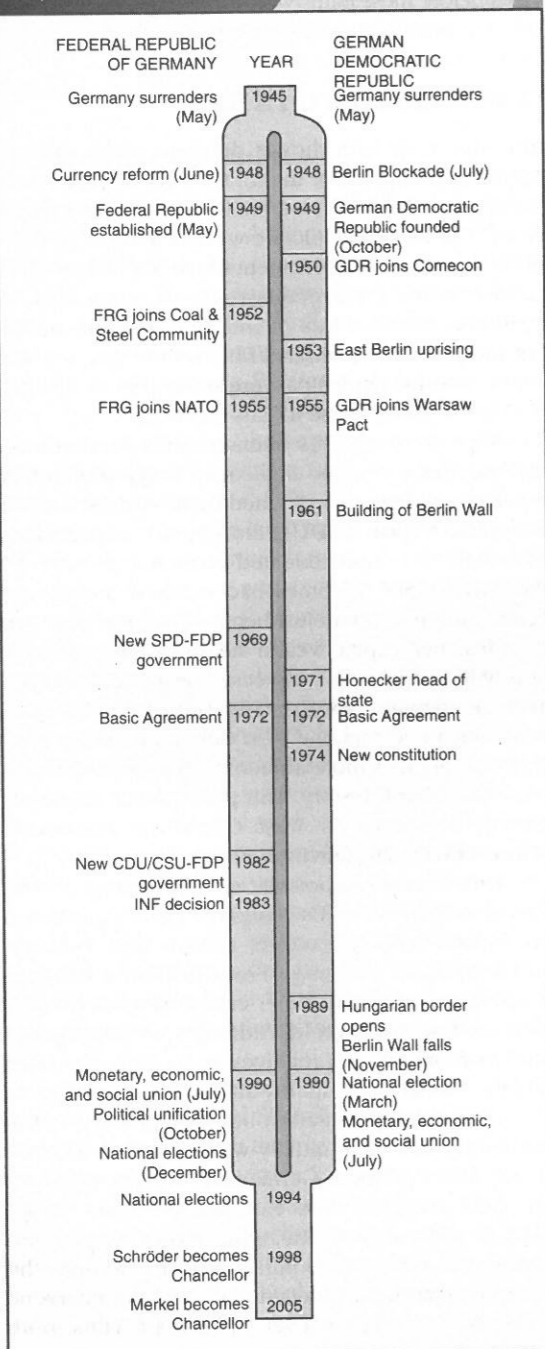
East Germany's postwar economic miracle was almost as impressive. Its economic system was based on collectivized agriculture, nationalized industry, and centralized planning.⁵ From 1950 until 1970, industrial production and per capita national income increased nearly fivefold. Although still lagging behind its more affluent relatives in the West, the GDR was the model of prosperity among socialist states.

The problem of nation-building posed another challenge. The FRG initially was viewed as a provisional state until both Germanies could be reunited. The GDR struggled to develop its own identity in the shadow of West Germany, while expressing a commitment to eventual reunification. In addition, the occupation authorities retained the right to intervene in the two Germanies even after 1949. Thus, both

The Two Paths of Postwar Germany

The history of the Federal Republic and the German Democratic Republic since 1949

FIGURE 7.1



states faced the challenge of defining their identity—as separate states or as parts of a larger Germany—and regaining national sovereignty.

West Germany's first chancellor, **Konrad Adenauer**, steered a course toward gaining national sovereignty by integrating the FRG into the Western alliance. The Western Allies would grant greater autonomy to West Germany if it was exercised within the framework of an international body. For example, economic redevelopment was channeled through the European Coal and Steel Community and the European Economic Community. West Germany's military rearmament occurred within NATO.

The Communist regime in the GDR countered the FRG's integration into the Western alliance with calls for German unification. And yet, the GDR was simultaneously establishing itself as a separate German state. In 1952 the GDR transformed the boundary between East and West Germany into a fortified border; this restricted Western access to the East and limited Easterners' ability to go to the West. The GDR integrated its economy into the Soviet bloc through membership in the Council for Mutual Economic Assistance (COMECON), and it was a charter member of the Warsaw Pact military alliance. The Soviet Union recognized the sovereignty of the GDR in 1954. The practical and symbolic division of Germany became official with the GDR's construction of the Berlin Wall in August 1961. More than a physical barrier between East and West, it marked the formal existence of two separate German states.

Intra-German relations took a dramatically different course after the **Social Democratic Party (SPD)** won control of West Germany's government after the 1969 elections. The new SPD chancellor, Willy Brandt, followed a policy toward the East (**Ostpolitik**) that accepted the postwar political situation and sought reconciliation with Eastern European nations, including the GDR. West Germany signed treaties with the Soviet Union and Poland to resolve disagreements dating back to World War II and to establish new economic and political ties. In 1971 Brandt received the Nobel Peace Prize for his actions. The following year the two Germanies adopted the Basic Agreement, which formalized their relationship as two states within one nation. To the East German regime, *Ostpolitik* was a mixed blessing. On the one hand, it legitimized the GDR through its recognition by the FRG and the normalization of East-West relations. On the other hand, economic and social exchanges increased East Germans' exposure to Western values and ideas,

which many GDR politicians worried would undermine their closed system. The eventual revolution of 1989 seemingly confirmed their fears.

After reconciliation between the two German states, both spent most of the next two decades addressing their internal needs. SPD policy reforms in the West expanded social services and equalized access to the benefits of the Economic Miracle. Total social spending nearly doubled between 1969 and 1975. As global economic problems grew in the mid-1970s, Helmut Schmidt of the SPD became chancellor and slowed the pace of reform and government spending.

The problems of unrealized reforms and renewed economic difficulties continued into the 1980s. In 1982 the CDU enticed the **Free Democratic Party (FDP)** to form a new government under the leadership of **Helmut Kohl**, head of the Christian Democratic Union. The new government wanted to restore the FRG's economy, while still providing for social needs. Kohl presided over a dramatic improvement in economic conditions. The government also demonstrated its commitment to the Western defense alliance by accepting new NATO nuclear missiles. The public returned Kohl's coalition to office in the 1987 elections.

Worldwide economic recession also buffeted the GDR's economy starting in the late 1970s. The cost competitiveness of East German products diminished in international markets, and trade deficits with the West grew steadily. Moreover, long-delayed investment in the country's infrastructure began to show in a deteriorating highway system, an aging housing stock, and an outdated communications system. Although East Germans heard frequent government reports about the nation's economic success, their living standards evidenced a widening gap between official pronouncements and reality.

In the late 1980s, East German government officials were concerned with the winds of change rising in the East. Soviet President Mikhail Gorbachev's reformist policies of *perestroika* and *glasnost* seemed to undermine the pillars supporting the East German system (see Chapter 10). At one point an official GDR newspaper even censored news from the Soviet Union in order to downplay Gorbachev's reforms. Indeed, the stimulus for political change in East Germany came not from within, but from the events sweeping across the rest of Eastern Europe.

In early 1989 the first cracks in the Communist monolith appeared. Poland's Communist government accepted a series of democratic reforms, and the Hungarian Communist Party endorsed democratic

and market reforms. When Hungary opened its border with neutral Austria, a stream of East Germans vacationing in Hungary started leaving for the West. East Germans were voting with their feet. Almost 2 percent of the East German population emigrated to the FRG over the next six months. The exodus also stimulated mass public demonstrations against the regime within East Germany.

Gorbachev played a crucial role in directing the flow of events in Germany. He encouraged the GDR leadership to undertake internal reforms with the cautious advice that "life itself punishes those who delay." Without Soviet military and ideological support, the end of the old GDR system was inevitable. Rapidly growing public protests increased the pressure on the government, and the continuing exodus to the West brought the East's economy to a near standstill. The government did not govern; it barely existed, struggling from crisis to crisis. In early November the government and the SED Politburo resigned. On the evening of November 9, 1989, a GDR official announced the opening of the border between East and West Berlin. In the former no-man's-land of the Berlin Wall, Berliners from East and West joyously celebrated together.

Once the euphoria of the Berlin Wall's opening had passed, East Germany had to address the question of "What next?" The GDR government initially tried a strategy of damage control, appointing new leaders and attempting to court public support. However, the power of the state and the vitality of the economy had already suffered mortal wounds. Protesters who had chanted "We are the people" when opposing the Communist government in October took up the call for unification with a new refrain: "We are one people." The only apparent source of stability was unification with the FRG, and the rush toward German unity began.

In March 1990 the GDR had its first truly free elections since 1932. The Alliance for Germany, which included the eastern branch of the Christian Democrats, won control of the government. Helmut Kohl and Lothar de Maiziere, the new GDR leader, both forcefully moved toward unification. On July 1 an intra-German treaty gave the two nations one currency and essentially one economy. Soviet concessions on the terms of union opened the road to complete unification. On October 3, 1990, after more than four decades of separation, the two German paths again converged.

Unification largely occurred on Western terms. In fact, Easterners sarcastically claim that the only trace of the old regime is one law kept from the

GDR: Automobiles can turn right on a red light in the East. Otherwise, the Western political structures, Western interest groups, Western political parties, and Western economic and social systems were simply exported to the East.

Unification was supposed to be the answer to a dream, but during the next few years, it must have occasionally seemed like a nightmare. The Eastern economy collapsed with the end of the GDR; at times unemployment rates in the East exceeded the worst years of the Great Depression. The burden of unification led to inflation and tax increases in the West and weakened the Western economy. The social strains of unification stimulated violent attacks against foreigners in both halves of Germany. At the end of 1994, Kohl's coalition won a razor-thin majority in national elections.

Tremendous progress had been made by 1998, but the economy still struggled and necessary changes in tax laws and social programs languished. When the Germans went to the polls in 1998, they voted for a change and elected a new government headed by **Gerhard Schröder** and the Social Democrats in alliance with The Greens (*Die Grünen*). The new governing coalition made some progress on addressing the nation's major policy challenges—such as a major reform of the tax system and continued investments in the East—but not enough progress. The coalition won the 2002 election, but with a reduced margin.

After cumulative losses in state elections and deepening dissatisfaction with the government, Schröder called for early elections in 2005. After an intense campaign, both the SPD and the Christian Democratic Union/Christian Social Union (CDU/CSU) gained the same share of the vote. The closeness of the vote showed the divisions on how the nation should deal with its current policy challenges. Merkel eventually convinced a Schröder-less SPD to join the CDU/CSU in forming a Grand Coalition. Analysts hoped that this alliance could enact significant economic and policy reforms, but the divisions within the coalition have led to a cautious style of government with little major policy change.

SOCIAL FORCES

The new unified Germany is the largest state in the European Union. It has about 82 million people, 68 million in the West and 14 million in the East, located in Europe's heartland. The total German economy is

also Europe's largest. The combined territory of the new Germany is also large by European standards, although it is small in comparison to the United States—a bit smaller than Montana.

The merger of two nations is more complex than the simple addition of two columns of numbers on a balance sheet, however. Unification created new strengths, but it also redefined and potentially strains the social system that underlies German society and politics. The merger of East and West holds the potential for reviving some of Germany's traditional social divisions.

Economics

Postwar economic growth occurred at different rates in the West and East and followed different paths. In the FRG, the service and technology sectors grew substantially, and government employment more than doubled during the later twentieth century. Although we often think of Germany as an industrial society, barely a quarter of those in the labor force describe themselves as blue-collar workers; two-thirds say they have a white-collar occupation. In contrast, the GDR's economic expansion was concentrated in heavy industry and manufacturing. In the mid-1980s about half of the Eastern labor force worked in these two areas, and the service-technology sector was a small share of the economy.

By the mid-1980s the FRG's standard of living ranked among the highest in the world. By comparison, the average East German's living standard was barely half that of a Westerner. Basic staples were in-expensively priced in the East, but most consumer goods were more expensive, and so-called luxury items (color televisions, washing machines, and automobiles) were beyond the reach of the average family. In 1985 about a third of the dwellings in East Germany lacked their own bathroom. GDR residents lived a comfortable life by East European standards, although far short of Western standards.

German unification meant the merger of these two different economies: the affluent Westerners and their poor cousins from the East; the sophisticated and technologically advanced industries of the FRG and the aging rust-belt factories of the GDR. At least in the short run, unification worsened the economic problems of the East. By some accounts, Eastern industrial production fell by two-thirds between 1989 and 1992—worse than the decline during the Great Depression. The government sold Eastern firms, and

often the new owners began by reducing the labor force. Even by mid-2008, a sixth of the Eastern labor force was still unemployed.

During the unification process, politicians claimed that the East would enjoy a new economic miracle in a few years. This claim was overly optimistic. The government assumed a major long-term role in rebuilding the East's economic infrastructure and encouraging investment in the East. Only massive social payments by the FRG initially maintained the living standards in the East. And many young Easterners moved to the West to find a job. While economic conditions have improved in the East, many Easterners remain skeptical about their economic future. The persisting economic gap between East and West creates a basis for social and political division in the new Germany. Even after significant economic growth in recent years, in 2008 Germans felt they have benefited little from this growth and worried that inflation is eroding their living standard.⁶

Religion

The postwar FRG experienced a moderation of religious differences, partly because there were equal numbers of Catholics and Protestants and partly because elites made a conscious effort to avoid the religious conflicts of the past. Secularization also gradually reduced the public's religious involvement. In the East the Communist government sharply limited the political and social roles of the churches.

German unification has shifted the religious balance in the new Federal Republic. Catholics make up two-fifths of Westerners, but less than a tenth of Easterners. Thus, Protestants now slightly outnumber Catholics in unified Germany. There is also a small Muslim community that accounts for about 4 percent of the population. Even more dramatic, most Easterners claim to be nonreligious, which may decrease support for policies that benefit religious interests. A more Protestant and secular electorate should change the policy preferences of the German public on religiously based issues, such as abortion, and may potentially reshape electoral alliances.

Gender

Gender roles are another source of social differentiation. In the past the three K's—*Kinder* (children), *Kirche* (church), and *Küche* (kitchen)—defined the woman's role, while politics and work were male

matters. Attempts to lessen role differences have met with mixed success. The FRG's Basic Law guarantees the equality of the sexes, but the specific legislation to support this guarantee has been lacking. Cultural norms changed only slowly; cross-national surveys show that males in the West are more chauvinist than the average European and that women in the West feel less liberated than other European women.⁷

The GDR constitution also guaranteed the equality of the sexes, and the government aggressively protected this guarantee. However, East German women were one of the first groups to suffer from the unification process. Eastern women lost rights and benefits that they had held under East German law. For instance, in 1993 the Constitutional Court resolved conflicting versions of the FRG and GDR abortion laws and essentially ruled for the FRG's more restrictive standards. The GDR provided child-care benefits for working mothers that the FRG did not. The greater expectations of Eastern women moved gender issues higher on the FRG's political agenda after unification. The government passed new legislation on job discrimination and women's rights in 1994. Most Eastern women feel they are better off today than under the old regime because they have gained new rights and new freedoms that were lacking under the GDR. Merkel's selection as chancellor in 2005 is stimulating further changes in gender norms and policies in Germany.

Minorities

A new social cleavage involves Germany's growing minority of foreigners.⁸ When the FRG faced a severe labor shortage in the 1960s, it recruited millions of workers from Turkey, Yugoslavia, Italy, Spain, Greece, and other less developed countries. German politicians and the public considered this a temporary situation, and the foreigners were called **guest workers (Gastarbeiter)**. Most of these guest workers worked long enough to acquire skills and some personal savings, and then they returned home.

A strange thing happened, however. Germany asked only for workers, but they got human beings. Cultural centers for foreign workers emerged in many cities. Some foreign workers chose to remain in the FRG, and they eventually brought their families to join them. Foreigners brought new ways of life, as well as new hands for factory assembly lines.

From the beginning the foreign worker population has faced several problems. They are concentrated

on the low rung of the economic ladder. Foreigners—especially those from Turkey and other non-European nations—are culturally, socially, and linguistically isolated from mainstream society. The problems of social and cultural isolation are especially difficult for the children of foreigners. Foreigners also were a target for violence in reaction to the strains of unification, and there is opposition to further immigration.

The nation has struggled with the problem of becoming a multicultural society, but the solutions are still uncertain. The Federal Republic revised the Basic Law's asylum clause in 1993 (making it closer to U.S. immigration policy), took more decisive action in combating violence, and mobilized the tolerant majority in German society. The government changed the citizenship laws in 2000 to better integrate foreign-born residents into German society. However, the gap between native Germans and Muslim immigrants seems to be widening. Attempts to liberalize naturalization of citizenship are linked to programs to educate the new citizens about German language, culture, and political norms. Addressing the issues associated with permanent racial/ethnic minorities (roughly 6 percent of the population) will be a continuing feature of German politics.

Regionalism

Regionalism is another potential social and political division. Germany is divided into sixteen states (*Länder*), ten states in the West and six new states created in the East, including the city-state of Berlin. Many of the *Länder* have their own distinct historical traditions and social structure. The language and idioms of speech differentiate residents from the Eastern and Western halves of the nation. No one would mistake a northern German for a Bavarian from the south—their manners and dialects are too distinct.

Unification greatly increased the cultural, economic, and political variations among the states because of differences between West and East. It is common to hear of “a wall in the mind” that separates *Wessies* (Westerners) and *Ossies* (Easterners). Easterners still draw on their separate traditions and experiences when making political decisions, just as Westerners do. Regional considerations thus are an important factor in society and politics.

The decentralized nature of society and the economy reinforces these regional differences. Economic and cultural centers are dispersed throughout the country, rather than being concentrated in a

single national center. There are more than a dozen regional economic centers, such as Frankfurt, Cologne, Dresden, Düsseldorf, Munich, Leipzig, and Hamburg. The mass media are organized around regional markets, and there are even several competing “national” theaters.

These various social characteristics—economic, religious, gender, ethnicity, and regionalism—are politically relevant for many reasons. They define differing social interests, such as the economic needs of the working class versus those of the middle class, that are often expressed in policy debates. Social groups also are a source of political and social identity that links individuals to interest groups and political parties. Voting patterns, for instance, typically show clear group differences in party support. Thus, identifying the important group differences in German society provides a foundation for understanding parts of the political process.

THE INSTITUTIONS AND STRUCTURE OF GOVERNMENT

When the Parliamentary Council met in Bonn in 1948–1949, its members faced a daunting task. They were supposed to design a new political structure for a new democratic Germany that would avoid the problems that led to the collapse of the Weimar Republic.⁹ If they failed, the consequences might be as dire as the last collapse of German democracy.

The Basic Law they crafted is an exceptional example of political engineering—the construction of a political system to achieve specific goals:

- Develop a stable and democratic political system,
- Maintain some historical continuity in political institutions (which, for Germany, meant a parliamentary system of government),
- Re-create a federal structure of government,
- Avoid the institutional weaknesses that contributed to the collapse of Weimar democracy, and
- Establish institutional limits on extremist and antisystem forces.

