

Introduction & Business Problem

Background:

Germany constitutes of 16 federal states. Each state has its own constitution. Germany has a social market economy with a highly skilled labour force and has the largest national economy in Europe which is also the world's fourth largest by nominal GDP. Germany is part of the European single market which represents more than 450 million consumers.

Problem:

The limitation of GDP as a measure of a country's quality of life or well-being of the society has been a subject of considerable debate over. We will observe how the GDP has an effect on the Human Development Index.

Historically, a 1 percent decrease in GDP has been associated with a slightly less than 2-percentage-point increase in the unemployment rate. The observation that GDP growth changes the unemployment rate will be studied in this project.