The framers wanted to establish clearer lines of political authority and to create a system with extensive checks and balances in order to prevent the usurpation of power that occurred during the Third Reich. The new system created a parliamentary democracy that involves the public, encourages elite

political responsibility, disperses political power, and limits the influence of extremists.

The Basic Law was supposedly temporary until both halves of Germany were united. In actuality, the GDR's rapid collapse in 1990 led to its incorporation into the existing constitutional and economic systems of the Federal Republic. In September 1990 the FRG and the GDR signed a treaty to unify their two states, and the government amended the Basic Law to include the states in the East. Thus, the political system of the unified Germany functions according to the Basic Law. This section describes the key institutions and procedures of this democratic system.

A Federal System

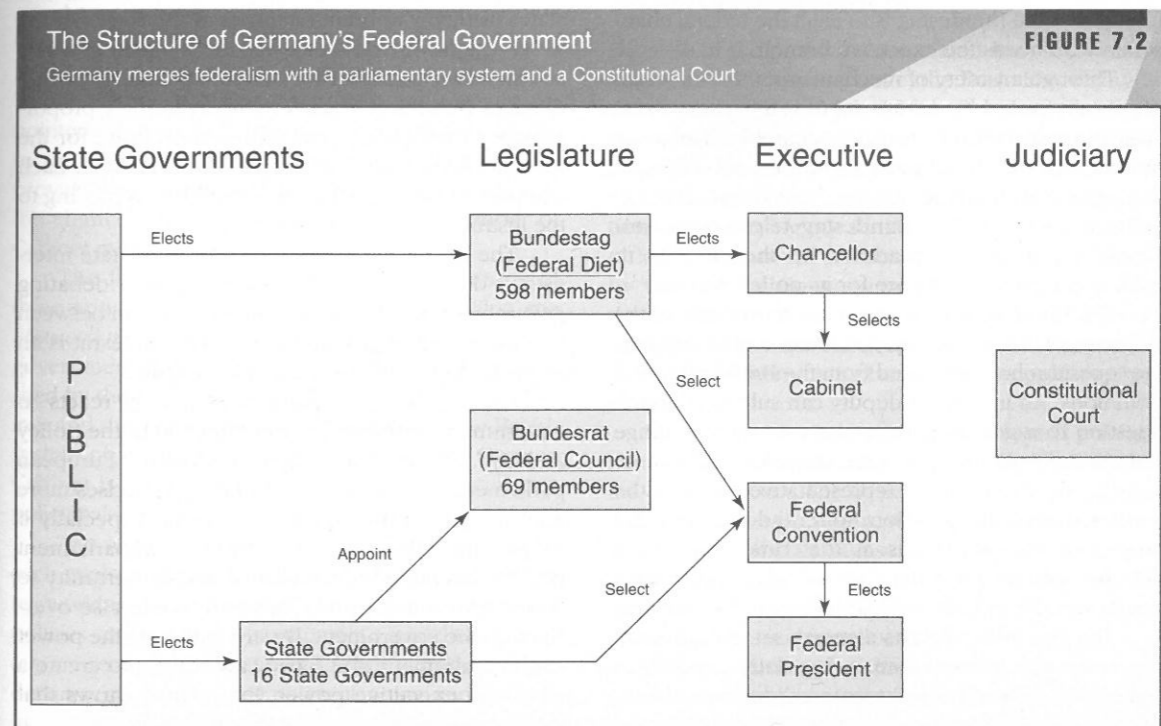
One way to distribute political power and to build checks and balances into a political system is through a federal system of government. The Basic Law created one of the few federal political systems in Europe (see Figure 7.2). Germany is organized into sixteen states (*Länder*). Political power is divided between the federal government (*Bund*) and the state governments. The federal government has primary

policy responsibility in most policy areas. The states, however, have jurisdiction in education, culture, law enforcement, and regional planning. In several other policy areas, the federal government and the states share responsibility, although federal law takes priority. Furthermore, the states can legislate in areas that the Basic Law does not explicitly assign to the federal government.

The state governments have a unicameral legislature, normally called a *Landtag*, which is directly elected by popular vote. The party or coalition that controls the legislature selects a minister president to head the state government. Next to the federal chancellor, the minister presidents are among the most powerful political officials in the Federal Republic.

The federal government is the major force in the legislation of policy, and the states are primarily responsible for policy administration. The states enforce most of the domestic legislation enacted by the federal government, as well as their own regulations. The state governments also oversee the operation of the local governments.

One house of the bicameral federal legislature, the Bundesrat, is comprised solely of representatives



appointed by the state governments. State government officials also participate in selecting the federal president and the justices of the major federal courts. This federal system thus decentralizes political power by balancing the power of the state governments against the power of the federal government.

Parliamentary Government

The central institution of the federal government is the parliament, which is bicameral: The popularly elected Bundestag is the primary legislative body; the Bundesrat represents the state governments at the federal level.

The Bundestag The 598 deputies of the **Bundestag (Federal Diet)** are the only national government officials who are directly elected by the German public.¹⁰ Elections to select parliamentary deputies normally occur every four years.

The Bundestag's major function is to enact legislation; all federal laws must receive its approval. The initiative for most legislation, however, lies in the executive branch. Like other modern parliaments, the Bundestag primarily evaluates and amends the government's legislative program. Another important function of the Bundestag is to elect the federal chancellor, who heads the executive branch.

Through a variety of mechanisms, the Bundestag is a forum for public debate. Its plenary sessions discuss the legislation before the chamber. Debating time is allocated to all party groupings according to their size; both party leaders and backbenchers normally participate. The Bundestag televises its sessions, including live broadcasts on the Internet, to expand the public audience for its policy debates.¹¹

The Bundestag also scrutinizes the actions of the government. The most common method of oversight is the "question hour" adopted from the British House of Commons. An individual deputy can submit a written question to a government minister: Questions range from broad policy issues to the specific needs of one constituent. Government representatives answer the queries during the question hour, and deputies can raise follow-up questions at that time. Bundestag deputies posed more than 15,000 oral and written questions during the 1998–2002 term of the Bundestag.

The Bundestag boasts a strong set of legislative committees that strengthen its legislative and oversight roles. These committees provide expertise to balance the policy experience of the federal agencies;

the committees also conduct investigative hearings in their area of specialization. Their oversight function is further strengthened because opposition parties chair a proportionate share of these committees, a very unusual pattern for democratic legislatures.

The opposition parties normally make greatest use of these oversight opportunities; about two-thirds of the questions posed during the 1994–1998 term came from the opposition parties. Rank-and-file members of the governing parties also use these devices to make their own views known.

Overall, the Bundestag's oversight powers are considerable, especially for a legislature in a parliamentary system. Legislative committees can collect the information needed to understand and question government policymakers. Bundestag members can use the question hour and other methods to bring attention to political issues and challenge the government. And through its votes, the Bundestag often prompts the government to revise its legislative proposals to gain passage.

The Bundesrat The second chamber of the parliament, the **Bundesrat (Federal Council)**, reflects Germany's federal system. The state governments appoint its sixty-nine members to represent their interests. The states normally appoint members of the state cabinet to serve jointly in the Bundesrat; the chamber thus acts as a permanent conference of state officials. Each state receives Bundesrat seats in numbers roughly proportionate to the state's population, from three for the least populous states to six seats for the most. Each state delegation casts its votes in a bloc, according to the instructions of the state government.

The Bundesrat's role is to represent state interests. It does this in evaluating legislation, debating government policy, and sharing information between federal and state governments. The Bundesrat is an essential part of the German federal system.

In summary, the parliament mainly reacts to government proposals, rather than taking the policy initiative. However, in comparison to other European parliamentary systems, the Bundestag exercises more autonomy than the typical parliament. Especially if one includes the Bundesrat, the German parliament has considerable independence and opportunity to revise government proposals and to exercise oversight on the government. By strengthening the power of the parliament, the Basic Law sought to create a check on executive power. Experience shows that the political system has met this goal.

The Federal Chancellor and Cabinet

A weakness of the Weimar system was the division of executive authority between the president and the chancellor. The Federal Republic still has a dual executive, but the Basic Law substantially strengthened the formal powers of the **federal chancellor (Bundeskanzler)** as the chief executive office. Moreover, the incumbents of this office have dominated the political process and symbolized the federal government by their personalization of power. The chancellor plays such a central role in the political system that some observers describe the German system as a "chancellor democracy."

The Bundestag elects the chancellor, who is responsible for the conduct of the federal government. The chancellor wields substantial power. She represents a majority of the Bundestag and normally can count on their support for the government's legislative proposals. The chancellors usually have led their own party, directing party strategy and leading the party at elections. Each chancellor also brings a distinct personality to the office. Schröder was a doer who governed with a strong personality; Merkel prefers a more consultative and cooperative decisionmaking style, while still shaping the course of her government.

Another source of the chancellor's authority is her control over the Cabinet. The federal government now consists of fourteen departments, each headed by a minister. The Cabinet ministers are formally appointed, or dismissed, by the federal president on the recommendation of the chancellor (Bundestag approval is not necessary). The Basic Law also grants the chancellor the power to decide the number of Cabinet ministers and their duties.

The federal government functions in terms of three principles described in the Basic Law. First, the *chancellor principle* says that the chancellor defines government policy. The formal policy directives issued by the chancellor are legally binding on the Cabinet and the ministries. Thus, in contrast to the British system of shared Cabinet responsibility, the German Cabinet is formally subordinate to the chancellor in policymaking.

The second principle, *ministerial autonomy*, gives each minister the authority to direct the ministry's internal workings without Cabinet intervention as long as the policies conform to the government's guidelines. Ministers are responsible for supervising the activities of their departments, guiding their policy planning, and overseeing the administration of policy within their jurisdiction.

The *cabinet principle* holds that when conflicts arise between departments over jurisdictional or budgetary matters, the Basic Law calls for the Cabinet to resolve them.

The actual working of the federal government is more fluid than the formal procedures listed in the Basic Law. The number and choice of ministries for each party are major issues in building a multiparty government coalition after each election. Cabinet members also display great independence on policy despite the formal restrictions of the Basic Law. Ministers are appointed because of their expertise in a policy area. In practice, ministers often identify more with their role as department head than with their role as agent of the chancellor; their political success is judged by their representation of department interests.

The Cabinet thus serves as a clearinghouse for the business of the federal government. Specific ministers present policy proposals originating in their departments in the hope of gaining government endorsement. The chancellor defines a government program that reflects a consensus of the Cabinet and relies on negotiations and compromise within the Cabinet to maintain this consensus.

The Federal President

Because of the problems associated with the Weimar Republic's divided executive, the Basic Law changed the office of **federal president (Bundespräsident)** into a mostly ceremonial post. The president's official duties involve greeting visiting heads of state, attending official government functions, visiting foreign nations, and carrying out similar tasks.¹² To insulate the office from electoral politics, the president is selected by the Federal Convention, composed of all Bundestag deputies and an equal number of representatives chosen by the state legislatures. The president is supposed to remain above partisan politics once elected.

The reduction in the president's formal political role does not mean that an incumbent is uninvolved in the policy process. The Basic Law assigns several legal functions to the president, who appoints government and military officials, signs treaties and laws, and has the power of pardon. In these instances, however, the chancellor must countersign the actions. The president also nominates a chancellor to the Bundestag and can dissolve parliament if a government bill loses a no-confidence vote. In both instances the Basic Law limits the president's ability to act independently.

Potentially more significant is the constitutional ambiguity over whether the president must honor certain government requests. The legal precedent is unclear on whether the president has the constitutional right to veto legislation, to refuse the chancellor's recommendation for Cabinet appointments, or even to reject a request to dissolve the Bundestag. Analysts see these ambiguities as another safety valve built into the Basic Law's elaborate system of checks and balances.

The office of the federal president also has political importance that goes beyond the articles of the Basic Law. An active, dynamic president can influence the political climate through his speeches and public activities. The president is the one political figure who can rightly claim to be above politics and who can work to extend the vision of the nation beyond its everyday concerns. Horst Köhler was elected president in 2004 after serving as director of the International Monetary Fund.

The Judicial System

The ordinary courts, which hear criminal cases and most legal disputes, are integrated into a unitary system. The states administer the courts at the local and state levels. The highest ordinary court, the Federal Court of Justice, is at the national level. All courts apply the same national legal codes.

A second set of administrative courts hear cases in specialized areas. One court deals with administrative complaints against government agencies, one handles tax matters, another resolves claims involving social programs, and one deals with labor-management disputes. Like the rest of the judicial system, these specialized courts exist at both the state and the federal levels.

The Basic Law created a third element of the judiciary: the independent **Constitutional Court**. This court reviews the constitutionality of legislation, mediates disputes between levels of government, and protects the constitutional and democratic order.¹³ This is an innovation for the German legal system because it places one law, the Basic Law, above all others. This also implies limits on the decisionmaking power of the parliament and the judicial interpretations of lower court judges. Because of the importance of the Constitutional Court, its sixteen members are selected in equal numbers by the Bundestag and Bundesrat and can be removed only for abuse of the office.

The creation of a body to conduct constitutional review is another successful institutional innovation

of the Federal Republic. The Constitutional Court provides another check on the potential excesses of government and gives citizens additional protection for their human rights. It has become a third pillar of contemporary German democracy.

The Separation of Powers

One of the Basic Law's secret strengths is avoiding the concentration of power in the hands of any one actor or institution. The framers wanted to disperse political power so that extremists or antidemocrats could not overturn the system; democracy would require a consensus-building process. Each institution of government has strong powers within its own domain, but a limited ability to force its will on other institutions.

For instance, the chancellor lacks the authority to dissolve the legislature and call for new elections, something that normally exists in parliamentary systems. Equally important, the Basic Law limits the legislature's control over the chancellor. In a parliamentary system, the legislature typically can remove a chief executive from office by a simple majority vote. During the Weimar Republic, however, extremist parties used this device to destabilize the democratic system by opposing incumbent chancellors. To address situations where parliament might desire to remove the chancellor, the Basic Law created a **constructive no-confidence vote**.¹⁴ In order for the Bundestag to remove a chancellor, it simultaneously must agree on a successor. This ensures continuity in government and an initial majority in support of a new chancellor. It also makes it more difficult to remove an incumbent; opponents cannot simply disagree with the government—a majority must agree on an alternative. The constructive no-confidence vote has been attempted only twice—and has succeeded only once. In 1982 a majority replaced Chancellor Schmidt with a new chancellor, Helmut Kohl.

The Constitutional Court is another check on government actions, and it has assumed an important role as the guarantor of citizen rights and the protector of the constitution. The distribution of power and policy responsibilities between the federal and state governments is another moderating force in the political process. Even the strong bicameral legislature ensures that multiple interests must agree before making public policy.

This structure complicates the governing process—compared with a unified system, such as that in Britain, the Netherlands, or Sweden. However,

democracy is often a complicated process. This system of shared powers and of checks and balances has enabled German democracy to grow and flourish. This is a very successful example of how constitutional engineering helped democratize the nation.

REMAKING POLITICAL CULTURES

Consider for a minute what the average German must have thought about politics as World War II was ending. Germany's political history was hardly conducive to good democratic citizenship. Under the Kaiser the government expected people to be subjects, not active participants in the political process; this style nurtured feelings of political intolerance. The interlude of the Weimar Republic did little to change these values. The polarization, fragmentation, and outright violence of the Weimar Republic taught people to avoid politics, not to be active participants. Moreover, democracy eventually failed, and national socialism arose in its place. The Third Reich then raised another generation under an intolerant, authoritarian system.

Because of this historical legacy, the Federal Republic's development was closely linked to the question of whether its political culture was congruent with its democratic system. Initially, there were widespread fears that West Germany lacked a democratic political culture, thereby making it vulnerable to the same problems that undermined the Weimar Republic. Postwar opinion polls in the West presented a negative image of public opinion that was probably equally applicable to the East.¹⁵ West Germans were politically detached, accepting of authority, and intolerant in their political views. A significant minority of them were unrepentant Nazis, sympathy for many elements of the Nazi ideology was widespread, and anti-Semitic feelings remained commonplace.

Perhaps even more amazing than the Economic Miracle was the transformation of West Germany's political culture in little more than a generation. Confronted by an uncertain public commitment to democracy, the government undertook a massive political reeducation program. The schools, the media, and political organizations were mobilized behind the effort. The citizenry itself also was changing—older generations raised under authoritarian regimes were gradually being replaced by younger generations socialized during the postwar democratic era. The successes of a growing economy and a relatively smoothly functioning political system also changed

public perceptions. These efforts created a new political culture more consistent with the democratic institutions and process of the Federal Republic.

With unification Germany confronted another serious cultural question. The Communists had tried to create a rival culture in the GDR that would support their state and its socialist economic system. Indeed, the efforts at political education in the East were intense and extensive; they aimed at creating a broad "socialist personality" that included nonpolitical attitudes and behavior.¹⁶ Young people were taught a collective identity with their peers, a love for the GDR and its socialist brethren, acceptance of the Socialist Unity Party, and a Marxist-Leninist understanding of history and society.

German unification meant the blending of these two different political cultures, and at first the consequences of this mixture were uncertain. Without scientific social science research in the GDR, it was unclear if Easterners had internalized the government's propaganda. At the same time, the revolutionary political events leading to German unification may have reshaped even long-held political beliefs. What does a Communist think after attending communism's funeral?

Unification thus created a new question: Could the FRG assimilate 16 million new citizens with potentially different beliefs about how politics and society should function? The following sections discuss the key elements of German political culture and how they have changed over time.

Orientations Toward the Political Community

A common history, culture, territory, and language created a sense of a single German community long before Germany was politically united. Germany was the land of Schiller, Goethe, Beethoven, and Wagner, even if the Germans disagreed on political boundaries. The imagery of a single *Volk* binds Germans together despite their social and political differences.

Previous regimes had failed, however, to develop a common political identity to match the German social identity. Succeeding political systems were short lived and did not develop a popular consensus on the nature and goals of German politics. Postwar West Germany faced a similar challenge: building a political community in a divided and defeated nation.

In the early 1950s, large sectors of the West German public identified with the symbols and

personalities of previous regimes.¹⁷ Most people felt that the Second Empire or Hitler's prewar Reich represented the best times in German history. Substantial minorities favored a restoration of the monarchy or a one-party state. Almost half the population believed that if it had not been for World War II, Hitler would have been one of Germany's greatest statesmen.

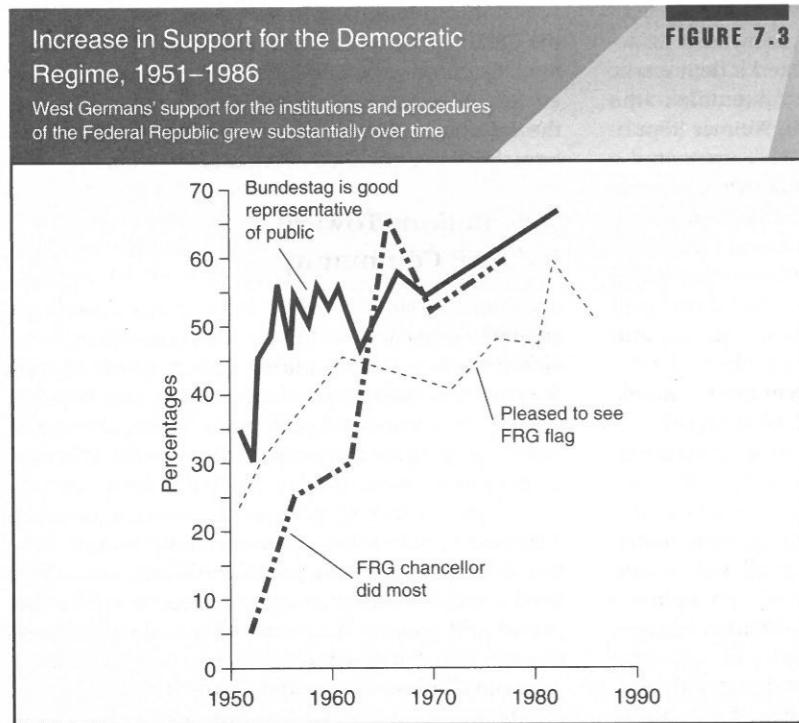
Over the next two decades, these ties to earlier regimes gradually weakened, and the bonds to the new institutions and leaders of the Federal Republic steadily grew stronger (see Figure 7.3). The number of citizens who believed that Bundestag deputies represent the public interest doubled between 1951 and 1964; public respect shifted from the personalities of prior regimes to the chancellors of the Federal Republic. By the 1970s an overwhelming majority of the public felt that the present was the best time in German history. West Germans became more politically tolerant, and feelings of anti-Semitism declined sharply. The public displayed a growing esteem for the new political system.¹⁸

Even while Westerners developed a new acceptance of the institutions and symbols of the Federal

Republic, something was missing, something that touched the spirit of their political feelings. The FRG was a provisional entity, and "Germany" meant a unified nation. Were citizens of West Germany to think of themselves as Germans, West Germans, or some mix of both? In addition, the trauma of the Third Reich burned a deep scar in the Western psyche, making citizens hesitant to express pride in their nation or a sense of German national identity. Because of this political stigma, the FRG avoided many of the emotional national symbols that are common in other nations. There were few political holidays or memorials, one seldom heard the national anthem, and even the anniversary of the founding of the FRG received little public attention. This legacy means that even today Germans are hesitant to openly express pride in the nation (see Box 7.2).

The quest for a national identity also occurred in the East. The GDR claimed to represent the "pure" elements of German history; it portrayed the FRG as the successor to the Third Reich. Most analysts believe that the GDR had created at least a sense of resigned loyalty to the regime because of its political and social accomplishments. Thus, a 1990 study found that Eastern youth most admired Karl Marx (followed by the first president of the GDR), while Western youth were most likely to name Konrad Adenauer, the first chancellor of the FRG.¹⁹ Once socialism failed, however, the basis for a separate East German political identity also evaporated.

Unification began a process by which the German search for a national political identity could finally be resolved. The opening of the Berlin Wall created positive political emotions that were previously lacking. The celebration of unification, and the designation of October 3 as a national holiday, finally gives Germans a positive political experience to celebrate. Citizens in East and West remain somewhat hesitant to embrace an emotional attachment to the nation, and Easterners retain a lingering tie to their



Source: Russell J. Dalton, *Politics in Germany*, 2nd ed. (New York: HarperCollins, 1993), p. 121.

Can One Be Proud and German?

BOX 7.2

Could anyone imagine a French president or a British prime minister or indeed just about any other world leader refusing to say he was proud of his nationality? Yet, this is a contentious statement in Germany because expressions of nationalism are still linked by some to the excessive nationalism of the Third Reich. Thus, when in 2001 the general secretary of the Christian Democratic Union declared: "I am proud to be German," he set off an intense national debate. A Green member of the Social Democratic Party–Green Cabinet replied that this statement demonstrated the

mentality of a right-wing skinhead. President Rau tried to sidestep the issue by declaring that one could be "glad" or "grateful" for being German, but not "proud." Then Chancellor Schröder entered the fray: "I am proud of what people have achieved and our democratic culture. . . . In that sense, I am a German patriot who is proud of his country." It is difficult to imagine such exchanges occurring in Washington, D.C., or Paris.

Source: *The Economist*, March 24, 2001, p. 62.

separate past. Yet, the basic situation has changed. For the first time in over a century, nearly all Germans agree where their borders begin and end. Germany is now a single nation—democratic, free, and looking toward the future.

Orientations Toward the Democratic Process

A second important element of the political culture involves citizen attitudes toward the political process and system of government. In the early years of West Germany, the rules of democratic politics—majority rule, minority rights, individual liberties, and pluralistic debate—did not fit citizens' experiences. To break this pattern, political leaders constructed a system that formalized democratic procedures. Citizen participation was encouraged and expected, policymaking became open, and the public gradually learned democratic norms by continued exposure to the new political system. Political leadership provided a generally positive example of competition in a democratic setting. Consequently, a popular consensus slowly developed in support of the democratic political system. By the mid-1960s there was nearly unanimous agreement that democracy was the best form of government. More important, the Western public displayed a growing commitment to democratic procedures—a multiparty system, conflict management, minority rights, and representative government.²⁰

Political events occasionally have tested popular commitment to democratic values in West Germany. For instance, during the 1970s a small group of

extremists attempted to topple the system through a terrorist campaign.²¹ In the early 1980s, the Kohl government faced a series of violent actions by anarchic and radical ecology groups. In recent years new threats from international terrorists and jihadist extremists have threatened the nation. In these instances, however, the basic conclusion was that the political system could face the onslaughts of political extremists and survive with its basic procedures intact—and without the public losing faith in the democratic process.

The propaganda of the East German government also stressed a democratic creed. In reality, however, the regime tried to create a political culture that was compatible with a communist state and a socialist economy. The culture drew on traditional Prussian values of obedience, duty, and loyalty: The government again told people that obedience was the responsibility of a good citizen and that support of the state (and the party) was an end in itself. Periodically, political events—the 1953 East Berlin uprising, the construction of the Berlin Wall, and the expulsions of political dissidents—reminded East Germans of the gap between the democratic rhetoric of the regime and reality.

One reason the popular revolt may have grown so rapidly in 1989 was that citizens no longer supported the principles of the regime, even if they might be hesitant to publicly express such sentiments under a Stasi police state. For instance, studies of young Easterners found that identification with Marxism-Leninism and belief in the inevitable victory of socialism dropped off dramatically during the mid-1980s.²² At the least, the revolutionary changes that swept

through East Germany as the Berlin Wall fell nurtured a belief in democracy as the road to political reform. A 1990 public opinion survey found nearly universal support for basic tenets of democracy among both West and East Germans.²³

The true test of democracy, of course, occurs in the real world. Some studies suggest that Easterners' initial understanding of democracy was limited, or at least different from that of Westerners.²⁴ Yet, Easterners in 1989 were markedly more supportive of democracy than were Germans in 1945. Rather than remaking this aspect of the East German culture, the greater need was to transform Eastern support for democracy into a deeper and richer understanding of the workings of the process and its pragmatic strengths and weaknesses. And now, almost two decades after unification, with an Easterner as the chancellor, the principles of democracy are becoming engrained in the political culture—both West and East.

Social Values and the New Politics

Another area of cultural change in West Germany involves a shift in public values produced by the social and economic accomplishments of the nation. Once West Germany addressed traditional social and economic needs, the public broadened its concerns to include a new set of societal goals. New issues—such as the environment, women's rights, and increasing citizen participation—attracted public attention.

Ronald Inglehart explained these political developments in terms of the changing value orientations of Westerners.²⁵ He maintains that a person's value priorities reflect the family and societal conditions that prevail early in life. Older generations, socialized before the post-World War II transformation, have experienced uncertain economic and political conditions, which lead them to still emphasize economic security, law and order, religious values, and a strong national defense—despite the economic and political advances of the past half century. In contrast, because younger generations grew up in a democratic and affluent nation, they were shifting their attention toward **New Politics** values. These new values emphasize self-expression, personal freedom, social equality, self-fulfillment, and quality of life.

Although only a minority of Westerners hold these new values, they represent a “second culture” embedded within the dominant culture of FRG society. These values are less developed among Easterners. Still, the evidence of political change is apparent. Public interest

in New Politics issues has gradually spread beyond its youthful supporters and developed a broader base. Even in the East, many of the early demonstrations for democracy had supporters calling for “*Freiheit und Umwelt*” (freedom and the environment).

Two Peoples in One Nation?

Citizens in the East and West share a common German heritage, but forty years of separation created cultural differences that now are blended into a single national culture.

Because of these different experiences, the broad similarities in many of the political beliefs of Westerners and Easterners are surprising. Easterners and Westerners both espouse support for the democratic system and its norms and institutions. There is also broad acceptance of the principles of Germany's social market economy. Thus, the Federal Republic's second transition to democracy features an agreement on basic political and economic values that is markedly different from the situation after World War II.

Yet, other aspects of cultural norms do differ between regions. For instance, although residents in both the West and the East endorse the tenets of democracy, it is harder to reach agreement on how these ideals translate into practical politics. The open, sometimes confrontational style of Western politics is a major adjustment for citizens raised under the closed system of the GDR. In addition, Easterners endorse a broader role for government in providing social services and guiding social development than is found among Westerners.²⁶

There are also signs of a persisting gap in regional identities between East and West. The passage of time and harsh postunification adjustments created a nostalgia for some aspects of the GDR among its former residents. Easterners do not want a return to communism or socialism, but many miss the slower and more predictable style of their former lives. Even while expressing support for Western capitalism, many Easterners have difficulty adjusting to the idea of unemployment and to the competitive pressures of a market-based economy. There is a nostalgic yearning for symbols of these times, ranging from the Trabant automobile to consumer products bearing Eastern labels. The popularity of the 2003 movie *Goodbye Lenin!* is an indication of these sentiments—and a good film for students interested in this phase of German history. In fact, Easterners have developed a regional identity that is similar to the feelings of Southerners in the United States.

Moreover, even though Easterners favor democracy, only 41 percent in 2007 were satisfied with how it functions in the Federal Republic, compared with more than two-thirds among Westerners.²⁷ Easterners still feel that the political system overlooks their needs.

Unification may have also heightened New Politics conflicts within German society. The GDR had struggled to become a materialist success, while the West enjoyed its postmaterial abundance. Consequently, Easterners give greater weight to such goals as higher living standards, security, hard work, and better living conditions. Most Easterners want first to share in the affluence and consumer society of the West before they begin to fear the consequences of this affluence. The clash of values within West German society is now joined by East-West differences.

Germans share a common language, culture, and history—and a common set of ultimate political goals—although the strains of unification may magnify and politicize the differences. The nation's progress in blending these two cultures successfully will strongly affect the course of the new Germany.

POLITICAL LEARNING AND POLITICAL COMMUNICATION

If a congruent political culture helps a political system to endure, as many political experts maintain, then one of the basic functions of the political process is to create and perpetuate these attitudes. This process is known as *political socialization*. Researchers normally view political socialization as a source of continuity in a political system, with one generation transmitting the prevailing political norms to the next. In Germany, however, the socialization challenges for the past half century have been to change the culture inherited from the Third Reich and then to change the culture inherited from the GDR.

Family Influences

During their early years, children have few sources of learning comparable to their parents—normally the major influence in forming basic values. Family discussions can be a rich source of political information and one of the many ways that children internalize their parents' attitudes. Basic values acquired during childhood often persist into adulthood.

In the early postwar years, family socialization did not function smoothly on either side of the German

border. Many parents did not discuss politics with their children for fear that the child would ask, “What did you do under Hitler, Daddy?” The potential for parental socialization grew steadily as the political system of the FRG began to take root, however.²⁸ The frequency of political discussion increased in the West, and family conversations about politics became commonplace. Moreover, young new parents raised under the system of the FRG could pass on democratic norms held for a lifetime.

The family also played an important role in the socialization process of the GDR. Family ties were especially close in the East, and most young people claimed to share their parents' political opinions. The family was one of the few settings where people could openly discuss their beliefs, a private sphere where individuals could be free of the watchful eyes of others. Here one could express praise for—or doubt about—the state.

Despite the growing socialization role of the family, there is often a generation gap in political values in both West and East. Youth in the West are more liberal than their parents, more oriented toward noneconomic goals, more positive about their role in the political process, and more likely to challenge prevailing social norms.²⁹ Eastern youth are also a product of their times, now being raised under the new democratic and capitalist systems of the Federal Republic. Under the GDR, conformity was mandated; imagine what Eastern parents think when their teenagers adopt hiphop or punk lifestyles. Clearly, young people's values and goals are changing, often putting them in conflict with their elders.

Education

The educational system was a major factor in the creation of a democratic political culture in the FRG. As public support for the FRG's political system increased, this decreased the need for formal instruction in the principles of democracy and the new institutions of the political system. The content of civics instruction changed to emphasize an understanding of the dynamics of the democratic process—interest representation, conflict resolution, minority rights, and the methods of citizen influence. The present system tries to prepare students for their adult roles as political participants.

In the East the school system also played an essential role in political education, although the content was very different. The schools tried to create a

socialist personality that encompassed a devotion to communist principles, a love of the GDR, and participation in state-sponsored activities. Yet, again, the rhetoric of education conflicted with reality. The textbooks told students that the GDR endorsed personal freedom, but then they stared from their school buses at the barbed wire strung along the border. Many young people accepted the rhetoric of the regime, but the education efforts remained incomplete.

Another cornerstone of the GDR's socialization efforts was a system of government-supervised youth groups. Nearly all primary school students enrolled in the Pioneers, a youth organization that combined normal social activities—similar to those in the Boy Scouts or Girl Scouts in the United States—with a heavy dose of political education. At age 14 about three-fourths of the young joined the Free German Youth (FDJ) group, which was a training and recruiting ground for the future leadership of East Germany. Like other communist states, the GDR staged mass sporting events that included an opportunity for political indoctrination and used the Olympic medal count as a measure of the nation's international status. In short, from a school's selection of texts for first-grade readers to the speeches at a sports awards banquet, the values of the GDR regime touched everyday life. This changed, of course, with German unification, so that the schools teach about common values across the nation.

Social Stratification Another important effect of education involves its consequences for the social stratification of society. The secondary school system in the Federal Republic has three distinct tracks. One track provides a general education that normally leads to vocational training and working-class occupations. A second track mixes vocational and academic training. Most graduates from this program are employed in lower middle-class occupations. A third track focuses on academic training at a Gymnasium (an academic high school) in preparation for university education.

In selecting students for different careers, these educational tracks reinforce social status differences within society. The schools direct students into one track after only four to six years of primary schooling, based on their school record, parental preferences, and teacher evaluations. At this early age, family influences are still a major factor in the child's development—your future career choices are largely determined

at age 10. This means that most children in the academic track come from middle-class families, and most students in the vocational track are from working-class families. Sharp distinctions separate the three tracks. Students attend different schools, so that social contact across tracks is minimized. The curriculums of the three tracks are so different that once a student is assigned, he or she would find it difficult to transfer. The Gymnasias are more generously financed and recruit the best-qualified teachers. Every student who graduates from a Gymnasium is guaranteed admission to a university, where tuition is free.

Reformers have made numerous attempts to lessen the class bias of the educational system. There is a clear tendency for middle-class children to benefit under the tracked educational system. Some states have a single, comprehensive secondary school that all students may attend, but only about 10 percent of Western secondary school students are enrolled in these schools. Reformers have been more successful in expanding access to the universities. In the early 1950s, only 6 percent of college-aged youths pursued higher education; today this figure is over 30 percent. The Federal Republic's educational system retains an elitist accent, though it is now less obvious.

The socialist ideology of the GDR led to a different educational structure. Students from different social backgrounds and with different academic abilities attended the same school—much like the structure of public education in the United States. The schools emphasized practical career training, with a heavy dose of technical and applied courses in the later years. Those with special academic abilities could apply to the extended secondary school during their twelfth year, which led to a university education. Ironically, the Eastern system provided more opportunities for mobility than did the educational system in the FRG.

At first, the Eastern states attempted to keep their system of comprehensive schools after German unification. However, unification has generally led to the expansion of the West's highly tracked educational system to the East, rather than to reforms to liberalize the German system of secondary education to lessen social biases and grant greater opportunity to all.

Mass Media

The mass media have a long history in Germany: The world's first newspaper and first television service both

appeared on German soil. Under previous regimes, however, political authorities frequently censored or manipulated the media. National socialism showed what a potent socialization force the media could be, especially when placed in the wrong hands.

The mass media of the Federal Republic were developed with the goal of avoiding the experience of Nazi propaganda and contributing to a new democratic political culture.³⁰ The Federal Republic began with a new journalistic tradition, committed to democratic norms, objectivity, and political neutrality.

The German media are also highly regionalized. The Federal Republic lacks an established national press like that of Britain or France. Instead, each region or large city has one or more newspapers that circulate primarily within that locale. Of the several hundred daily newspapers, only a few—such as the *Frankfurter Allgemeine Zeitung*, *Welt*, *Süddeutsche Zeitung*, and *Frankfurter Rundschau*—have a national following.

The electronic media in the Federal Republic are also regionally decentralized. Public corporations organized at the state or regional level manage the public television and radio networks. These public broadcasting networks still are the major German television channels. To ensure independence from commercial pressures, the public media are financed mostly by taxes assessed on owners of radios and television sets. But new technologies of cable and satellite television have undercut the government's media monopoly. These new media have eroded the government's control of the information flow and increased pressures to cater to consumer preferences. Many analysts see these new media offerings as expanding the citizens' choice and the diversity of information, but others worry that the quality of German broadcasting has suffered as a result. Once one could not even watch soccer matches on television because government planners considered it inappropriate. Now cable subscribers can watch a previously unimaginable range of social, cultural, political, and sports programming.

The mass media are a primary source of information for the public and a communications link between elites and the public. The higher-quality newspapers devote substantial attention to domestic and international reporting, although the largest circulation newspaper, *Bild Zeitung*, sells papers through sensationalist stories. The public television networks are also strongly committed to political

programming; about one-third of their programs deal with social or political issues.

Public opinion surveys show that Germans have a voracious appetite for the political information provided by the mass media. A 2005 survey found that 52 percent of the public claimed to read news in the newspaper on a daily basis, 56 percent listened to news on the radio daily, and 70 percent said they watched television news programs daily.³¹ These high levels of media usage indicate that Germans are attentive media users and well informed on the flow of political events.

CITIZEN PARTICIPATION

In the 1950s the Western public did not participate in the new political process; they acted like political spectators who were following a soccer match from the grandstand. Previous German history certainly had not been conducive to developing widespread public involvement in politics. The final step in re-making the political culture was to involve citizens in the process—to have them come onto the field and participate.

From the start both German states encouraged their citizens to be politically active, but with different expectations about what was appropriate. The democratic procedures of West Germany induced many people to at least vote in elections. Turnout reached up to 90 percent for some national elections. Westerners became well informed about the political system and developed an interest in political matters. After continued democratic experience, people began to internalize their role as participants. Most Westerners think their participation can influence the political process—people believe that democracy works.

The public's changing political norms led to a dramatic increase in involvement. In the 1950s almost two-thirds of the West German public never discussed politics; today about three-quarters claim they talk about politics regularly. Expanding citizen interest created a participatory revolution in the FRG as involvement in campaigns and political organizations increased. Perhaps the most dramatic example of rising participation levels was the growth of **citizen action groups (Bürgerinitiativen)**. Citizens interested in a specific issue form a group to articulate their political demands and influence decisionmakers. Parents organize for school reform, homeowners become involved

in urban redevelopment projects, taxpayers complain about the delivery of government services, or residents protest the environmental conditions in their locale. These groups expanded citizen influence significantly beyond the infrequent and indirect methods of campaigns and elections.

The GDR system also encouraged political involvement, but people could be active only in ways that reinforced their allegiance to the state. For example, elections offered the Communist leadership an opportunity to educate the public politically. More than 90 percent of the electorate cast ballots, and the government parties always won nearly all the votes. People were expected to participate in government-approved unions, social groups (such as the Free German Youth or the German Women's Union), and quasi-public bodies, such as parent-teacher organizations. However, participation was a method not for citizens to influence the government, but for the government to influence its citizens.

Although they draw on much different experiences, Germans from both the East and the West have been socialized into a pattern of high political involvement (see Figure 7.4).³² Voting levels in national

elections are among the highest of any European democracy. Almost 80 percent of Westerners and almost 75 percent of Easterners turned out at the polls in the 2005 Bundestag elections. This turnout level is very high by U.S. standards, but it has declined from nearly 90 percent in FRG elections of the 1980s. High turnout partially reflects the belief that voting is part of a citizen's duty. In addition, the electoral system encourages turnout: Elections are held on Sunday when everyone is free to vote, voter registration lists are constantly updated by the government, and the ballot is always simple—there are at most two votes to cast.

Beyond the act of voting, many Germans participate in other ways. A survey conducted after the 2004 European election illustrates the participation patterns of Easterners and Westerners (see again Figure 7.4). Almost a third of the public in West and East had signed a petition in the previous year, and a fifth had boycotted some product on political grounds. These are high levels by cross-national standards.

The pattern of working with political parties and citizen action groups is also interesting. A significant proportion of Westerners (3 percent) and Easterners

(4 percent) said they had worked for a political party during the 2004 election, and about the same percentages said they had displayed a campaign sticker or button. Yet, participating in a legal demonstration or working with others on a community problem was much more common than campaign activity in both regions. A substantial proportion of the public had also written or contacted a politician during the past year. This indicates the expansion of political involvement to new modes of action.

Thus, Germans on both sides of the former border are now actively involved in politics. Moreover, participation extends beyond the traditional role of voting in elections to include a wide range of political activities. The spectators have become participants.

POLITICS AT THE ELITE LEVEL³³

The Federal Republic is a representative democracy. This means that above the populace is a group of a few thousand political elite who manage the actual workings of the political system. Elite members, such as party leaders and parliamentary deputies, are directly responsible to the public through elections. Civil servants and judges are appointed, and they are at least indirectly responsible to the citizenry. Leaders of interest groups and political associations participate as representatives of their specific clientele groups. Although the group of politically influential

elites is readily identifiable, it is not a homogeneous power elite. Rather, elites in the Federal Republic represent the diverse interests in German society. Often there is as much heterogeneity in policy preferences among the political elites as there is among the public.

Individuals may take numerous pathways to elite positions. Party elites may have exceptional political abilities; administrative elites are initially recruited because of their formal training and bureaucratic skills; interest group leaders are selected for their ability to represent their group.

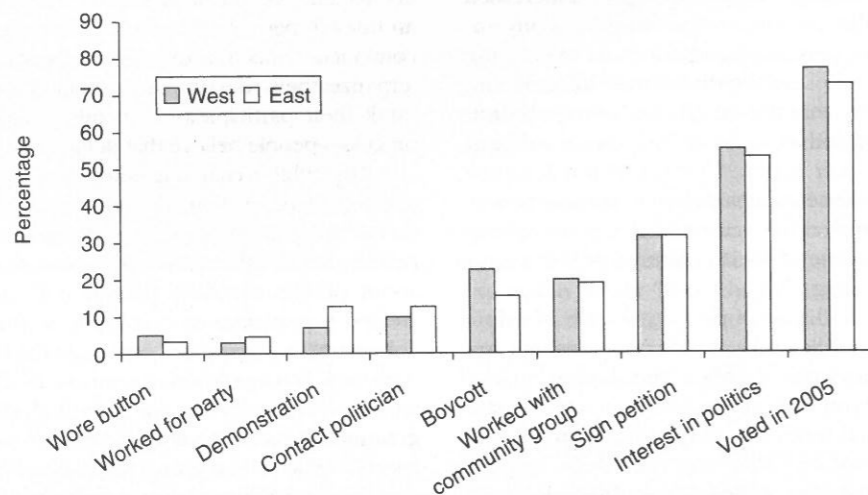
One feature of elite recruitment that differs from American politics is the long apprenticeship period before one enters the top elite stratum. Candidates for national or even state political office normally have a long background of party work and office-holding at the local level. Similarly, senior civil servants spend nearly all their adult lives working for the government. Chancellor Merkel's biography is an unusual example because she did not follow the typical model of a long career or party and political positions (see Box 7.3).

A long apprenticeship means that political elites have extensive experience before attaining a position of greatest power; elites also share a common basis of experience built up from interacting over many years. National politicians know each other from working together at the state or local level; the paths of civil servants frequently cross during their long careers. These experiences develop a sense

Participation Levels in West and East Germany

Westerners are generally more politically active than Easterners, although there are many ways people participate

FIGURE 7.4



Source: 2004 European Social Survey (ess.nsd.uib.no); voter turnout is from government statistics for the 2005 election.

The Atypical Chancellor

BOX 7.3

Angela Merkel has the most unlikely biography for a German chancellor. She was born in West Germany in 1954, and when she was a year old, her father, a left-leaning Protestant minister, chose to move his family to East Germany. Like many young East Germans, she became a member of the Communist youth league, the Free German Youth group. She eventually earned a Ph.D. in chemistry from the East Berlin Academy of Sciences in 1989. Merkel pursued a career as a research scientist until the German Democratic Republic (GDR) began to collapse in 1989. She first joined the Democratic Awakening

and then the Christian Democratic Union (CDU) and was elected to the Bundestag as a CDU deputy in 1990. She rose quickly through the ranks of CDU leaders, serving as minister for women and youth from 1991 to 1994 and as environment minister from 1994 to 1998. In 2000 Merkel became the national chair of the CDU. With her election in 2005, she became the first woman, and the first former citizen of the GDR, to head the German federal government. In 2008 *Forbes* magazine ranked Chancellor Merkel as number 1 on their list of the 100 most powerful women in the world.

of trust and responsibility in elite interactions. For instance, members of a chancellor's Cabinet are normally drawn from party elites with extensive experience in state or federal government. Until Merkel was elected, chancellors since the 1960s had previously served as the minister president of their state. Seldom can top business leaders or popular personalities use their outside success to attain a position of political power quickly. This also contributes to the cohesion of elite politics.

Because they represent different political constituencies, elites differ in many of their policy priorities. For instance, SPD elites and officials from labor unions are more likely to emphasize the need for greater social and economic equality, social security, and the integration of foreigners.³⁴ Church officials stress moral and religious principles, while CDU/CSU and business representatives typically have a distinct economic position. Green activists have their own distinct alternative agenda. This method of representation gives citizens a voice in the decisions made by elites, and the clearer the link, the more direct the voice.

INTEREST GROUPS

Interest groups are an integral part of the German political process, even more so than in the United States. Some specific interests may be favored more than others, but interest groups are generally welcomed as necessary participants in the political process.

German interest groups are connected to the government more closely than are such groups in the United States. Doctors, lawyers, and other self-employed professionals belong to professional associations that are established by law and receive government authorization of their activities, making them quasi-public bodies. These associations, which date back to the medieval guilds, enforce professional rules of conduct.

Interest groups also participate in a variety of governmental commissions and bodies, such as that managing public radio and television. Some groups receive financial or administrative support from the government to assist them in carrying out policy-related activities, such as the administration of a hospital or the monitoring of environmental conditions. Federal administrative law requires that ministry officials contact the relevant interest groups when formulating new policies that may affect them. These

consultations ensure that the government can benefit from the groups' expertise.

In some instances the pattern of interest group activity approaches the act of governance. For example, when the government sought structural reform in the steel industry, it assembled interest group representatives from the affected sectors to discuss and negotiate a common plan. Group officials attempted to reach a consensus on the necessary changes and then implemented the agreements, sometimes with the official sanction of the government. Similar activities have occurred in other policy sectors.

This cooperation between government and interest groups is described as **neocorporatism**, a general pattern having the following characteristics:³⁵

- Social interests are organized into virtually compulsory organizations.
- A single association represents each social sector.
- Associations are hierarchically structured.
- Associations are accepted as formal representatives by the government.
- Associations may participate directly in the policy process.

Policy decisions are reached in discussions and negotiations between the relevant association and the government—then the agreements are implemented by government action.

This neocorporatist pattern solidifies the role of interest groups in the policy process. Governments feel that they are responding to public demands when they consult with these groups, and the members of these interest groups depend on the organization to have their views heard. Thus, representatives of the major interest groups are important actors in the policy process. Neocorporatist relations also lessen political conflict; for instance, strike levels and political strife tend to be lower in neocorporatist systems.

Another advantage of neocorporatism is that it makes for efficient government; the involved interest groups can negotiate on policy without the pressures of public debate and partisan conflict. However, efficient government is not necessarily the best government, especially in a democracy. Decisions are reached in conference groups or advisory commissions, outside of the representative institutions of government decisionmaking. The "relevant" interest groups are involved, but this assumes that all relevant interests are organized and that only organized interests are relevant. Decisions

Christian Democrats readily accept the legitimate role of business interests within the policy process.

Labor

The **German Federation of Trade Unions (DGB)** is the peak association that incorporates eight separate unions—ranging from the metalworking and building trades to the chemical industry and the postal system—into a single organizational structure.³⁶ The DGB represents more than 7 million workers. Union membership has declined, however, and today barely a third of the labor force belongs to a union. The membership includes many industrial workers and an even larger percentage of government employees.

As a political organization, the DGB has close ties to the Social Democratic Party, although there is no formal institutional bond between the two. Most SPD deputies in the Bundestag are members of a union, and about one-tenth are former labor union officials. The DGB represents the interests of labor in government conference groups and Bundestag committees. The large mass membership of the DGB also makes union campaign support and the union vote essential parts of the SPD's electoral base.

In spite of their differing interests, business and unions have shown an unusual ability to work together. The Economic Miracle was possible because labor and management implicitly agreed that the first priority was economic growth, from which both sides would prosper. Work time lost through strikes and work stoppages has been consistently lower in the Federal Republic than in most other Western European nations.

This cooperation is encouraged by joint participation of business and union representatives in government committees and planning groups. Cooperation also extends into industrial decisionmaking through **codetermination (Mitbestimmung)**, a federal policy requiring that employees elect half of the board of directors in large companies. The system was first applied to the coal, iron, and steel industries in 1951, and in 1976 it was extended a modified form to large corporations in other fields. Initially, there were dire forecasts that codetermination would destroy German industry. The system generally has been successful, however, in fostering better labor-management relations and thereby strengthening the economy. The Social Democrats also favor codetermination because it introduces democratic principles into the economic system.

affecting the entire public are often made through private negotiations, as democratically elected representative institutions—state governments and the Bundestag—are sidestepped and interest groups deal directly with government agencies. Consequently, interest groups play a less active role in electoral politics, as they concentrate their efforts on direct contact with government agencies.

Interest groups come in many shapes and sizes. This section describes the large associations that represent the major socioeconomic forces in society. These associations normally have a national organization, a so-called **peak association**, that speaks for its members.

Business

Two major organizations represent business and industrial interests. The **Federation of German Industry (BDI)** is the peak association for thirty-five separate industrial groupings. The BDI-affiliated associations represent nearly every major industrial firm, forming a united front that speaks with authority on matters affecting their interests.

The **Confederation of German Employers' Associations (BDA)** includes even more business organizations. Virtually every large- or medium-sized employer in the nation is affiliated with one of the sixty-eight employer and professional associations of the BDA.

The two organizations have overlapping membership, but they have different roles in the political process. The BDI represents business on national political matters. Its officials participate in government advisory committees and planning groups, presenting the view of business to government officials and members of parliament. In contrast, the BDA represents business on labor and social issues. The individual employer associations negotiate with the labor unions over employment contracts. At the national level, the BDA represents business on legislation dealing with social security, labor legislation, and social services. It also nominates business representatives for a variety of government committees, ranging from the media supervisory boards to social security committees.

Business interests have a long history of close relations with the Christian Democrats and conservative politicians. Companies and their top management provide significant financial support for the Christian Democrats, and many Bundestag deputies have strong ties to business. Yet both the Social Democrats and the

Religious Interests

Religious associations are the third major organized interest. Rather than being separated from politics, as in the United States, church and state are closely related. The churches are subject to the rules of the state, and in return they receive formal representation and support from the government.

The churches are financed mainly through a church tax collected by the government. The government adds a surcharge (about 10 percent) to an employee's income tax, and the government transfers this amount to the employee's church. A taxpayer can officially decline to pay that tax, but social norms discourage this. Catholic primary schools in several states receive government funding, and the churches accept government subsidies to support their social programs and aid to the needy.

The churches are often directly involved in the policy process. Church appointees regularly sit on government planning committees that deal with education, social services, and family affairs. By law the churches participate on the supervisory boards of the public radio and television networks. Members of the Protestant and Catholic clergy occasionally serve in political offices, as Bundestag deputies or as state government officials.

The Catholic and Protestant churches receive the same formal representation by the government, but the two churches differ in their political styles. The Catholic Church has close ties to the Christian Democrats and at least implicitly encourages its members to support this party and its conservative policies. The Catholic hierarchy is not hesitant to lobby the government on legislation dealing with social or moral issues and often wields an influential role in policy-making.

The Protestant community is a loose association of mostly Lutheran churches spread across Germany. Church involvement in politics varies with the preferences of local pastors, bishops, and their respective congregations. In the West the Protestant churches are not very involved in partisan politics, although they are seen as favoring the Social Democrats. Protestant groups also work through their formal representation on government committees or function as individual lobbying organizations.

Protestant churches played a more significant political role in the GDR because they were one of the few organizations that was autonomous from the state. Churches were places where people could

freely discuss the social and moral aspects of contemporary issues. As the East German revolution gathered force in 1989, many churches acted as rallying points for opposition to the regime. Religion was not the opiate of the people, as Marx had feared, but one of the forces that swept the Communists from power.

Declining church attendance in both West and East marks a steady secularization of German society. About one-tenth of Westerners claim to be nonreligious, as are nearly half the residents in the East. The gradual secularization of German society suggests that the churches' popular base will continue its slow erosion.

Germany's growing Muslim community represents a new aspect of religious interests. These communities have built mosques across Germany, often facing resistance from the local population. The mosques then receive tax support, just like the Catholic and Protestant churches. Some activists have demanded that schools teach the Koran and that they provide instruction in languages other than German. As more foreign residents become German citizens, this community is likely to become a more vocal participant in the political process.

New Politics Movement

During the late twentieth century, new citizen groups emerged as part of the New Politics movement. Challenging business, labor, religion, agriculture, and other established socioeconomic interests, these new organizations have focused their efforts on the lifestyle and quality-of-life issues facing Germany.³⁷ Environmental groups are the most visible part of the movement. Following the flowering of environmental interests in the 1970s, antinuclear groups popped up like mushrooms around nuclear power facilities, local environmental action groups proliferated, and new national organizations formed. The women's movement is another part of the New Politics network. That movement developed a dualistic strategy for improving the status of women: changing the consciousness of women and reforming the laws. A variety of associations and self-help groups at the local level nurture the personal development of women, while other organizations focus on national policymaking.

Different New Politics groups have distinct issue interests and their own organizations, but they are also part of a common movement unified by their shared interest in the quality of life for individuals, including the quality of the environment, the protection of

human rights, and peace in an uncertain world. They draw their members from the same social base: young, better educated, and middle-class citizens. These groups also are more likely to use unconventional political tactics, such as protests and demonstrations.

New Politics groups do not wield the influence of the established interest groups, although their combined membership now exceeds the formal membership in the political parties. These groups are important and contentious actors in the political process. Moreover, the reconciliation of women's legislation in the united Germany and the resolution of the East's environmental problems are likely to keep these concerns near the top of the political agenda.

THE PARTY SYSTEM

Political parties are an essential part of a democratic government, and they perform a variety of functions within the political process. Moreover, political parties in Germany play a larger and more active role than do political parties in the United States. Germany is often described as a system of party government.

Following World War II, the Western Allies created a new democratic, competitive party system in the West. The Allies licensed a diverse set of parties that were free of Nazi ties and committed to democratic procedures. The Basic Law requires that parties support the constitutional order and democratic methods of the FRG. Because of these provisions, the FRG developed a strong system of competitive party politics that is a mainstay of the democratic order. Elections focused on the competition between the conservative Christian Democrats and the leftist Social Democrats, with the smaller parties typically holding the balance of power. When New Politics issues entered the political agenda in the 1980s, a new political party, the Greens, formed to represent these concerns. A small extreme-right party, the **Republikaner (REP)**, formed in the late 1980s as an advocate of nationalist policies and antiforeigner propaganda.³⁸

The GDR supposedly had a multiparty system and elections, but this presented only the illusion of democracy—the Socialist Unity Party (SED) firmly held political power. When the GDR collapsed, the SED and other Communist front parties also collapsed. Support for the SED plummeted, and the party remade itself by changing its name to the **Party of Democratic Socialism (PDS)**. Although many opposition groups competed in the 1990 democratic

elections in the East, the West German parties largely controlled the electoral process, taking over the financing, tactics, organization, and substance of the campaign. Today the party system of unified Germany largely represents an extension of the Western system to the East.

Christian Democrats

The creation of the **Christian Democratic Union (CDU)** in postwar West Germany signified a sharp break with the tradition of German political parties. The CDU was founded by a mixed group of Catholics and Protestants, businesspeople and trade unionists, conservatives and liberals. Rather than representing narrow special interests, the party wanted to appeal to a broad segment of society in order to gain government power. The party sought to reconstruct West Germany along Christian and humanitarian lines. Konrad Adenauer, the party leader, developed the CDU into a conservative-oriented catchall party (*Volkspartei*)—a sharp contrast to the fragmented ideological parties of Weimar. This strategy succeeded; within a single decade, the CDU emerged as the largest party, capturing 40 to 50 percent of the popular vote (see Figure 7.5).

The CDU operates in all states except Bavaria, where it allies itself with the Bavarian **Christian Social Union (CSU)**, whose political philosophy is more conservative than that of the CDU. These two parties generally function as one (CDU/CSU) in national politics, forming a single parliamentary group in the Bundestag and campaigning together in national elections.

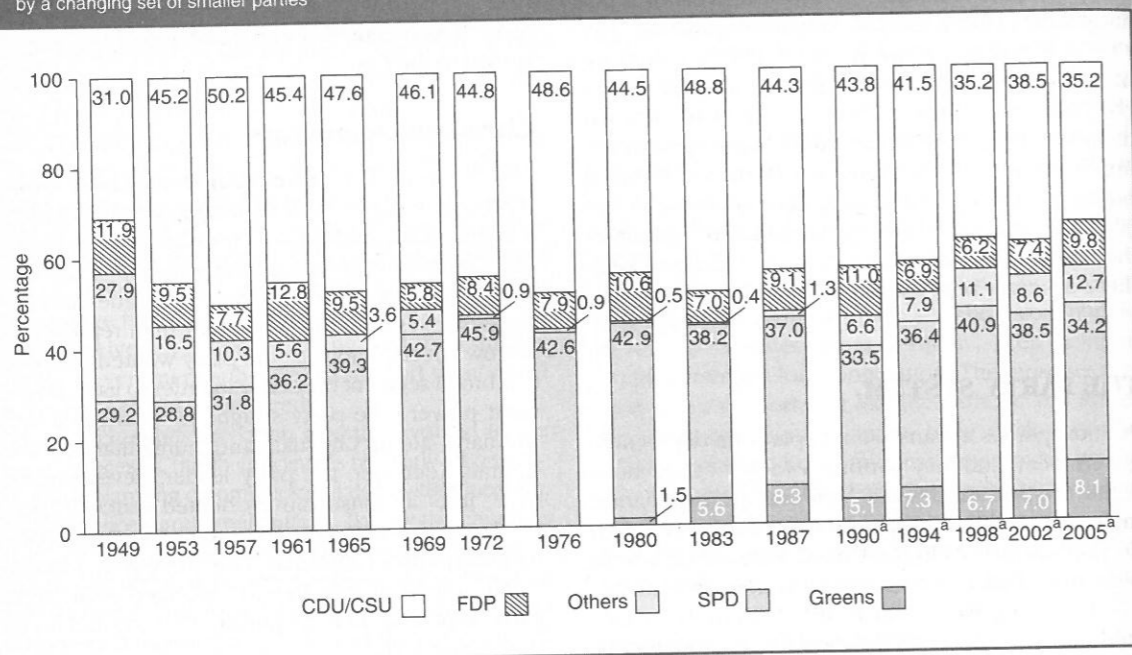
The CDU/CSU's early voting strength allowed the party to control the government, first under Adenauer (1949–1963) and then under Ludwig Erhard (1963–1966), as shown in Table 7.1. In 1966, however, the party lost the support of its coalition partner, the Free Democrats, and formed a Grand Coalition with the Social Democrats. Following the 1969 election, the Social Democrats and Free Democrats formed a new government coalition; for the first time in the history of the FRG, the CDU/CSU was the opposition party.

In the early 1980s, a weakening economic situation increased public support for the party and its conservative policies. In 1982 the Christian Democrats and the Free Democrats formed a new conservative government through the first successful constructive no-confidence vote, which elected Helmut Kohl as

Shares of the Party Vote (Second Vote), 1949–2005

FIGURE 7.5

The multiparty system has the CDU/CSU and SPD as the two largest parties, joined by a changing set of smaller parties



^a1990–2005 percentages combine results from western and eastern Germany.

chancellor. Public support for Kohl's policies returned the governing coalition to power following the 1983 and 1987 elections.

The collapse of the GDR in 1989 provided a historic opportunity for the CDU and Kohl. While others looked on the events with wonder or uncertainty, Kohl embraced the idea of closer ties between the two Germanies. Thus, when the March 1990 GDR election became a referendum in support of German unification, the Christian Democrats were assured of victory because of the party's early commitment to German union. Kohl emerged victorious from the 1990 Bundestag elections, but his government struggled with the policy challenges produced by German unification. The governing coalition lost seats in the 1994 elections, but Kohl retained a slim majority. By the 1998 elections, the accumulation of sixteen years of governing and the special challenges of unification had taken their toll on the party and Helmut Kohl. Many Germans looked for a change. The CDU/CSU fared poorly in the election, especially in the Eastern

Länder, which were frustrated by their persisting second-class status. The CDU's poor showing in the election was a rebuke to Kohl, and he resigned the party leadership.

The CDU made some gains after the election and seemed poised to win several state elections in 1999 and 2000—and then lightning struck. Investigations showed that Kohl had accepted illegal campaign contributions while he was chancellor. Kohl's allies within the CDU were forced to resign, and the party's electoral fortunes suffered. To change its popular image, in 1999 the CDU selected a party leader who was nearly the opposite of Kohl: Angela Merkel.

The CDU/CSU chose Edmund Stoiber, the head of the Christian Social Union, as its chancellor candidate in 2002. Stoiber's campaign stressed the struggling German economy, and the CDU/CSU gained the same vote share as the Social Democrats and nearly as many seats in the Bundestag (see Figure 7.6). However, an SPD-led coalition retained control of the government.

Composition of Coalition Governments

TABLE 7.1

A listing of government parties and chancellors of the Federal Republic

Date Formed	Source of Change	Coalition Partners ^a	Chancellor
September 1949	Election	CDU/CSU, FDP, DP	Adenauer (CDU)
October 1953	Election	CDU/CSU, FDP, DP, G	Adenauer (CDU)
October 1957	Election	CDU/CSU, DP	Adenauer (CDU)
November 1961	Election	CDU/CSU, FDP	Adenauer (CDU)
October 1963	Chancellor retirement	CDU/CSU, FDP	Erhard (CDU)
October 1965	Election	CDU/CSU, FDP	Erhard (CDU)
December 1966	Coalition change	CDU/CSU, SPD	Kiesinger (CDU)
October 1969	Election	SPD, FDP	Brandt (SPD)
December 1972	Election	SPD, FDP	Brandt (SPD)
May 1974	Chancellor retirement	SPD, FDP	Schmidt (SPD)
December 1976	Election	SPD, FDP	Schmidt (SPD)
November 1980	Election	SPD, FDP	Schmidt (SPD)
October 1982	Constructive no-confidence vote	CDU/CSU, FDP	Kohl (CDU)
March 1983	Election	CDU/CSU, FDP	Kohl (CDU)
January 1987	Election	CDU/CSU, FDP	Kohl (CDU)
December 1990	Election	CDU/CSU, FDP	Kohl (CDU)
October 1994	Election	CDU/CSU, FDP	Kohl (CDU)
September 1998	Election	SPD, Greens	Schröder (SPD)
September 2002	Election	SPD, Greens	Schröder (SPD)
September 2005	Election	CDU/CSU, SPD	Merkel (CDU/CSU)

CDU: Christian Democratic Union; CSU: Christian Social Union; DP: German Party; FDP: Free Democratic Party;

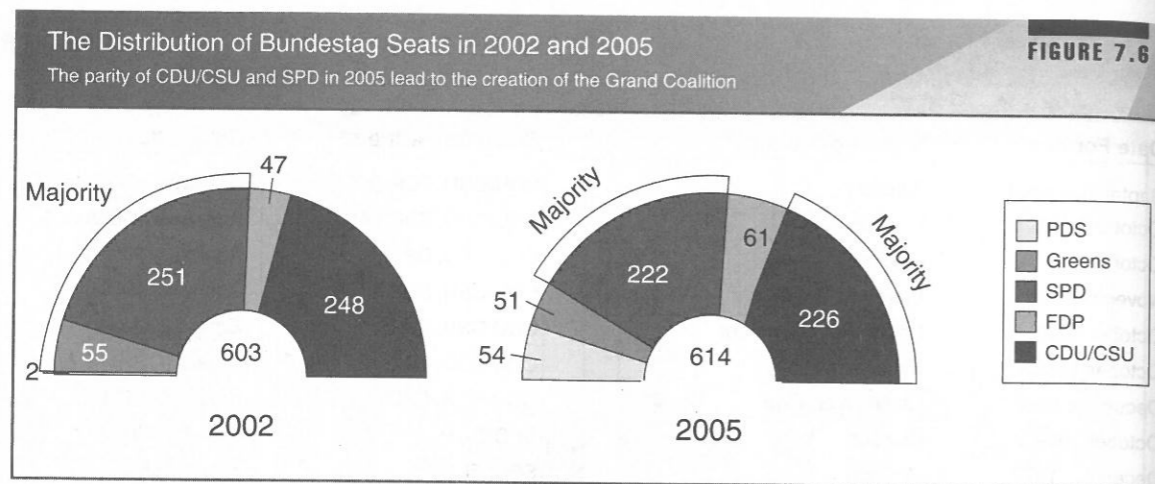
G: All-German Bloc Federation of Expellees and Displaced Persons; SPD: Social Democratic Party.

When early elections were called in 2005, the CDU/CSU selected Merkel as its chancellor candidate. Merkel and the party ran ahead of the SPD throughout the campaign, and most observers expected a CDU victory. But the party, and Merkel, faltered late in the campaign. The election ended as a dead heat between the CDU/CSU and the SPD—and both Merkel and Schröder declared victory. After weeks of negotiation and the exploration of potential coalitions, the CDU/CSU and a Schröder-less SPD agreed to form a Grand Coalition, which was similar to the U.S. Democrats and Republicans sharing control of the government. Government positions, including Cabinet posts, were split between the two parties. It was hoped that this collaboration between the two large parties would enable the government to undertake the difficult reforms needed to reenergize the economy and society. In actuality, the differences in political philosophies

between the two large parties led to limited policy change. Merkel's style of modernization and compromise kept the coalition together, but little more. Thus, many of the challenges the government faced in 2005 will still face the new government elected in 2009.

Social Democrats

The postwar **Social Democratic Party (SPD)** in West Germany was constructed along the lines of the SPD in the Weimar Republic—an ideological party, primarily representing the interests of unions and the working class.³⁹ In the early postwar years, the Social Democrats espoused strict Marxist doctrine and consistently opposed Adenauer's Western-oriented foreign policy. The SPD's image of the nation's future was radically different from that of Adenauer and the Christian Democrats.



The SPD's poor performance in early elections (see again Figure 7.5) generated internal pressures for the party to broaden its electoral appeal. At the 1959 Godesberg party conference, the party renounced its Marxist economic policies and generally moved toward the center on domestic and foreign policies. The party continued to represent working-class interests, but by shedding its ideological banner, the SPD hoped to attract new support from the middle class. The SPD transformed itself into a progressive catchall party that could compete with the Christian Democrats.

An SPD breakthrough finally came in 1966 with the formation of the Grand Coalition (see again Table 7.1). By sharing government control with the CDU/CSU, the SPD decreased public uneasiness about the party's integrity and ability to govern. Political support for the party also grew as the SPD played an active part in resolving the nation's problems.

Following the 1969 election, a new SPD-FDP government formed with Willy Brandt (SPD) as chancellor. After enacting an ambitious range of new policies, a period of economic recession led to Brandt's replacement by Helmut Schmidt in 1974 and a new focus on the faltering economy. The SPD retained government control in the 1976 and 1980 elections, but these were trying times for the party. The SPD and the FDP frequently disagreed on economic policy, and political divisions developed within the SPD.

These policy tensions eventually led to the breakup of the SPD-led government in 1982. Once again in opposition, the SPD faced an identity crisis. In one election it tried to appeal to centrist voters

and in the next election to leftist/Green voters—but neither strategy succeeded. In 1990 the SPD campaign was overtaken by events in the East.

Perhaps no one (except perhaps the Communists) was more surprised than the SPD by the course of events in the GDR in 1989–1990. The SPD had been normalizing relations with the SED as a basis of intra-German cooperation, only to see the SED ousted by the citizenry. The SPD stood by quietly as Kohl spoke of a single German *Vaterland* to crowds of applauding East Germans. The party's poor performance in the 1990 national elections reflected its inability either to lead or to follow the course of the unification process. Germans were frustrated by the nation's policy course after unification; they came to the brink of voting the SPD into office in 1994—and then pulled back.

In 1998 the Social Democrats selected the moderate Gerhard Schröder to be their chancellor candidate. Schröder attracted former CDU/CSU and Free Democratic voters who were dissatisfied with the government's performance. The SPD vote share increased in 1998, and the party formed a new coalition government with the Green Party. Schröder pursued a middle course, balancing the centrist and leftist views existing within the governing coalition. For instance, the government allowed German troops to play an active role in Kosovo and Afghanistan, while mandating the phasing out of nuclear power.

During the 2002 election, Schröder vocally opposed U.S. policy toward Iraq to win support from leftist voters. This strategy succeeded, and the SPD-Green government returned to office with a narrow

majority, but this strained relations between Germany and the United States.

The SPD-Green government was criticized by some for doing too much to reform the economy and by others for not doing enough. As the economy stagnated, the party lost important state elections, and its popularity declined further. Schröder was a gambler, and instead of struggling on until the next election, in early 2005 he called for early elections. At first, few gave him a chance to win—but by the end of the campaign, he had matched Merkel in the final vote tally. This was Schröder's last hurrah, and he left the party to new faces.

The SPD now shares governing responsibilities with the CDU/CSU, with Frank-Walter Steinmeier of the SPD serving as vice chancellor and foreign minister. In 2008 the party selected Steinmeier as its chancellor candidate for 2009. His election would return Germany to many of the policies of the Schröder era, although winning a majority in the election appears to be very difficult. Certainly, he and Merkel would offer distinctly different choices for Germany's future in the election.

Free Democratic Party

Although the **Free Democratic Party (FDP)** is far smaller than the CDU/CSU or the SPD, it has often held enough seats to have a pivotal role in forming a government coalition. This has given the FDP a larger political role than its small size would suggest.

The FDP was initially a strong advocate of private enterprise and drew its support from the Protestant middle class and farmers. Its economic policies made the FDP a natural ally of the CDU/CSU in difficult economic times (see again Table 7.1). Its liberal foreign and social programs have opened the way for coalition with the SPD when these issues dominate the agenda. This led to a coalition with the SPD from 1969 until 1982.

The FDP has generally been a moderating political influence, limiting the leftist leanings of the SPD and the conservative tendencies of the CDU/CSU. This places the party in a precarious position, however, because if it allies itself too closely with either major party, it may lose its political identity. The party struggled with this problem for the past several elections.

In January 2001 Guido Westerwelle became party leader. The party fared poorly in 2002 because of internal divisions, which kept the conservative CDU/CSU-FDP coalition from winning a majority.

After 2005 it became the largest party on the opposition benches. The party's hope is that it will hold the balance of power after the 2009 election and reenter the government to pursue its mix of economic conservatism and social liberalism.

The Greens

The Greens (*Die Grünen*) are literally a party of a different color.⁴⁰ The party addresses a broad range of New Politics issues: opposition to nuclear energy and Germany's military policies, commitment to environmental protection, support for women's rights, and further democratization of society. The party also was synonymous with an unconventional political style. The Greens initially differed so markedly from the established parties that one Green leader described them as the "antiparty party."

The party won its first Bundestag seats in 1983, becoming the first new party to enter parliament since the 1950s. Using this political forum, the Greens campaigned vigorously for an alternative view of politics, such as stronger measures to protect the environment, gender equality, and staunch opposition to nuclear power. The Greens also added a bit of color and spontaneity to the normally staid procedures of the political system. The typical dress for Green deputies was jeans and a sweater, rather than the traditional business attire of the established parties; their desks in parliament often sprouted flowers, rather than folders of official-looking documents. The party's loose and open internal structure stood in sharp contrast to the hierarchic and bureaucratized structure of the established parties. Despite initial concerns about the Greens' impact on the political system, most analysts now agree that the party brought necessary attention to political viewpoints that previously were overlooked.

German unification caught the Greens unprepared. To stress their opposition of Western hegemony, the Western Greens refused to form an electoral alliance with the Eastern Greens in the 1990 elections. The Eastern Greens/Alliance '90 won enough votes to enter the new Bundestag, but the Western Greens fell short of the 5 percent hurdle and won no seats. The Greens' unconventional politics had caught up with them. After this loss the Greens charted a more moderate course for the party. They remained committed to the environment and an alternative agenda, but they tempered the unconventional style and structure of the party. The party reentered the Bundestag in 1994.

By 1998 moderates controlling the Green Party asked voters to support a new Red-Green coalition of SPD and the Greens. This Red-Green coalition received a majority in the election, and for the first time, the Greens became part of the national government. It is difficult to be an outsider when one is inside the establishment, however. The antiparty party struggled to balance its unconventional policies with the new responsibilities of governing—and steadily gave up its unconventional style. For instance, the party supported military intervention into Kosovo, despite its pacifist traditions; it supported tax reform that lowered the highest rates in exchange for a new environmental tax. It pressed for the abolition of nuclear power, but agreed to wait thirty years for this to happen. The Greens ran a 2002 campaign heavily based on the personal appeal of their leader, Joschka Fischer, and their success returned the SPD-Green government to power.

The Greens fared well in 2005, but the coalition math did not include them in the government. And with a new strong rival in the *Die Linke*, their future identity and electoral fortunes have blurred. The Greens have become a conventional party in terms of their style, now pursuing unconventional and reformist policies as a critique of the CDU/CSU-SPD alliance.

Communists to *Die Linke*

The Communist Party was one of the first parties to form in postwar Germany, and its history reflects Germany's two postwar paths. In the West the Communist Party (KPD) suffered because of its identification with the Soviet Union and the GDR. The party garnered a shrinking sliver of the vote in the early elections, and then in 1956 the Constitutional Court banned the KPD because of its undemocratic principles. A reconstituted party began contesting elections again in 1969, but never attracted a significant following.

The situation was obviously different in the East. As World War II was ending, Walter Ulbricht returned to Berlin from exile in Moscow to reorganize the Communist Party in the Soviet military zone. In 1946 the Soviets forced a merger of the Eastern KPD and SPD into a new Socialist Unity Party of Germany (SED), which became the ruling institution in the East. The SED controlled the government apparatus and the electoral process, party agents were integrated into the military command structure, the party supervised the infamous state security police (*Stasi*), and party membership was a prerequisite to positions of

authority and influence. The state controlled East German society, and the SED controlled the state.

The SED's power collapsed in 1989 along with the East German regime. Party membership plummeted, and local party units abolished themselves. The omnipotent party suddenly seemed impotent. To save the party from complete dissolution and to compete in the upcoming democratic elections, the party changed its name to the Party of Democratic Socialism (PDS). The old party guard was ousted from positions of authority, and new moderates took over the leadership.

The PDS has campaigned as the representative of those who opposed the economic and social course of German unity. In the 1990 Bundestag elections, the PDS won 11 percent of the Eastern vote, but captured only 2 percent of the national vote. The PDS was successful in winning Bundestag seats in the 1994 and 1998 elections, but failed to surmount the electoral threshold in 2002.

The PDS suffered in 2002 partly because of internal party divisions and partly because the SPD consciously sought support from former PDS voters. The party's popular leadership was also aging, and the PDS seemed destined to be a regional party of the East. Then the early elections in 2005 prompted a change in party history. Oscar Lafontaine, a former SPD chancellor candidate, orchestrated a coalition of leftist interests in the West, *Die Linke*, and the PDS in the East. This new party drew the support of Western leftists who were disenchanted by Schröder's government and PDS voters from the East. They nearly doubled the PDS vote over the previous election and gained more than fifty Bundestag seats. The party's success precluded the formation of either an SPD-Green or a CDU/CSU-FDP government.

In 2007 the two parties formally merged, and now will compete under the label *Die Linke*.⁴¹ This is likely to inject new ideological debate into the political process and make it more complicated to form a majority coalition in national and state governments.

THE ROLE OF ELECTIONS

The framers of the Basic Law had two goals in mind when they designed the electoral system. One was to create a **proportional representation (PR)** system that allocates legislative seats based on a party's percentage of the popular vote. If a party receives 10 percent of the popular vote, it should receive 10 percent

of the Bundestag seats. Other individuals saw advantages in the system of single-member districts used in Britain and the United States. They thought that this system would avoid the fragmentation of the Weimar party system and ensure some accountability between an electoral district and its representative.

To satisfy both objectives, the FRG created a mixed electoral system. On one part of the ballot, citizens vote for a candidate to represent their district. The candidate with the most votes in each district is elected to parliament.

On a second part of the ballot, voters select a party. These second votes are added nationwide to determine each party's share of the popular vote. A party's proportion of the second vote determines its total representation in the Bundestag. Each party receives additional seats so that its percentage of the combined candidate and party seats equals its percentage of the second votes. These additional seats are distributed to party representatives according to lists prepared by the state parties before the election. Half of the Bundestag members are elected as district representatives and half as party representatives.⁴²

An exception to this PR system is the 5-percent clause, which requires that a party win at least 5 percent of the national vote (or three district seats) to share in the distribution of party-list seats.⁴³ The law aims to withhold representation from the type of small extremist parties that plagued the Weimar Republic. In practice, however, the 5-percent clause handicaps all minor parties and lessens the number of parties represented in the Bundestag.

This mixed system has several consequences for electoral politics. The party-list system gives party leaders substantial influence on who will be elected to parliament by the placement of people on the list. The PR system also ensures fair representation for the smaller parties. The FDP, for example, has won only one direct candidate mandate since 1957 and yet it receives Bundestag seats based on its national share of the vote. In contrast, Britain's district-only system discriminates against small parties; in 2005 the British Liberal Democrats won 22.1 percent of the national vote but less than 10 percent of the parliamentary seats. The German two-vote system also affects campaign strategies. Although most voters cast both their ballots for the same party, the smaller parties encourage supporters of the larger parties to "lend" their second votes to the smaller party. Because of its mixed features, the German system is sometimes described as the ideal compromise in building an electoral system.⁴⁴

The Electoral Connection

Democratic elections are about making policy choices in the form of a future government, and Germans have a rich set of parties and policy programs from which to choose. Think of how the United States would be different if there were some communists and environmentalists elected to the House of Representatives, as well as the two major parties and a traditional European liberal party. One of the essential functions of political parties in a democracy is interest representation, and this is especially clear in the case of Germany elections.

The voting patterns of social groups reflect the ideological and policy differences among parties. Although social differences in voting have gradually narrowed, voting patterns in 2005 reflect the traditional social divisions in German society and politics (see Table 7.2).⁴⁵

The CDU/CSU's electoral coalition draws more voters from the conservative sectors of society, with greater support from seniors, residents of rural areas and small towns, and the middle class. Catholics and those who attend church frequently also give disproportionate support to the party.

The SPD now forms a coalition with the CDU/CSU in the government, but its voter base contrasts with that of the CDU/CSU: A large share of SPD votes comes from nonreligious voters and blue-collar workers, although the middle class provides most of the party's voters. In some ways the SPD has suffered because its traditional voter base—blue-collar workers—has declined in size and it has not established a new political identity that draws a distinct voter clientele.

The Greens' electoral base is heavily drawn from groups that support New Politics movements: the new middle class, the better educated, the nonreligious, and urban voters. A large proportion of Green voters (42.5 percent) are under age 40. However, this youth vote has steadily declined over time, partially because the party and its leadership are aging.

The FDP's voter base in 2005 illustrates the party's ambiguous electoral appeal. The FDP voters still include a high percentage of the self-employed, but for many other characteristics, it mirrors the general population. It no longer clearly appeals to the better educated, Protestants, and urban voters, which were its traditional voter base.

Perhaps the most distinct voter bloc is the Linke/PDS. This is first an East-oriented party, with 46.9

Electoral Coalitions in 2005

Voting patterns show the conservative social base of the CDU/CSU and the liberal base of the SPD, Greens, and Linke

TABLE 7.2

	CDU/CSU	SPD	Greens	FDP	Linke/PDS	Total Public
Region						
West	78.3%	82.3%	84.0%	81.6%	53.2%	81.1%
East	21.7	17.7	16.0	18.4	46.9	18.9
Occupation						
Worker	20.1%	23.8%	19.3%	16.8%	29.7%	22.0%
Self-employed	13.7	4.9	16.1	17.8	9.5	10.7
White-collar/government	66.3	71.3	64.6	65.4	60.8	67.4
Education						
Basic	49.5%	45.0%	28.9%	34.0%	33.3%	42.5%
Medium	30.5	31.4	26.0	43.2	44.9	33.5
Advanced	20.0	23.6	45.3	22.8	21.8	24.0
Religion						
Catholic	44.2%	34.0%	20.4%	35.3%	12.8%	35.3%
Protestant	39.5	45.3	45.3	40.3	32.1	41.4
Other, none	16.3	20.7	34.3	24.3	55.1	24.0
Church Attendance						
Never	24.2%	39.2%	43.6%	35.4%	60.3%	36.2%
Occasionally	53.8	50.1	47.0	51.9	33.3	49.8
Frequently	22.0	10.7	9.4	12.6	6.4	14.0
Size of town						
Less than 50,000	30.0%	21.3%	13.7%	21.8%	26.4%	24.0%
50,001–100,000	24.1	23.7	29.7	23.3	23.7	24.2
100,001–500,000	24.8	24.8	26.4	30.6	25.0	25.9
More than 500,000	21.1	20.1	30.2	24.3	25.0	26.0
Age						
Under 40	28.4%	34.3%	42.5%	37.9%	29.5%	33.4%
40–59	32.9	32.9	36.9	34.5	47.4	34.5
60 and over	38.8	32.7	21.0	27.7	23.1	32.2
Gender						
Male	46.7%	46.8%	47.0%	54.9%	57.1%	47.9%
Female	53.3	53.2	53.0	45.1	42.9	52.3

Note: Some percentages may not total 100 because of rounding.

Source: Comparative Study of Electoral Systems Survey, Germany, Postelection September 2005 conducted by the Bernhard Wessels, Wissenschaftszentrum Berlin für Sozialforschung (weighted N = 2,018).

percent of its vote coming from the East. The PDS's Communist roots also appear in its appeal to blue-collar workers and the nonreligious. The Linke/PDS has the most distinctly male electorate. It is a party for those frustrated with the economic and political path Germany has followed since unification.

In recent elections these social group differences have generally narrowed, as fewer voters make their decisions based on class, religious, or other cues. Instead, more voters are deciding based on their issue opinions or evaluations of the candidates. Yet, the ideology and clientele networks of the parties still

reflect these traditional group bases, so they have a persisting influence on the parties.

PARTY GOVERNMENT

Political parties in Germany deserve special emphasis because they are such important actors in the political process, perhaps even more important than in most other European democracies. Some observers describe the political system as government for the parties, by the parties, and of the parties.

The Basic Law is unusual because it specifically refers to political parties (the U.S. Constitution does not). Because the German Empire and the Third Reich suppressed political parties, the Basic Law guarantees their legitimacy and their right to exist if they accept the principles of democratic government. Parties are also designated as the primary institutions of representative democracy. They act as intermediaries between the public and the government and function as a means for citizen input on policy preferences. The Basic Law takes the additional step of assigning an educational function to the parties, directing them to "take part in forming the political will of the people." In other words, the parties should take the lead and not just respond to public opinion.

The parties' centrality in the political process appears in several ways. There are no direct primaries that would allow the public to select party representatives in Bundestag elections. Instead, a small group of official party members or a committee appointed by the membership nominates the district candidates. State party conventions select the party-list candidates. Thus, the leadership can select list candidates and order them on the list. This power can be used to reward faithful party supporters and discipline party mavericks; placement near the top of a party list virtually ensures election, and low placement carries little chance of a Bundestag seat.

Political parties also dominate the election process. Most voters view the candidates merely as party representatives, rather than as autonomous political figures. Even the district candidates are elected primarily because of their party ties. Bundestag, state, and European election campaigns are financed by the government; the parties receive public funds for each vote they get. The government provides free television time for a limited number of campaign advertisements, and these are allocated to the parties, not the individual candidates. Government funding

for the parties also continues between elections, to help them perform their informational and educational functions as prescribed in the Basic Law.

Once an election is completed, the parties then shift to forming a government. Since no party has a majority, a group of parties with a majority of the votes must agree to form a coalition government. Often such agreements are made before the election, but sometimes they wait until the votes are counted. Because of the closeness of the vote in 2005, it took months for the eventual governing parties to agree on a coalition and the program that the new CDU/CSU–SPD government would follow.

Within the Bundestag, the parties are also central actors. The Bundestag is organized around party groups (*Fraktionen*), rather than individual deputies. The important legislative posts and committee assignments are restricted to members of a party *Fraktion*. The size of a *Fraktion* determines its representation on legislative committees, its share of committee chairs, and its participation in the executive bodies of the legislature. Government funds for legislative and administrative support are distributed to the *Fraktion*, not to the deputies.

Because of these factors, the cohesion of parties within the Bundestag is exceptionally high. Parties caucus before major legislation to decide the party position, and most legislative votes follow strict party lines. This is partially a consequence of a parliamentary system and partially a sign of the pervasive influence parties have throughout the political process.

As a result of these many factors, political parties play a larger role in structuring the political process in Germany (and many other parliamentary systems) than they do in the United States. Parties are more distinctive in their policy positions, more unified in their views, and more decisive in their actions. Representative democracy works largely through and by political parties as the means to connect voters to the decisions of government.

THE POLICYMAKING PROCESS

The policymaking process may begin with any part of society—an interest group, a political leader, an individual citizen, or a government official. These elements interact in making public policy. This makes it difficult to trace the true genesis of any policy idea. Moreover, once a new policy is proposed, other interest groups

and political actors are active in amending, supporting, or opposing the policy.

The pattern of interaction among policy actors varies with time and policy issues. One set of groups is most active on labor issues, and these groups use the methods of influence that are most successful for their cause. A very different set of interests may attempt to affect defense policy and use far different methods of influence. This variety makes it difficult to describe policymaking as a single process, although the institutional framework for enacting policy is relatively uniform in all policy areas.

The growing importance of the European Union has also changed the policymaking process for its member states.⁴⁶ Now, policies made in Brussels often take precedence over German legislation. Laws passed by the German government must conform to EU standards in many areas. The European Court of Justice also has the power to overturn laws passed by the German government. Thus, policymaking is no longer a solely national process.

This section describes the various stages of the policy process and clarifies the balance of power among the institutions of the German government.

Policy Initiation

Most issues reach the policy agenda through the executive branch. One reason for this predominance is that the Cabinet and the ministries manage the affairs of government. They are responsible for preparing the budget, formulating revenue proposals, administering existing policies, and conducting the other routine activities of government. The nature of a parliamentary democracy further strengthens the policymaking influence of the chancellor and the Cabinet. The chancellor is the primary policy spokesperson for the government and for a majority of the Bundestag deputies. In speeches, interviews, and formal policy declarations, she sets the policy agenda for the government. It is the responsibility of the chancellor and Cabinet to propose new legislation to implement the government's policy promises. Interest groups realize the importance of the executive branch, and they generally work with the federal ministries—rather than Bundestag deputies—when they seek new legislation.

The executive branch's predominance means that the Cabinet proposes about two-thirds of the legislation considered by the Bundestag. Thirty members of the Bundestag may jointly introduce a bill, but only about 20 percent of legislative proposals

begin in this manner. Most of the Bundestag's own proposals involve private-member bills or minor issues. State governments also can propose legislation in the Bundesrat, but they do so infrequently.

The Cabinet generally follows a consensual decisionmaking style in setting the government's policy program. Ministers seldom propose legislation that is not expected to receive Cabinet support. The chancellor has a crucial part in ensuring this consensus. The chancellor's office coordinates the legislative proposals drafted by the various ministries. If the chancellor feels that a bill conflicts with the government's stated objectives, she may ask that the proposal be withdrawn or returned to the ministry for restudy and redrafting. If a conflict on policy arises between two ministries, the chancellor may mediate the dispute. Alternatively, interministerial negotiations may resolve the differences. Only in extreme cases is the chancellor unable to resolve such problems; when such stalemates occur, policy conflicts are referred to the full Cabinet.

The chancellor also plays a major role in Cabinet deliberations. The chancellor is a fulcrum, balancing conflicting interests to reach a compromise that the government as a whole can support. This leadership position gives the chancellor substantial influence as she negotiates with Cabinet members. Very seldom does a majority of the Cabinet oppose the chancellor. When the chancellor and Cabinet agree on a legislative proposal, they have a dominant position in the legislative process. Because the Cabinet also represents the majority in the Bundestag, most of its initiatives are eventually enacted into law. In the fifteenth Bundestag (2002–2005), almost 90 percent of the government's proposals became law; in contrast, about 40 percent of the proposals introduced by Bundestag members became law. The government's legislative position is further strengthened by provisions in the Basic Law that limit the Bundestag's authority in fiscal matters. The parliament can revise or amend most legislative proposals. However, it cannot alter the spending or taxation levels of legislation proposed by the Cabinet. Parliament cannot even reallocate expenditures in the budget without the approval of the finance minister and the Cabinet.

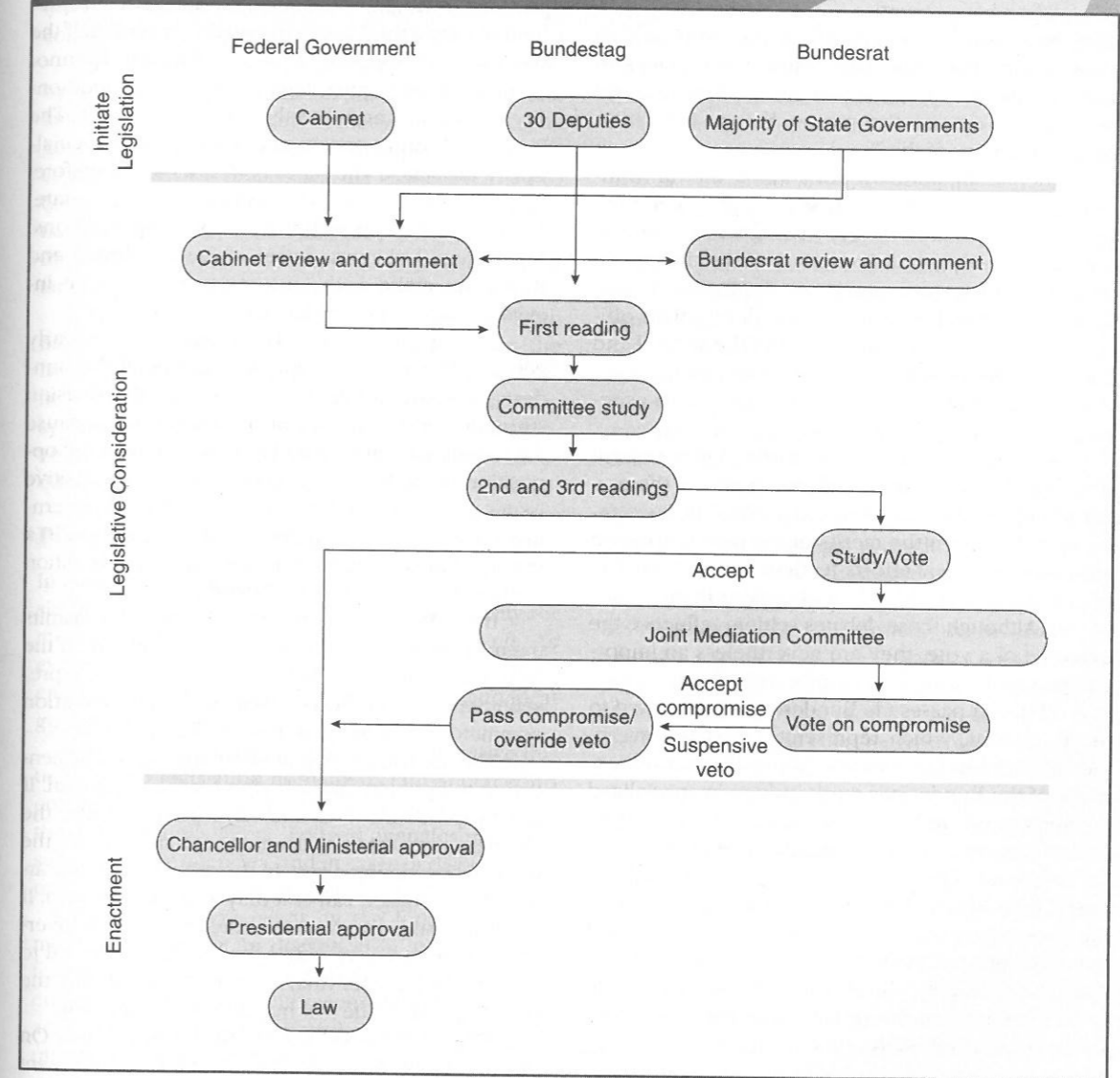
Legislating Policy

When the Cabinet approves a legislative proposal, the government sends it to the Bundesrat for review (see Figure 7.7). After receiving the Bundesrat's comments,

The Legislative Process

This figure describes the steps from the initiation to the passage of new laws

FIGURE 7.7



the Cabinet formally transmits the government's proposal to the Bundestag. The bill receives a first reading, which places it on the agenda of the chamber, and it is assigned to the appropriate committee.

Much of the Bundestag's work takes place in these specialized committees. The committee structure generally follows the divisions of the federal

ministries, such as transportation, defense, labor, or agriculture. Because bills are referred to the committee early in the legislative process, committees have real potential for reviewing and amending their content. Committees evaluate proposals, consult with interest groups, and then submit a revised proposal to the full Bundestag. Research staffs are small, but

committees also use investigative hearings. Government and interest group representatives testify on pending legislation, and committee members themselves often have expertise in their designated policy area. Most committees hold their meetings behind closed doors. The committee system thus provides an opportunity for frank discussions of proposals and negotiations among the parties before legislation reaches the floor of the Bundestag.

When a committee reports a bill, the full Bundestag examines it and discusses any proposed revisions. At this point in the process, however, political positions already are well established. Leaders in the governing parties took part in developing the legislation. The parties have caucused to decide their official position. Major revisions during the second and third readings are infrequent; the government generally is assured of the passage of its proposals as reported out of committee.

Bundestag debate on the merits of government proposals is thus mostly symbolic. It allows the parties to present their views to the public. The successful parties explain the merits of the new legislation and advertise their efforts to their supporters. The opposition parties place their objections in the public record. Although these debates seldom influence the outcome of a vote, they are nevertheless an important part of the Bundestag's information function.

A bill that passes the Bundestag is transmitted to the Bundesrat, which represents the state governments in the policy process. As in the Bundestag, much of the Bundesrat's work is done in specialized committees where bills are scrutinized for both their policy content and their administrative implications for the states. The legislative authority of the Bundesrat equals that of the Bundestag in areas where the states share concurrent powers with the federal government or administer federal policies. In these areas the Bundesrat's approval is necessary for a bill to become law. In the policy areas that do not involve the states directly, such as defense or foreign affairs, Bundesrat approval of legislation is not essential. Historically, about two-thirds of legislative proposals required Bundesrat approval.⁴⁷

The sharing of legislative power between the state and federal governments has mixed political consequences. State leaders can adapt legislation to local and regional needs through their influence on policymaking. This division of power also provides another check in the system of checks and balances. With strong state governments, it is less likely that one

leader or group could control the political process by usurping the national government.

The Bundesrat's voting procedures give disproportionate weight to the smaller states; states representing only a third of the population control half the votes in the Bundesrat. Thus, the Bundesrat cannot claim the same popular legitimacy as the proportionally represented and directly elected Bundestag. The Bundesrat voting system may encourage parochialism by the states. The states vote as a bloc; therefore, they view policy from the perspective of the state, rather than the national interest or party positions. The different electoral bases of the Bundestag and Bundesrat make such tensions over policy an inevitable part of the legislative process.

During most of the 1990s and into the early 2000s, different party coalitions controlled the Bundestag and the Bundesrat. In one sense this division strengthened the power of the legislature because the federal government had to negotiate with the opposition in the Bundesrat, especially on the sensitive issues of German union. However, divided government also prevented necessary new legislation in a variety of areas. The current CDU/CSU-SPD coalition controls both houses of parliament.

If the Bundesrat approves of a bill, it transmits the measure to the chancellor for her signature. If the Bundesrat objects to the Bundestag's bill, the representatives of both bodies meet in a joint mediation committee and attempt to resolve their differences.

The mediation committee submits its recommendation to both legislative bodies for their approval. If the proposal involves the state governments, the Bundesrat may cast an absolute veto and prevent the bill from becoming a law. In the remaining policy areas, the Bundesrat can cast only a suspensive veto. If the Bundestag approves of a measure, it may override a suspensive veto and forward the proposal to the chancellor. The final step in the process is the promulgation of the law by the federal president.

There are several lessons from this process. On the one hand, the executive branch is omnipresent throughout the legislative process. After transmitting the government's proposal to the Bundestag, the federal ministers work in support of the bill. Ministry representatives testify before Bundestag and Bundesrat committees to present their position. Cabinet ministers lobby committee members and influential members of parliament. Ministers may propose amendments or negotiate policy compromises to resolve issues that arise during parliamentary deliberations. Government

representatives may also attend meetings of the joint mediation committee between the Bundestag and Bundesrat; no other nonparliamentary participants are allowed. The importance of the executive branch is common with most parliamentary systems.

On the other hand, despite this large role played by the executive, the German parliament has greater autonomy than most parliamentary legislatures. The government frequently makes compromises and accepts amendments proposed in the legislature. The two houses of parliament often reflect different party coalitions and different political interests, so the government must take these into account. This is especially important for state interests advocated in the Bundesrat.

Thus, the process reflects the autonomy of both branches and the checks and balances that the framers had sought in designing the Federal Republic's institutions. Compared to other parliamentary systems in Europe, the German system gives more voice to competing interests and is more likely to require compromise to enact new legislation.

Policy Administration

In another attempt to diffuse political power, the Basic Law assigned the administrative responsibility for most domestic policies to the state governments. As evidence of the states' administrative role, the states employ more civil servants than the federal and local governments combined.

Because of the delegation of administrative duties, federal legislation normally is fairly detailed to ensure that the actual application of a law matches the government's intent. Federal agencies may also supervise state agencies, and in cases of dispute, they may apply sanctions or seek judicial review.

Despite this oversight by the federal government, the states retain discretion in applying most federal legislation. This is partially because the federal government lacks the resources to follow state actions closely. Federal control of the states also requires Bundesrat support, where claims for states' rights receive a sympathetic hearing. This decentralization of political authority provides additional flexibility for the political system.

Judicial Review

As in the United States, legislation in Germany is subject to judicial review. The Constitutional Court can evaluate the constitutionality of legislation and void laws that violate the provisions of the Basic Law.⁴⁸

Constitutional issues are brought before the court by one of three methods. The most common involves constitutional complaints filed by individual citizens. Individuals may appeal directly to the court when they feel that a government action violates their constitutional rights. More than 90 percent of the cases presented to the court arise from citizens' complaints. Moreover, cases can be filed without paying court costs and without a lawyer. The court is thus like an ombudsman, assuring the average citizen that his or her fundamental rights are protected by the Basic Law and the court.

The Constitutional Court also hears cases based on "concrete" and "abstract" principles of judicial review. Concrete review involves actual court cases that raise constitutional issues and are referred by a lower court to the Constitutional Court. In an abstract review, the court rules on legislation as a legal principle, without reference to an actual case. The federal government, a state government, or one-third of the Bundestag deputies can request review of a law. Groups that fail to block a bill during the legislative process sometimes use this legal procedure. In recent years various groups have challenged the constitutionality of the unification treaty with the GDR (upheld), the abortion reform law (overturned), the involvement of German troops in United Nations peacekeeping roles (upheld), the new citizenship law (upheld), and several other important pieces of legislation. Over the last two decades, the court received an average of two or three such referrals a year.⁴⁹ Judicial review in the abstract expands the constitutional protection of the Basic Law. This directly involves the court in the policy process and may politicize the court as another agent of policymaking.

In recent years the judicial review by the European Court of Justice (ECJ) has added a new dimension to policymaking in Germany and the other EU states.⁵⁰ Petitioners can challenge German legislation that they believe violates provisions of certain EU policies. Hundreds of German laws are reviewed each year, and anticipation of ECJ review also now influences the legislative process of the parliament.

POLICY PERFORMANCE

By most standards, the two Germanies could both boast of their positive records of government performance since their formation. The FRG's economic advances in the 1950s and early 1960s were truly

phenomenal, and the progress in the GDR was nearly as remarkable. By the 1980s the FRG had one of the strongest economies in the world, and other policies improved the education system, increased workers' participation in industrial management, extended social services, and improved environmental quality.

The GDR had its own impressive record of policy accomplishments, even though it lagged behind the West. It developed a network of social programs, some of which were even more extensive than in the West. The GDR was the economic miracle of the Eastern bloc and the strongest economy in COMECON. Unification created new challenges of maintaining the advances in the West and improving conditions in the East.

The integration of two different social and political systems created strains that are still one of Germany's major policy challenges. In addition, the nation faces many of the same policy issues as other European democracies: competing in a global economic system, dealing with the new issues of multiculturalism, and charting a foreign policy course in a changing world. This section describes the present policy programs and outputs of the Federal Republic. Then we discuss the policy challenges currently facing the nation.

The Federal Republic's Policy Record

For Americans who hear politicians rail against "big government" in the United States, the size of the German government gives greater meaning to this term. Over the past half century, the scope of German government has increased both in total public spending and in new policy responsibilities. Today government spending accounts for almost half of the total economy, and government regulations touch many areas of the economy and society. Germans are much more likely than Americans to consider the state responsible for addressing social needs and to support government policy activity. In summary, total public expenditures—federal, state, local, and the social security system—have increased from less than €15 billion in 1950 to €269 billion in 1975 and over €1 trillion for a united Germany in 2006, which is nearly 50 percent of the gross domestic product. That is big government.

Public spending in Germany flows from many different sources. Social security programs are the largest part of public expenditures; however, they are

managed in insurance programs that are separate from the government's normal budget.

In addition, the Basic Law distributes policy responsibilities among the three levels of government. Local authorities provide utilities (electricity, gas, and water), operate the hospitals and public recreation facilities, and administer youth and social assistance programs. The states manage education and cultural policies. They also hold primary responsibility for public security and the administration of justice. The federal government's responsibilities include foreign policy and defense, transportation, and communications. Consequently, public expenditures are distributed fairly evenly over the three levels of government. In 2006 the federal budget's share was 28.3 percent, the state governments spent 25.9 percent, and the local governments spent 15.6 percent (plus the social insurance spending and other miscellaneous programs).

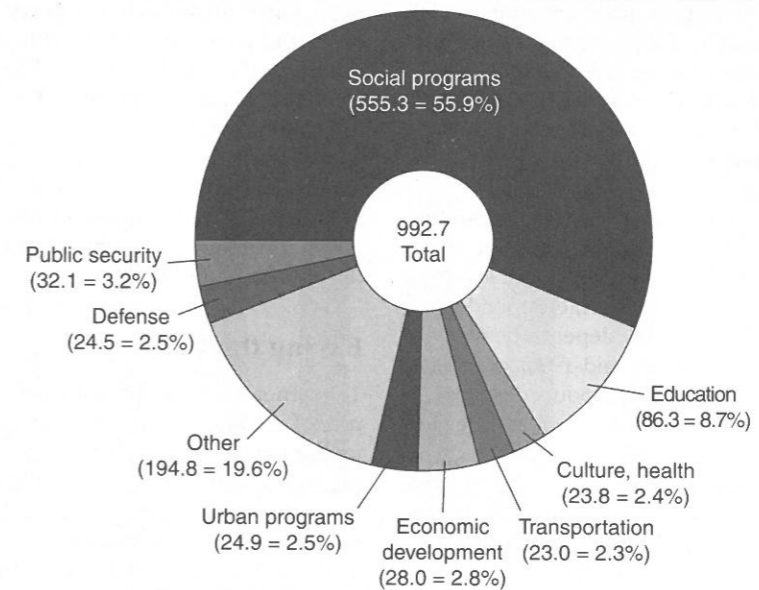
Figure 7.8 describes the activities of government, combining public spending by local, state, and federal governments, as well as the expenditures of the social insurance systems in 2002. Public spending on social programs alone amounted to €555.3 billion, more than was spent on all other government programs combined. Because of these extensive social programs, analysts often describe the Federal Republic as a welfare state—or more precisely, a social services state. A compulsory social insurance system includes nationwide health care, accident insurance, unemployment compensation, and retirement benefits. Other programs provide financial assistance for the needy and individuals who cannot support themselves. Finally, additional programs spread the benefits of the Economic Miracle regardless of need. For instance, the government provides financial assistance to all families with children and has special tax-free savings plans and other savings incentives for the average wage earner. The unemployment program is a typical example of the range of benefits available (see Box 7.4). For much of the FRG's early history, politicians competed to expand the coverage and benefits of such programs. Since the 1980s the government has tried to scale back social programs, but the basic structure of the welfare state has endured.

Unification has put this system (and the federal budget) to an additional test. Unemployment, welfare, and health benefits provided for basic social needs in the East during the difficult economic times following

The Distribution of Total Public Expenditures, 2002 (in € billions)

The largest share of public spending is for various social programs and then education

FIGURE 7.8



Source: *Statistisches Jahrbuch für die Bundesrepublik Deutschland* (Berlin: Statistisches Bundesamt, 2005), p. 565.

unification. However, this effort cost several hundred billion Deutschmarks (DM; now euros) and placed new strains on the political consensus in support of these social programs, as well as the government's ability to provide these benefits (as discussed in the following section).

The federal government is also involved in a range of other policy activities. Education, for example,

is an important concern of all three levels of government, accounting for about one-tenth of all public spending (see again Figure 7.8). The federal government is deeply involved in communications and transportation; it manages public television and radio, as well as owning the railway system.

In recent years the policy agenda has expanded to include new issues; environmental protection is

German Unemployment Benefits

BOX 7.4

An unemployed worker receives insurance payments that provide up to 67 percent of normal pay (60 percent for unmarried workers and those without children) for up to two years. After that, unemployment assistance continues at a reduced rate for a period that depends on one's age. The government pays the social insurance contributions of individuals who are unemployed, and government

labor offices help the unemployed worker find new employment or obtain retraining for a new job. If the worker locates a job in another city, the program partially reimburses travel and moving expenses. These benefits are much more generous than those typically found in the United States and may be a factor in the higher unemployment rate in Germany.

the most visible example. Several indicators of air and water quality show real improvements in recent decades, and Germany has a very ambitious recycling program. The Green Dot system recycles about 80 percent of bottles used in commercial packaging, compared to about 20 percent in the United States. The SPD-Green government developed stronger policies for environmental protection, such as phasing out nuclear power, encouraging renewable energy, and initiating programs to limit global warming.

Defense and foreign relations are also important activities of government. More than for most other European nations, the FRG's economy and security system are based on international interdependence. The Federal Republic's economy depends heavily on exports and foreign trade; in the mid-1990s over one-fourth of the Western labor force produced goods for export, a higher percentage than for most other industrial economies.

The FRG's international economic orientation makes the nation's membership in the European Union (EU) a cornerstone of its economic policy. The FRG was an initial advocate of the EU and has benefited considerably from its EU membership. Free access to a large European market was essential to the success of the Economic Miracle, and it still benefits the FRG's export-oriented economy. Germany's integration into the EU has gradually grown over recent decades, as illustrated by the currency shift from the DM to the euro in 2002. The Federal Republic has also strongly advocated expanding the policy responsibilities and membership of the EU. At the same time, participation in EU decisionmaking gives the Federal Republic an opportunity to influence the course of European politics on a transnational scale.

The Federal Republic is also integrated into the Western military alliance through its membership in the North Atlantic Treaty Organization (NATO). Among the Europeans the Federal Republic makes the largest personnel and financial contributions to NATO forces, and the German public supports the NATO alliance. In the post-Cold War world, however, the threats to Germany's national security no longer come from the Warsaw Pact in the East. This has led to a reduction in overall defense spending to less than 3 percent of total public spending.

Public expenditures show the policy efforts of the government, but the actual results of this spending are more difficult to assess. Most indicators of

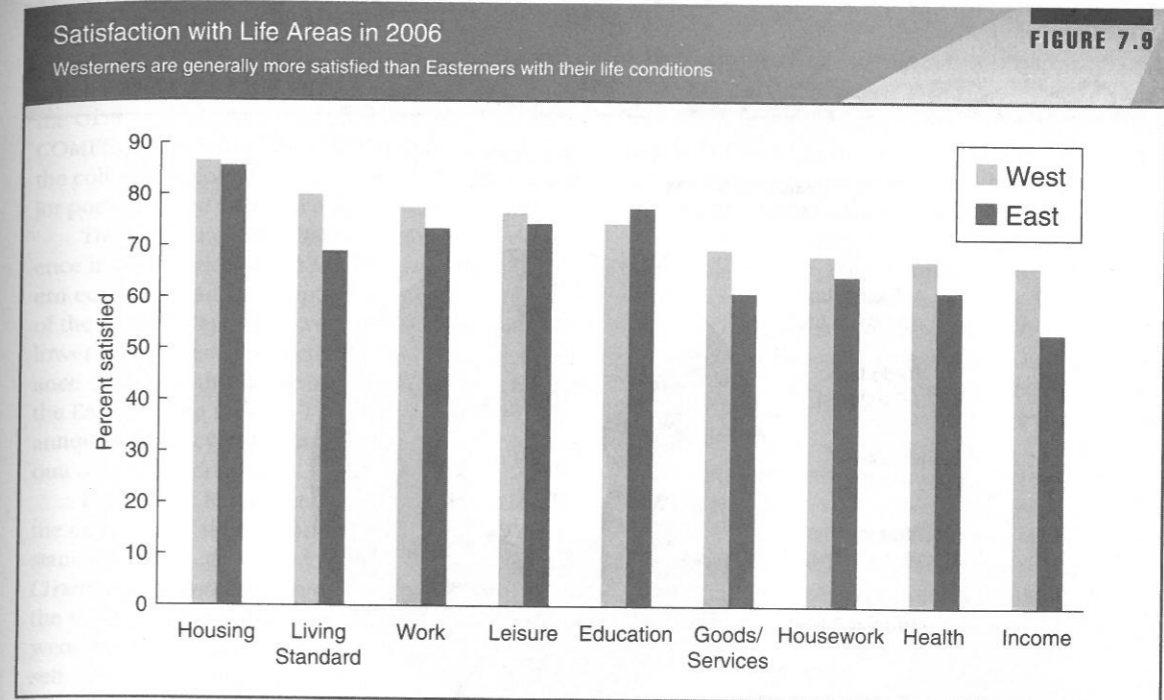
policy performance suggest that the Federal Republic is relatively successful in achieving its policy goals. Standards of living have improved dramatically, and health statistics show similar improvement. Even in new policy areas such as energy and the environment, the government has made real progress. The opinions of the public reflect these policy advances (see Figure 7.9). In 2004 most Westerners were satisfied with most aspects of life that might be linked to government performance: housing, living standards, work, income, and education. Eastern evaluations of their lives lag behind those of the West, but still represent a marked improvement from the years immediately after unification.

Paying the Costs

The generous benefits of government programs are not, of course, due to government largesse. Individual and corporate taxes and financial contributions provide the funds for these programs. Therefore, large government outlays inevitably mean an equally large collection of revenues by the government. These revenues are the real source of government programs.

Three different types of revenue provide the bulk of the resources for public policy programs.⁵¹ Contributions to the social security system represent the largest source of public revenues (see Figure 7.10). The health, unemployment, disability, retirement, and other social security funds are primarily self-financed by employer and employee contributions. For example, contributions to the pension plan amount to about 20 percent of a worker's gross monthly wages; health insurance is about 13 percent of wages; and unemployment is 6.5 percent. The various insurance contributions are divided between contributions from the worker and from the employer.

The next most important source of public revenues is direct taxes—that is, taxes that are directly assessed by the government and paid to a government office. One of the largest portions of public revenues comes from a personal income tax that the federal, state, and local governments share. The rate of personal taxation rises with income level, from a base of 15 percent to a maximum of 45 percent for high-income taxpayers (plus a solidarity surcharge to benefit the East). Even after the recent reforms of the tax rates, the German rates are still significantly higher than those in the United States. Corporate profits are taxed at a lower rate than personal income



Source: Statistisches Bundesamt, ed., *Datenreport 2006* (Berlin: Bundeszentrale für politische Bildung, 2006), pp. 443–444.

to encourage businesses to reinvest their profits in further growth.

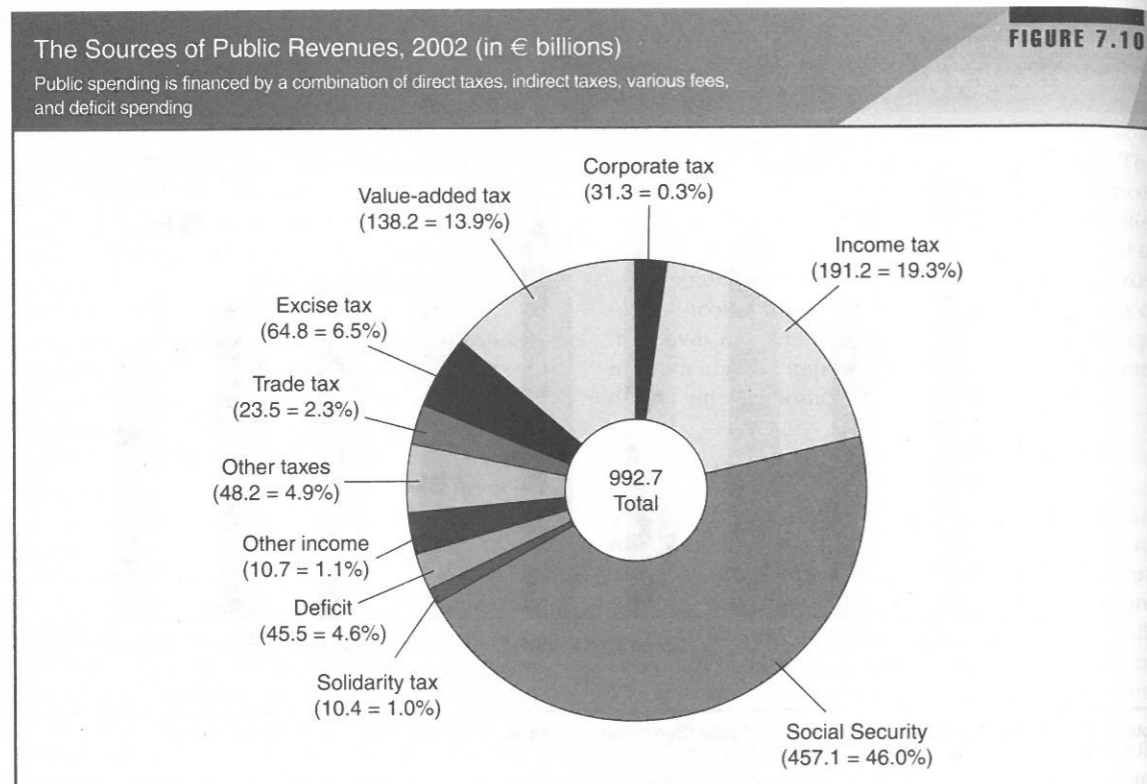
The third major source of government revenues is indirect taxes. Like sales and excise taxes, indirect taxes are based on the use of income, rather than on wages and profits. The most common and lucrative indirect tax is the **value-added tax (VAT)**—a charge that is added at every stage in the manufacturing process and increases the value of a product. The standard VAT is 19 percent for most goods and 7 percent for basic commodities such as food. Other indirect taxes include customs duties and liquor and tobacco taxes. In 1999 the government introduced a new energy tax on the use of energy to create incentives for conservation and to provide additional government revenue. Altogether, indirect taxes account for about two-fifths of all public revenues. Indirect taxes—one of the secrets to the dramatic growth of government revenues—are normally “hidden” in the price of an item, rather than explicitly listed as a tax. In this way people are not reminded that they are paying taxes every time they purchase a product; it is also easier for policymakers to raise

indirect taxes without evoking public awareness and opposition. Indirect taxes are regressive, however; they weigh more heavily on low-income families because a larger share of their income goes for consumer goods.

The average German obviously has deep pockets to fund the extensive variety of public policy programs; U.S. taxation levels look quite modest by comparison. On average German workers pay about half of their income for taxes and social security contributions, compared with a rate of about 40 percent in the United States.

Even with these various revenue sources, public expenditures repeatedly have exceeded public revenues in recent years. To finance this deficit, the government draws on another source of “revenue”—loans and public borrowing—to maintain the level of government services. The costs of unification inevitably increased the flow of red ink. A full accounting of public spending would show deficits averaging more than €50 billion a year since union.

The German taxpayer seems to contribute an excessive amount to the public coffers, and Germans are



Source: *Statistisches Jahrbuch für die Bundesrepublik Deutschland* (Berlin: Statistisches Bundesamt, 2005), p. 571.

no more eager than other nationalities to pay taxes. Yet, the current CDU/CSU–SPD government has further decreased corporate taxes, while raising income taxes on the highest earners. Still, the question is not how much citizens pay, but how much value is returned for their payments. In addition to normal government activities, Germans are protected against sickness, unemployment, and disability; government pension plans furnish livable retirement incomes. Moreover, the majority of the public expects the government to take an active role in providing for the needs of society and its citizens.

ADDRESSING THE POLICY CHALLENGES

The last decade has been a time of tremendous policy change and innovation for the Federal Republic as it has adjusted to its new domestic and foreign policy circumstances. While a government faces policy needs in

many areas, we discuss three prominent issues. The first is to accommodate the remaining problems flowing from German unification. The second is to reform the German economic and social systems. And the third is to define a new international role for Germany.

The Problems of Unification

Some of the major policy challenges facing contemporary Germany flow from the unification of East and West. Most observers were surprised by the sudden and dramatic collapse of the East German economic and social systems in the wake of the November 1989 revolution. During the first half of 1990, for instance, the gross domestic product of the GDR decreased by nearly 5 percent, unemployment skyrocketed, and industrial production fell off by nearly 60 percent.⁵²

The most immediate economic challenge after unification was the need to rebuild the economy of the East, integrating Eastern workers and companies

into the West's social market economy. The GDR's impressive growth statistics and production figures often papered over a decaying economic infrastructure and outdated manufacturing facilities. Similarly, the GDR was heavily dependent on trade with other COMECON nations. When COMECON ended with the collapse of communism in Eastern Europe, a major portion of the GDR's economy was destroyed.

The Currency Union in July 1990 was an experience in "cold turkey capitalism"—overnight the Eastern economy had to accept the economic standards of the Federal Republic. Even with salaries one-third lower in the East, productivity was still out of balance. Matching the Western economy against that of the East was like racing a Porsche against the GDR's antiquated two-cylinder Trabant—a race in which the outcome is foreordained.

The Federal Republic took several steps to rebuild the economy of the East and then raise it to Western standards. The government-directed Trust Agency (*Treuhandanstalt*) privatized the 8,000 plus firms that the GDR government had owned. All of these firms were sold off or closed by 1994, when the *Treuhand* itself was disbanded. However, privatization did not generate capital for investment as had been planned, and disputes about property ownership further slowed the pace of development. The sale of the GDR's economic infrastructure generated a net loss for the nation.

German unification had multiple economic by-products. The high levels of unemployment placed great demands on the Federal Republic's social welfare programs. Unemployed Eastern workers drew unemployment compensation, retraining benefits, and relocation allowances—without having made prior contributions to these social insurance systems. The FRG also took over the pensions and health insurance benefits of Easterners. The government spent massive amounts: from rebuilding the highway and railway systems of the East, to upgrading the telephone system, to moving the capital from Bonn to Berlin. In 1991, for example, the combined payments to the new Länder from official sources amounted to DM 113 billion (almost DM 7,000 per capita); this was more than twice Poland's per capita disposable income for the same year.⁵³ Even today, roughly 4 percent of the gross domestic product is transferred to the East.

Economic progress is being made. Recent economic growth rates in the East often exceed those in the Western states by a comfortable margin. However, the East-West gap is still wide. Unemployment rates in

the East are still more than double the rates in the West, and even after years of investment, productivity in the East still lags markedly behind that of the West. Although standards of living in the East have rapidly improved since the early 1990s, they remain significantly below Western standards. Furthermore, even if the Eastern economy grows at double the rate of the West, it will take decades to reach full equality.

German unification also creates new noneconomic challenges. For example, the GDR had model environmental laws, but these laws were not enforced. Consequently, many areas of the East resembled an environmentalist's nightmare: Untreated toxic wastes from industry were dumped into rivers, emissions from power plants poisoned the air, and many cities lacked sewage treatment plants. The unification treaty called for raising the environmental quality of the East to Western standards. The cost of correcting the GDR's environmental legacy competes against economic development projects for government funding. Thus, unification intensified the political debate on the trade-offs between economic development and environmental protection.

Thus, despite the real progress that has been made since 1990, a real policy gap still exists between West and East. At the same time, Germans still pay an extra "solidarity surcharge" on their income tax that funds part of the Eastern reconstruction. Equalizing living conditions across regions remains a national goal, but it is a goal that will demand continuing resources and take decades more to accomplish.

Reforming the Welfare State

The *Wirtschaftswunder* (Economic Miracle) is a central part of the Federal Republic's modern history—but these miraculous times are now in the distant past. Contemporary Germany faces a series of new problems as its economy and social programs strain to adjust to a new global economic system.

For instance, business interests repeatedly criticize the uncompetitiveness of the German economy in a global economy. Labor costs are higher than in many other European nations and dramatically higher than labor costs in Eastern Europe and other regions. The generous benefits from liberal social services programs come at a cost in terms of employee and employer contributions. Other regulations impede the creation of new jobs or temporary employment. A recent report claimed that some German firms are mired

in a spider web of government bureaucracy; they must provide sixty-two different datasets to government offices, file seventy-eight reports for social insurance, supply another sixty forms for tax purposes, and complete no less than 111 more to comply with labor laws. Thus, German unemployment remains relatively high, productivity has not grown as rapidly as experts might expect, and Germany faces pressures to change these public policies.

A related issue is the economic viability of Germany's social service programs. A rapidly aging population means that the demand for health care and pension benefits will steadily increase over time, but there are fewer employed workers to contribute to social insurance programs. For instance, in the 1950s there were roughly four employees for every person receiving a pension; by 2010 there will be fewer than two employees for every pensioner. Similar demographic issues face Germany's other social programs. As the population ages, health care costs have also increased.

The Schröder government commissioned a series of studies and blue-ribbon commissions to formulate policy reforms. In 2004 the government enacted a new reform program known as Agenda 2010. One set of measures reformed the labor market by easing employment rules, reducing the nonwage labor costs, and reforming the unemployment system. A second set of reforms reduced benefits in the pension and health care systems. The third set of reforms was to restructure the tax system.

While these reforms moved in a positive direction, many experts claimed that more was needed. The economy stagnated during Schröder's second term, which contributed to the government's loss in the 2005 elections. The economy began to grow in 2005, partially as a result of earlier reforms. The gross domestic product increased by 10 percent from 2005 to 2008, and unemployment edged downward.

Many analysts hoped the Grand Coalition of CDU/CSU and SPD would undertake a new round of reforms that would be even more far-reaching and reap even greater returns. However, Merkel has pursued a cautious course. Modest economic and social services reforms changed policies at the margins without dealing with the fundamental policy challenges. Then the German economy suffered as part of the global recession that began in 2008. The immediate economic priorities took precedence over longer term economic reforms. In addition, the citizens and

the elites lack a political consensus on what policies are most desirable. Thus, these policy challenges will still face the new German government that forms after the 2009 Bundestag elections.

A New World Role

Paralleling its domestic policy challenges, the new Germany is redefining its international identity and its foreign policy goals. The Federal Republic's role in international politics is linked to its participation in the NATO alliance and the European Union. Both relationships are changing because of German unity.

In mid-1990 Russia agreed to continued German membership in NATO in return for concessions on the reduction of combined German troop levels; the definition of the GDR territory as a nuclear-free zone; and Germany's continued abstention from the development or use of atomic, biological, and chemical weapons. With unification, Germany became a fully sovereign nation and now seeks its own role in international affairs.

The new Germany will likely play a different military and strategic role because of these agreements and the changing international context. NATO existed as a bulwark of the Western defense against the Soviet threat; the decline of this threat will lessen the military role of the alliance. Moreover, Germany wants to be an active advocate for peace within Europe, developing its role as a bridge between East and West. The Federal Republic thus was among the strongest proponents of the recent expansion of EU membership to several East European nations.

The new Germany is also assuming a larger responsibility in international disputes outside the NATO region. In 1993 the Constitutional Court interpreted the Basic Law to allow German troops to serve outside of Europe as part of international peacekeeping activities. In 1998 Schröder survived a no-confidence vote on sending German soldiers into former Yugoslavia, which changed the course of German foreign policy. In mid-2008 German troops served in twelve nations as part of international peacekeeping efforts.

After Schröder's disagreements with the United States over the Iraq war, Merkel worked to restore Germany's relationship with the United States. Even in the case of Iraq, Germany assists the reconstruction through training and support programs that do not require a military presence in Iraq. There may be more disagreements between Merkel and her

SPD foreign minister Frank-Walter Steinmeier than between her and American foreign policy. But regardless of the outcome of the 2009 election, the Federal Republic will likely exercise a more independent foreign policy, within a framework of partnership with its allies.

Unification is also reshaping the Federal Republic's relationship to the European Union.⁵⁴ The new Germany outweighs the other EU members in both its population and its gross national product; thus, the parity that underlies the consensual nature of the EU will change. Germany has been a strong advocate of the EU, but this has sometimes made other Western members uneasy. For instance, Germany had pushed for the eastward expansion of the EU and strongly supported the euro, while other nations favor a slower course. And now with the new EU constitution on hold and difficult issues of further expansion of EU membership on the table, the debates on the future of the EU will intensify. At the least, it is clear that a united Germany will approach the process of European integration based on a different calculus than that which guided its actions for the previous forty years.

AFTER THE REVOLUTION

Revolutions are unsettling, both to the participants and to the spectators. Such is the case with the German revolution of 1989. Easterners realized their hopes for freedom, but they also have seen their everyday lives change before their eyes, sometimes in distressing ways. Westerners saw their hopes for German union

and a new peace in Europe answered, but at a substantial political and economic cost to the nation. The Federal Republic is now forging a new social and political identity that will shape its domestic and international policies. Many Germans on both sides of the former border are hopeful about, but still uncertain of, what the future holds for their nation. The Federal Republic's neighbors wonder what role the new Germany will play in European and international affairs. Addressing these questions will test the strength of the Federal Republic and its new residents in the East.

Unification has clearly presented new social, political, and economic challenges for the nation. One cannot merge two such different systems without experiencing problems. However, these strains were magnified by the inability or unwillingness of elites to state the problems honestly and to deal with them in a forthright manner. As seen in the 2005 elections, Germans are divided on the direction they want the government to follow. To make further progress, Germany must reforge the social and political consensus that was a foundation for the Federal Republic's past accomplishments.

Unification has created a new German state linked to Western political values and social norms. Equally important, unity was achieved through a peaceful revolution (and the power of the DM), not blood and iron. The trials of the unification process are testing the public's commitment to these values. The government's ability to show citizens in the East that democracy and the social market economy can improve the quality of their lives is the best way to consolidate the political gains of unification and to move the nation's social development forward.

KEY TERMS

Adenauer, Konrad	Christian Social Union (CSU)	Constitutional Court	federal president (<i>Bundespräsident</i>)
Basic Law (<i>Grundgesetz</i>)	citizen action groups (<i>Bürgerinitiativen</i>)	constructive no-confidence vote	Federal Republic of Germany (FRG)
Bundesrat (Federal Council)	codetermination (<i>Mitbestimmung</i>)	Economic Miracle (<i>Wirtschaftswunder</i>)	Federation of German Industry (BDI)
Bundestag (Federal Diet)	Confederation of German Employers' Associations (BDA)	European Union (EU)	Free Democratic Party (FDP)
Christian Democratic Union (CDU)		federal chancellor (<i>Bundeskanzler</i>)	

German Democratic Republic (GDR)
 German Federation of Trade Unions (DGB)
 The Greens
 guest workers (*Gastarbeiter*)
 Hitler, Adolf

Kaiser
 Kohl, Helmut
Die Linke
 Merkel, Angela
 National Socialist German Workers' Party (the Nazis)
 neocorporatism

New Politics
 Ostpolitik
 Party of Democratic Socialism (PDS)
 peak association
 proportional representation (PR)
 Republikaner (REP)

Schröder, Gerhard
 Social Democratic Party (SPD)
 Socialist Unity Party (SED)
 Third Reich
 value-added tax (VAT)
 Weimar Republic

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INTERNET RESOURCES

Bundestag: www.bundestag.de

Federal government: www.bundesregierung.de

German Information Center: www.germany-info.org

Politics in Germany (online textbook edition): www.socsci.uci.edu/~rdalton/Pgermany.htm

ENDNOTES

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38. The Republikaner and other small right-wing parties have not won Bundestag seats, but they have won seats at the state and local levels. See Hans-Joachim Veen, Norbert Lepszy, and Peter Mních, *Die Republikaner Party in Germany: Right-Wing Menace or Protest Catchall?* (Westport, CT: Praeger, 1993); and Pietro Ignazi, *Extreme Right Parties in Western Europe* (Oxford, England: Oxford University Press, 2006).
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42. If a party wins more district seats in a state than it should have based on its proportion of the second vote, the party is allowed to keep the additional seats and the size of the Bundestag is increased. In 2005 the actual Bundestag membership was 614.
43. A party that wins at least three district seats also shares in the PR distribution of seats. In 1994 and 1998, the PDS won four district seats in East Berlin, which earned it additional seats through the PR distribution. In 2002 the PDS won only two district seats.
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